

Lease extension for leaseholders – getting started

This information is for guidance only and is not intended to replace your solicitor's explanation on how to extend the length of your lease.

Under our **voluntary** lease extension scheme you can apply to extend your lease:

- If you are a leaseholder who owns 100% of the leasehold interest in your property
- At any time – there is no minimum period in which you must have owned your property

The legal fees for this method can be lower than using the statutory route

The voluntary route is often much quicker than the statutory route

There is no formal appeal process if you do not agree with the valuation amount – an independent RICS valuer will be asked to determine the value

Under the **statutory** lease extension scheme you can apply to extend your lease:

- If you are a leaseholder who has owned 100% of the leasehold interest in the property for at least two years but you do not have to have lived in the property for all of this time

If you pay a ground rent you will not need to pay this once the lease has been extended

If you do not agree the valuation amount you can obtain a determination from a tribunal

There are a number of statutory legal notices and timescales

In both cases you will need to have a long lease which was for more than 21 years when it was originally granted

In both cases the existing lease will be surrendered and a new lease will be granted adding an extra 90 years onto the number of years remaining on the existing lease.

If Bromford do not own the freehold of the block in which your property is located you can only extend your lease by the extra years if Bromford has enough years left on its head lease to allow for this.

What costs are involved?

You will be responsible for your solicitor's costs, Bromford's legal and valuation costs, our administration fee, together with the cost of the premium. Costs will still be payable even if the matter does not complete. If you follow the statutory route there will be two valuation fees payable.

How do I apply to extend the lease?

The Voluntary Route

Step 1	Complete a Leasehold Lease extension request form
Step 2	Make a payment to us for the valuation fee and our administration fee. Our bank details are shown below
Step 3	On receipt of your form and payment we will instruct an independent valuation to determine the premium of the lease extension
Step 4	We will send you the valuation and an offer letter confirming the premium to be paid
Step 5	If you decide to go ahead we ask you to send us a form confirming this with your solicitors details

Step 6	We will instruct our solicitors to prepare the new lease. You will need to instruct your solicitors at the same time
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The Statutory Route

Step 1	You will need to arrange an independent valuation of your property to work out your offer price. You will then need to instruct a solicitor who will serve a section 42 notice on Bromford, confirming the offer price for the lease extension and with a written undertaking for costs to be paid
Step 2	We must respond within two months of the service of the notice containing your offer. We will arrange our own valuation and reply to your solicitors - serving a counter notice
Step 3	If we do not accept your offer a statutory negotiation period starts for a minimum of two months. If we still cannot agree a tribunal may be instructed to determine the premium.
Step 4	If you decide to go ahead our solicitors will be instructed to prepare the new lease. An undertaking is required via your solicitors confirming our costs will be paid. Once the terms are agreed our solicitors have 14 days in which to provide a draft lease for approval

Our bank details are as follows:

Bank Account Name	Bromford Housing Association Limited
Account Name	BHA- current account
Account Number	70207144
Sort Code	20-97-86
Name of Bank	Barclays Bank Plc, Wolverhampton, Queens Square, Wolverhampton
Reference	Lease extension – property address

The current fees are

Valuation fee	£240
Bromford's Administration Fee	£147
Bromford's solicitors fee	£550 + VAT (estimated)

Where can I get more information?

Lease is funded by the government to provide independent advice on residential leasehold

Leasehold Advisory Service
Tel: 020 7832 2500
www.lease-advice.org