

Information about the management of Maybury Court

Introduction

In contrast to most leasehold flats, it is the leaseholders rather than the freeholder who control the management of the block. Each flat owner is a shareholder of the management company (Maybury Court (Marylebone) Limited) and elects the board of directors. The board of the management company in turn appoint a managing agent, currently Jeremy James & Co, to carry out the day-to-day management. Jeremy James & Co are located just round the corner in New Cavendish Street and can be contacted on 0207 486 4111 or via email at jjandco@jeremy-james.co.uk.

Governance of the management company

The management company is governed by the rules set out in the Articles of Association and while the purpose of the company is set out in the Memorandum of Association (link to pdf of these documents). All directors must be shareholders, and hence flat owners, and there must be at least one director and no more than six. There are currently five directors, Tony Grimes, Jennifer Kidd, Ashwin Shah, Melanie Goody and Paul Toms. The annual general meeting (AGM) is normally held in October at the Hellenic Centre in Paddington Street. To see the minutes of recent meetings go to <http://www.mayburycourt.co.uk>, then follow the “useful documents to download” link, and the link is at the bottom of the screen. You will need to have the password to access the page. Contact Alistair via email at alistair@maybury.plus.com to obtain this.

Rights and responsibilities of leaseholders

These are set out in your lease (link to copy of lease). Free advice about your rights and responsibilities as a leaseholder can be obtained from the Lease Advisory service which has a good website <http://www.lease-advice.org/newintro.htm>

Service charges

Service charges fall due on 25 March and 29 September. The service charge and major works sinking fund are levied in two equal installments while ground rent and buildings insurance are payable in a single installment in March. Note that interest is charged if service charge is not paid by the due date.

Each flat pays one-sixty-eighth of costs and expenses incurred by the management company and one sixty-eighth of the buildings insurance. The list of costs and expenses which the management company can recoup from leaseholders is set out in the Seventh schedule of the lease (see pages 37-39). Leaseholders are sent an audited set of accounts in advance of the AGM (see link to 2006/7 accounts).

Freehold and lease extensions

The leases of the flats in Maybury Court expire on 14 March 2062 at which point the flats revert to the freeholder, currently the Howard De Walden Estate. In January 2004 a group of leaseholders led by Alistair Barr initiated the process of exercising our statutory right to buy the freehold from the Howard De Walden Estate. Forty-four of the sixty-eight flats decided to join this endeavour. Unfortunately the process has

been very drawn out because it became a major test case. Alistair Barr provides the owners of the participating flats with regular email updates on progress. For further information contact Alistair Barr via email at alistair@maybury.plus.com

Once the purchase of the freehold has been completed each of the forty-four participants will own a share in the freehold. The remaining twenty-four flats will not be affected by the change in ownership of the freehold. They will retain their share in the management company which enables them to control the management of the block. In addition, the non-participating flats retain their statutory right to purchase a 90-year lease extension (subject to a two year ownership qualification) from the new freeholder. For more information on the process of buying a 90-year lease extension see the website of the Lease Advisory Service <http://www.lease-advice.org/newintro.htm>

The Lease Advisory Service provides free advice including free valuations. The valuation given by the Lease Advisory Service should be treated as a ballpark estimate rather than a precise valuation. To get a free valuation you need to provide them with the following information:

Underlease expires: 14 March 2062

Headlease expires: 24 March 2062

Ground rent: £100 per annum rising to £200 in March 2017, to £400 in March 2032 and to £800 in March 2047

Valuation date:

Current lease value: You can use the price of recently sold flats as a guide. These can be looked up on a number of property web sites, though it takes a few months for the sales information to get onto Land Registry and then onto these sites.

<http://www.houseprices.co.uk/e.php?q=maybury+street+city+westminster&n=10>

Relativity: The Leasehold Valuation Tribunal (LVT) used a relativity of 81.4% in its 2004 decision on Maybury Court. However, the relativity used is subject to appeal to the Lands Tribunal with Howard De Walden arguing for 78.8% and Maybury Court arguing for 84.7%.

Capitalisation rate: (Rate at which ground rent is capitalised) 7% (as set in the 2004 Maybury Court LVT)

Deferment rate: 5% (as set in the Landmark Sportelli case)

Note that when exercising the right to buy a 90-year lease extension one also has to pay the landlord's legal and valuation fees and potentially stamp duty.

The following links are available from the Maybury Court website (<http://www.mayburycourt.co.uk>) on the freehold page (follow the "freehold" link on the left of the home page).

Link to pdf of 2004 LVT decision on Maybury Court:

Link to Lands Tribunal decision on Maybury Court (Sportelli)