

Dear Resident

RE: Extending your Lease

Thank you for getting in touch with us about extending your lease.

Your lease is the document which allows you to occupy your home for the term of it, usually 99 or 125 years; extending your lease is a legal process of extending that term, usually by adding a further 90 years to the remaining term.

The term of your lease will decrease over time, and it is prudent to consider extending your lease as this time gets shorter. You can start the process of extending your lease as soon as you complete on the purchase of your home, and you can also do it alongside selling your home (assigning the responsibility to your buyer on completion).

There are several benefits to extending your lease:

- ✓ You can enjoy a longer period of ownership of your property
- ✓ A longer lease can increase the value of the property, as it is seen as more attractive to potential buyers and lenders than one with a short lease
- ✓ It can increase the number of lenders prepared to offer a mortgage on your property, as some lenders will not lend if the lease is below a certain threshold
- ✓ It can offer the opportunity to remove ground rent obligations, as part of your premium would be an upfront payment of the future ground rents

The Leasehold Advisory Service website has a Lease Extension Calculator which you can access on their website (www.lease-advice.org) and give you an approximate premium for extending your lease. If you wish to proceed we will need to undertake a formal RICS Lease Extension valuation, which will tell us the premium that you will need to pay.

If you would like to request the formal valuation for a lease extension please complete the attached *Lease Extension Application Form* and return this to the Home Ownership Team. Once we have received your payment for the valuation we will instruct them to contact you to arrange for an inspection of the property, and once the valuation is back we can send you an Offer Notice and a copy of the valuation which will outline the premium payable to extend your lease.

You will need to pay for the valuation fee, our legal fees and your own legal fees, and you will need to ensure that your account is not in arrears before you can complete. Extending your lease will normally take around six months to complete.

Improvements

On the application form we will ask for details of any improvements that you have made to the property during your ownership, including the approximate date any works were completed. The valuer will assess the impact any improvements will have on the valuation of the property, but it's important to remember that the value of any improvement will not necessarily be the same as the cost to undertake the work.



For any changes that your lease required you to obtain consent from us in advance we will also need to see a copy of that consent; if you cannot demonstrate that consent was obtained prior to going ahead we may not be able to recognise those improvements in any valuation.

We normally complete a lease extension via an informal process, as this is quicker and cheaper; unless we are prevented from doing so you will get the same 90-year extension and peppercorn ground rent for the remainder of the term as you would get via the formal process.

If you have any further questions about extending your lease please do not hesitate to contact a member of the Home Ownership Team on 01628 543 101, or via email on homeownership@housingsolutions.co.uk

Yours sincerely

Antony Matthews

Home Ownership Manager

homeownership@housingsolutions.co.uk

Lease Extension Application Form

Please complete this form in BLOCK CAPITALS and return it via email to homeownership@housingsolutions.co.uk

You are requesting that Housing Solutions consider granting a lease extension outside the provisions of the Leasehold Reform, Housing and Urban Development Act 1993.

Once you have completed this form and paid your valuation fee we will instruct a RICS valuation of your property; the valuer will contact you to arrange an inspection for their report. When the report is returned to us we will send an Offer Notice and a copy of the valuation for you to consider.

If your property was purchased in joint names you will both need to sign the form at section 6.

1. Property Details			
Property address			
Postcode			
Tenure	100% Leaseholder		Current Ground Rent
	Shared Owner		Current Share owned
Have you served a Section 42 Notice	Yes		If yes, please state the date your notice expires
	No		
Are you currently in the process of the following, or will you be in doing so at the same time as extending your lease:		Selling	
		Staircasing	
		Neither	

2. Leaseholder Details

	Applicant 1	Applicant 2
First name		
Surname		
Telephone No.		
Email address		
Preferred contact method		
Current address (if different from above)		

3. Notification of Lease Extension Valuation Payment

Total Amount now due: £480.00 (Unit Cost: £400.00, VAT: 20%)

Please pay this amount via BACS, and send your remittance advice to homeownership@housingsolutions.co.uk

Bank Name: NatWest Bank

Account Name: Housing Solutions

Sort Code: 60-13-35

Account Number: 6701 5476

Reference No.: [property address and "L-EXT"]

Please note that we cannot instruct your valuation until we have received your payment

4. Improvements

Please outline the details of any improvements that you've made to the property, including the approximate date work was done and the approximate cost of the works; where consent was required under the terms of your lease you must also provide a copy of that consent.

5. Additional Information

Please use this space to give us any additional information in support of your application or that you think we should know, or any changes to the ownership of the lease that you would like to make

6. Declaration

I/We understand that, on the basis of the information provided, Housing Solutions will review my request for a lease extension and instruct a valuation report from their surveyor. I/We understand that Housing Solutions are not committing to extending my lease, and that my request may be declined.

I/We acknowledge that the information provided on the form is accurate, and any false information may result in the process being delayed.

I/We understand that will be liable any fees incurred from this point, including any abortive fees, whether or not the lease extension completes.

I/We understand that our rent and service charge account must be kept up to date during the lease extension process, and failure to do so may result in my/our application being delayed

	Applicant 1	Applicant 2
Signature		
Full legal name		
Date		

If your property was purchased in joint names you must ensure that both leaseholders sign this form