

Eden Housing Association

A Guide to Lease Extensions



Eden Housing Association



Leaseholders have a statutory right to an extension to their lease under the Leasehold Reform, Housing and Urban Development Act 1993 (as amended).

The legislation allows for 50 years (for houses) or 90 years (for flats) to be added to the remaining term of the lease on payment of a premium.

Shared owners do not have this statutory right, but EHA offers leases extensions via an informal process that generally mirrors legislation.

Leaseholders have two options of processes to follow in order to extend the lease:

Option 1 - Proceed formally in accordance with the procedure laid down in the Leasehold Reform, Housing and Urban Development Act 1993 (as amended)

Option 2 - Proceed informally, by agreement with EHA (but still broadly following the principles of the above Act).

You should seek legal advice as to the best option for you.

Option 2 has the following benefits:

- It is simpler for both parties potentially, resulting in lower legal and valuation fees
- We may have more flexibility as to what we can agree to if any of the terms of your existing lease need updating or require amendment
- It might be possible for EHA to be more flexible on the length of the new lease, for example adding more than the standard 50 or 90 years

Shared owners are only able to extend their lease using the informal process. The length of the lease extension will be dependent on whether EHA owns the freehold of your home, or the length of EHA's Head Lease. This will be determined as part of the process.

We use independent surveyors who are accredited by the Royal Institute of Chartered Surveyors (RICS), to determine the value of the premium for the Lease Extensions.

It is important to consider all costs involved before deciding to proceed. These include:

- **The premium payable for the extended term (determined by the RICS surveyor)**
- **Your legal costs**
- **EHA's legal costs (which you are required to pay)**
- **The cost of the RICS valuation**
- **EHA's administration fee**

Further free advice on lease extensions, can be found here:

<https://www.lease-advice.org/advice-guide/lease-extension-getting-started/>

If you would like to proceed then please contact us on 01768 861400

Intention to Extend the Lease

Please send a scanned copy (or a photo) of this completed and signed form to EHA.

Names of all
Leaseholders

1.

2.

Full property
address

Home number

Mobile number

Email address

Option 1/Option 2 (Include number of years 50 or 90)

Solicitor details

Correspondence
address

Office number

Email address

Declaration and Signatures

☐

I/We are aware that if we withdraw from the process before completions of the sale of my property, we will have to pay any abortive costs.

☐

I/We have been advised to seek independent professional/legal advice for the lease extension purchase.

☐

I/We are happy for EHA to arrange for the valuation to be carried out and to share our contact information with a third-party valuer as is relevant to the lease extension process.

Please add details of any consented improvements or alterations, that have impacted on the value of the property

Signature of all leaseholders

Signature
Date

1.

Signature
Date

2.