# Leaseholder Fact Sheet

# A guide to extending your lease

## Introduction

This fact sheet provides information regarding extending your lease with us. We would have no objection to a request for an extension of your lease. However, there are considerations you will need to make before proceeding.

Over time, as a lease reduces in the years it has remaining, the value of that lease can reduce. This can sometimes make it unattractive to buyers when a leaseholder comes to sell. It is possible to extend a lease up to a maximum of a further 90 years. However, there are costs involved in doing this and these will vary on the number of years you wish to extend, this is known as 'the premium'. Any legal costs may also increase in line with the valuation of the premium.

## How do I extend my lease?

To give you some guidance, you will need to consider the following:

We would advise you seek your own legal advice before proceeding. This will ensure you are able to meet any deadlines, serve the relevant notice and oversee the completion of the lease extension. There will be a cost involved which will include service of any Notices plus any Land Registry fees etc. We would recommend getting a quote for any fees involved. Whilst it is possible for a leaseholder to do this work themselves, we would recommend you seek legal representation.

You will need to obtain an independent valuation of your home by a company specialising in lease extensions. This will give you an idea how much it will cost to extend your lease. For each year you extend, this will increase the premium payable. An independent valuer will be able to give you advice about what would be a reasonable offer to make. In the first instance you could contact a local company of estate agents for a general guide before undergoing any expense, they may be able offer a guide price of what you could realistically expect to achieve if you sold with your current lease and how much this could increase in value if you extended.

We may need to carry out our own valuation in order for us to negotiate the final agreed premium payable.

You will be liable for any costs incurred by us as the landlord which will include our valuation, legal fees, any disbursements and administration costs.

Once you have decided to proceed, our solicitors will request a deposit of 10% or £250 whichever is the highest. However, should you not proceed after this time, we reserve the right to retain a fee to cover our administration costs, plus any valuation or legal fees incurred by us up to that date.

## The Leasehold and Freehold Act 2024

The law on extending leases is changing under the Leasehold and Freehold Reform Act 2024. The Act intends to make it cheaper and easier for leaseholders to extend their lease.

Although the 2024 Act has received royal assent, the majority of the provisions are not yet in force and will need to be commenced through secondary legislation. The 2019 Conservative government anticipated the majority of the reforms would come into effect in 2025-26.

The Labour government has committed to “act quickly” although there have been no further announcements about the implementation timetable. Due to the complexity of the legislation it may be implemented in stages.

## Next Steps

If you wish to consider extending your lease, please contact us by email on:

housing@lacehousing.org

or phone 01522 514444 (between 9am and 1pm – Monday to Friday)

You can get further independent advice from The Leasehold Advisory Service by visiting their website on: https://www.lease-advice.org/advice-guide/lease-extension-getting-started/