

Fact Sheet

Extending the lease of your flat

How do I find out about my present Lease?

When you first bought your flat, your solicitor should have informed you if the Heritage Foundation is your direct Landlord or if there is an intermediate Landlord. If you are unsure, call our Property Service Team on 01462 476007.

If you have a direct lease with us and require a copy, we can provide you with a copy for £40.00.

Can I Extend my Lease?

Once you know the details of your lease, this may give you the right to extend the lease of your flat.

If you have owned your flat for more than two years, you may be entitled to a lease extension of an additional 90 years on top of the unexpired term of your lease.

You will need to take independent advice to find out if you qualify under the terms of the Leasehold Reform Housing & Development Act 1993. The following organisations offer impartial free information: www.lease-advice.org and www.alep.org.uk

Your solicitor will also be able to offer legal advice.

What will it cost to extend my lease?

You will need to seek your own valuation advice as to the likely cost of extending your lease. We are unable to recommend a valuation surveyor, however you may find the RICS (Royal Institute of Chartered Surveyors) 'find a surveyor' link useful: www.ricsfirms.com/search

Tel: +44 (0)24 7686 8555 –

Or alternatively refer to www.alep.org.uk

In addition to any premium payable, there will be costs payable to the Heritage Foundation and, if applicable, premium and costs to any intermediate landlords. As an indication in relatively straightforward cases the Heritage Foundation's current costs are:

- Legal costs in the region of £500 plus vat
- Valuations on leases with over 150 years unexpired - £75.00 plus vat
- Valuation on leases with 90-150 years unexpired - £250.00 plus vat
- Valuation on leases with less than 90 years unexpired - £450.00 plus vat

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We instruct a RICS Registered Valuer (Sheridan's of Shefford) to carry out valuations on our behalf.

How do I start the process of extending my lease?

When you have the appropriate legal and valuation advice, you must serve a formal Notice of Leaseholders Claim; your solicitor will be able to complete this form for you and arrange for it to be served on the correct parties. Once this is received, the Heritage Foundation will obtain its own valuation advice and your notice will be checked by our solicitors. Assuming all is in order and your claim meets the qualifying criteria, our solicitor will serve a counter-notice to accept the claim and put forward its own proposals for the premium and the terms of the new lease.

Negotiation

Once the landlords counter offer has been received this opens the period of negotiation. Under the statutory route the negotiation window is open for a period of up to six months from the counter notice date. The negotiation between parties is usually dealt with by both sides' surveyors. Should the parties be unable to reach agreement within 6 months, an application to the First Tier Tribunal can be made. Failure to make this application will mean your Notice of Leaseholders Claim is deemed withdrawn. You will have to pay the costs incurred by the Heritage Foundation and any intermediate landlord up to that date and you will not be able to serve a new Notice of Leaseholders Claim for 12 months.

If any other landlords are involved, they may contact you separately.

Agreement

Once the lease extension premium has been agreed, solicitors acting for all parties will agree and complete the new lease. This then concludes the lease extension process.

There are however proposals announced by the Law Commission to improve the enfranchisement process for leaseholders of houses and flats. These are intended to simplify and accelerate the enfranchisement process and include proposals to amend qualifying criteria and changing the valuation formula. For further information please refer to the Law Commission website link <https://www.lawcom.gov.uk/project/leasehold-enfranchisement>

We hope the above information is of use, however, if you have any queries please do not hesitate to contact the Heritage Foundation's Property Service Team on:

Telephone: 01462 476007

Email: Assist@letchworth.com

Post: Foundation House, Icknield Way, Letchworth Garden City SG6 1GD