

Bromford.

# Lease extension guidance for Leaseholders





# Your lease

A lease typically lasts for 125 years, or 99 years from the commencement date in the lease (unless you have a new model lease). The number of years your lease is granted will be set out in the lease particulars and on the land registry title documents.

The length of a lease reduces over time. If the property is sold the original lease is simply assigned to the new owner rather than a new lease being created. If your lease term falls under 85 years it could affect the value of your property, and you may find it more difficult to sell or secure a mortgage.

Your solicitor should have given you a copy of your lease when you purchased the property. You can obtain a copy of your lease from Land Registry by paying a small fee.

# The premium

**Lease extension premium;** The amount you pay to Bromford to extend your lease.

The premium a leaseholder pays to a freeholder for extending the lease follows a set formula. Visit [www.lease-advice.org](http://www.lease-advice.org) for more information.

It is worth noting that Bromford are unable to determine the exact cost (premium) of the lease extension until a formal valuation has been carried out. You can obtain an estimate via [The Leasehold Advisory Service website; Lease Calculator](#) but this is designed to only offer you an indicative value range.

## Options for leaseholders

Extending a lease is a statutory right for 100% leaseholders. In most cases, Leaseholders will get an extra 90 years added to the existing remaining term.

These are the two options available if you would like to extend the lease on your leasehold property:

### Option 1

- Voluntary lease extension scheme

### Option 2

- Lease extension under the statutory scheme

To apply for a Voluntary lease extension complete the [Lease extension form on our website](#).

You may have the right to extend your lease under option 2, and if you wish to pursue this, we advise you to seek independent legal advice to confirm whether you do have this right and to obtain advice about the difference in following this procedure compared to option 1.

# Costs and process

## Valuation fee

- To determine the premium
- Payable upfront
- Non-refundable if you do not proceed with the lease extension

## Premium

- The premium to extend the lease
- Determined by the formal valuation

## Bromford admin fee

- Bromford's administration fee
- Payable if you do not proceed with the lease extension

## Solicitor fees

- Bromford's solicitor fees
- Your own solicitor fees

### 1. Apply online

Complete the application form on Bromford's website.

### 2. Valuation fee payment

Bromford will acknowledge your application and requests payment of the valuation fee.

### 3. Payment confirmation

You confirm when payment is made.

### 4. Surveyor instruction

Bromford appoints a RICS surveyor to value your home.

### 5. Valuation report issued

The surveyor provides a valuation report valid for 3 months.

### 6. Customer offer letter issued

Bromford sends you the formal offer and valuation.

### 7. Accepting the offer

If you wish to proceed, you:

1. Complete and return the offer acceptance form.
2. Instruct a solicitor to act on your behalf.

### 8. Drafting the lease extension

Bromford instructs their solicitor to liaise with yours and draft the lease extension.

### 9. Agree completion date and final statement

Both solicitors agree on a completion date. You receive a final statement showing the premium and legal fees due.

### 10. Land Registry Update

After completion, your solicitor registers the lease extension.

Note; If you decide not to go ahead the admin fee and the valuation fee will still be payable and are non-refundable.





## Who are we?

Since 1963 we have been providing customers with new and affordable homes. We want all of our customers to thrive and believe that with the right homes and someone who believes in their potential, almost anything is possible - with Bromford Shared Ownership we're helping more people than ever before to realise their dreams of owning their home.

Where does my money go when I buy a Bromford home? As a registered charity through the FCA registered societies, all the money Bromford makes goes back into the communities we work in and helps the people we work with thrive for a better safer life.



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