



SEEKING LEGAL ADVICE

It is advised that tenants looking to accept a landlord's offer to buy the freehold should seek independent legal advice. This will ensure that no aspects of the offer are overlooked. In some instances, there are terms within the offer that may be overlooked. These can include responsibilities of costs, such as covering the seller's legal costs and associated fees on top of the cost of the freehold.



WHAT HAPPENS IF THE 5A OFFER IS NOT ACCEPTED?



If the qualifying tenants do not accept the landlord's offer within the two month period the landlord is free to sell the freehold to a third party within the next 12 months, but at no less than the figure offered in the offer notice.



THE SECTION 5B NOTICE

Where the landlord intends to dispose by auction, the notice must be served between four and six months before the date of the auction. The notice must include the following information:



The principal terms of the proposed disposal, the property and the interest. However, there will be no price or deposit mentioned (nor is the landlord required to divulge the reserve price);



That the disposal is to be by public auction;



That the notice is an offer by the landlord for the contract (if any) entered into by the landlord at the auction with the purchaser, to have effect as if the nominated person had entered into it;



The initial period for acceptance of at least two months. This initial period must end at least two months before the date of the auction; and



A further period of 28 days for the nomination of a purchaser (note, not two months, as in S5A notice). This period must end at least 28 days before the date of the auction.

