

LEASEHOLD TO FREEHOLD

Do you have a house erected on a leasehold land? You can convert your title deed to freehold land if the original title on which your house is erected was freehold title.

Your house could have been built on leasehold land in this way.

Your Developer would have had freehold land. He wants to develop the land into a housing scheme. He applies to the state to convert the land into building land and to subdivide the land into individual housing lots. The state approves the application for conversion and subdivision but imposes a condition that the subdivided titles will be leasehold title and not freehold titles. Developer accepts this condition and erects the houses on what has now become leasehold land.

In one case, many years after the houses were built, some house owners sought our advice on whether the issue of their leasehold title deeds was lawful.

This matter was contested in court. This was the first time a challenge on this issue was mounted and the house owners were successful. The court decided that it was both ultra vires and unconstitutional to issue leasehold titles in place of freehold titles upon conversion and subdivision of freehold land.

There is a lot of difference between leasehold lands and freehold lands. One is 99 years; the other is 999 years or in perpetuity. A leasehold property is a depreciating asset. Freehold property appreciates in value over time. So, get your title deeds converted, if you qualify.

Dated this 18th day of January 2021.

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