



By Silvana Goddard
Start Lease Extensions



AcornIntel
Advanced Property Intelligence



Protect the value of your property.

If you're considering renewing your lease, or just want to know what's involved.

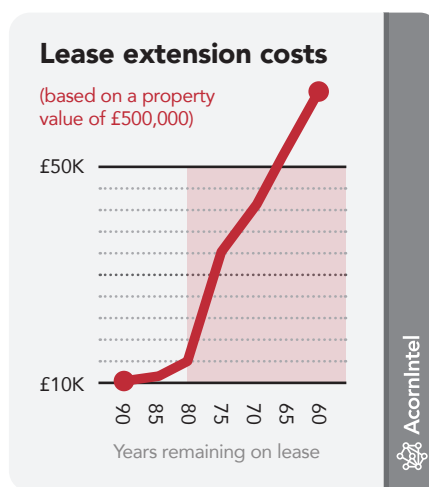
Around 4.5 million homes in England & Wales are leasehold properties, which mean that the owner owns the property for a fixed period of time. This is usually the case for most flats, and sometimes for houses, particularly if bought through a shared-ownership scheme.

The lease grants you certain rights and responsibilities. It will state whether or not you need permission to make alterations, and how much you'll have to pay to maintain the property. But you will also have the right to get information about service charges, insurance, and to know the landlord's (freeholder's) name and address.

At the end of the lease, the property returns to the freeholder, unless the amount of years remaining on the lease is increased.

It is widely recommended that the lease be extended before it reaches 80 years or less, because many lenders will not lend against a property with less than 80 years. When a lease drops below this amount (even by a day), the cost to extend the lease increases because "marriage value" becomes payable. Marriage value is the increase in the value of the flat

arising from the grant of a new lease, and this cost continues to rise with each passing year. In addition, bear in mind that the cost to renew the lease (at any time) is also determined by the overall value of the property.



So, extending a lease can be expensive, and sometimes complicated, but it can also make a property much easier to sell — many buyers

will tend to be concerned about a property with 80-90 years remaining because renewing it will become their responsibility (and they'll need to own it for two years before they are allowed to).

However, it is possible for the seller (assuming they have owned it for over two years) to start the process, and pass the right-to-extend along to the buyer. This would be arranged by a solicitor at the same time as the purchase goes through, however, you should expect this to be reflected in the sale price of the property itself.

There are several other factors to consider when it comes to knowing when is the best time (and method) to renew your lease, and some people may wish to put off this process until later, particularly given the promised reforms to legislation. However, these changes may be years away, and if you want (or need) to sell your property, you may have to address this sooner.

Start Lease Extensions (part of The Acorn Group) have a team of specialist advisors who can help you renew your lease for a 'fixed-fee' so you know from the start what you're paying for in legal fees and surveyors reports.

For more information, or to simply discuss your options, contact us today on **020 8315 6901** or visit startleaseextensions.co.uk.



The time taken for a lease extension varies depending on the method, from 12 weeks to 9 months or more. There has also been recent important changes in legislation, so speak to one of our experts before proceeding!

1

Eligibility

You must own the lease for 2 years+, and the original lease term must be 21 years+.

2

Valuation

Instruct a surveyor specialising in lease extensions to calculate the premium.

3

Notice on freeholder

Serve a Section 42 notice on the freeholder offering to pay a specified premium.

4

Freeholder's demands

The freeholder can request 10% of the offered premium. The freeholder can also require access for a valuation.

5

Counter notice

The freeholder must then serve a Section 45 notice within 2 months, either denying the claim, accepting it, or offering different terms.

6

Negotiations

Neither party can apply to the tribunal until a 2 month window has passed since the Section 45 notice.

The bottom line: If the lease on your property has dropped below 80 years (or is approaching this number) you should consider renewing it. We can help — call us today on 020 8315 6901.