

Havebury
Housing Partnership



Extending your lease

A guide on how to extend your lease.



If you are considering **extending your lease**, there are steps you will need to take.

It is important to note that you:

- **Have been the owner, or lessee, of the leased property for a period of at least two years.**
 - **If you own a shared ownership home, you will need to own 100% of the property.**
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More about lease extensions

This guide will outline the process involved if you are looking into the possibility of extending your lease.

We advise you to get your own legal advice and instruct a solicitor to guide you through the process.

It is often the case that the less time left on the lease, the less valuable the property becomes. Because of this, the law gives you, as a leaseholder, the right to extend your lease.

You could add 90 years to what is left on the existing lease and the inclusion of a 'peppercorn rent' to the unexpired term. A peppercorn rent means no ground rent is paid after the lease is extended. You will still be liable to continue to pay service charges.

We follow the formal (statutory process) for lease extensions.

How do I start the process?

Once you have sought legal advice and confirmed that you are eligible to extend your lease, you will need to serve us notice to confirm you want to start the process.

The notice is referred to as a Section 42 notice, and usually, your solicitor would serve it. The notice can be a letter or an email and must contain the following details:

- Your full name and address of the leasehold property.
- Evidence of your ownership of the lease (usually, this would be with a copy of the original lease or formal transfer document if you're not the original lessee).
- Your proposed premium to pay for the lease extension (you would usually ascertain this by obtaining a valuation).
- Any terms you would like considered within the extended lease.
- The name of your solicitor who will act for you in your application to extend your lease.
- The date the counter-notice (our notice in response) is to be served. The date must be at least two months after your notice is served.

You can send the email with this information to - **homeownership@havebury.com**, or you can write to us at:

The Home Ownership team
Havebury Housing Partnership
Havebury House
Western Way
Bury St Edmunds
Suffolk IP33 3SP

What happens next?

We initially have 21 days to ask you for further evidence of ownership if required. You would have 21 days to give more information.

We have two months from the date of your notice to serve the counter-notice. During this time, we will also need to arrange to complete a valuation on your home. It will be down to you to pay our surveyors fees.

Once the counter-notice is served on your solicitor, there is time for negotiations. This is usually between the surveyors who completed the valuations to agree on the premium you will pay to extend your lease.

Once you have served the Section 42 notice, you will become liable to pay for our costs (as well as your own). You will also be required to pay a deposit within 14 days. This may be 10% of the premium you proposed in your notice or £250, whichever is more.

If you decide to withdraw your application, you will be required to meet costs up to the point you cancel the process.

When we serve the counter-notice, it will either be to:

- Admit your claim, and specify which proposals we agree to.
- Not admit your claim and give reasons for this.
- Refuse to grant the lease extension if there are proposals to redevelop the area/building where you live. (Where the remaining lease period is less than five years from the date of your notice).

If we do not serve a valid counter-notice, you would be entitled to apply to the court for an order to grant a new lease on the terms proposed in your Section 42 notice.

Once an agreement is reached, extending your lease can take between three-six months.

What costs should I consider?

There will be various costs you will need to consider:

- **Valuation fees** - a qualified RICS (Royal Institute of Chartered Surveyors) surveyor is required to assess the premium you would pay to extend your lease. Two independent valuations are required, one appointed by us and another by you. You will be required to pay for both of the valuation fees.
- **Legal fees** - it is advisable to use a solicitor to deal with the process, so you will have legal costs to pay. You will also be required to pay our legal costs.
- **Premium** - This is what you will pay us once we have assessed your application, and it will be agreed upon through the valuation process.



Shared ownership

Would you like a copy in large print, on audio or a translation?

To receive this information in large print, on audio or a translation, please call **0300 3300 900**.

Współwłasność. Czy potrzebujesz egzemplarza o większym rozmiarze, na nośniku audio lub tłumaczenia? Aby otrzymać tę informację na egzemplarzu o większym rozmiarze, na nośniku audio lub tłumaczenia, zadzwoń: 0300 3300 900

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propriedade compartilhada. Precisa deste documento num formato de impressão maior, em áudio ou traduzido? Ligue para o 0300 3300 900 se quiser receber esta informação num formato de impressão maior, em áudio ou traduzido.

Respect. Engage. Fair

Lease advice

You can also visit the Leasehold Advisory Service website, which contains some useful details that may help you. The section regarding lease extensions can be found [here](#).

Havebury Housing Partnership

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