

A lease is your right to use a property for a specified period of time. As your lease gets shorter, the value of your property decreases and it can become difficult to mortgage or sell on. This is why it is a good idea to extend your lease.

Extending a lease by the statutory path or by negotiation can be a lengthy process so it pays to seek advice early. Both routes have their pros and cons whether you are a lease-holder or a free-holder so it pays to seek advice early. By engaging Watsons to extend your lease, you will be securing your long-term residency and adding value to your property. If you are considering a lease extension, it is worth investing at the earliest opportunity.

How much will it cost me?

It depends on the value of the property, the number of years left on the lease, the annual ground rent, the value of improvements done to the property paid by the leaseholder and external factors such as expected rate of returns on investments. It is a complex calculation, but also a subjective one. Like trying to define the value of a house, there is not necessarily a “right” answer to the value of a lease extension, which means it will be subject to negotiation – or decision by a tribunal.



Can I calculate myself?

You can get a rough idea of how much it will cost using an online lease extension calculator, but unless the amount is below a few thousand pounds, it is worth paying a Chartered Valuation Surveyor to calculate it for you. This can cost a few hundred pounds but will probably save you from paying over the odds and will provide you with peace of mind that you have a correct price.

What other costs do I have to pay?

- On top of the cost of the lease extension, you have to pay:
- Legal costs (a solicitor)
- Valuation costs (a surveyor)
- Negotiation costs (normally done by the surveyor)
- Land Registry fees.





THE PROCESS

Step 1 – Speak to your Freeholder

You may find he or she is happy to negotiate informally and willing to consider your offer straight off, without having to involve anyone else.

This may save you time and money and it could help you reach a lower price on the lease.

But beware – statutory lease extensions remove the requirements to pay ground rent. Informal extensions will probably include ground rent, which could make the lease a lot more expensive to extend again in the future.

Step 2 – Find a Surveyor

You need to find a surveyor with a good understanding of both the legislation and the local property market. Watsons have over 125 years industry experience and can provide you with professional advice and support.

Step 3 – Find a Solicitor

If you know of a good solicitor, go to them first or Watsons can provide you with a recommendation.

Step 4 – Make a formal offer

If the leaseholder didn't accept your informal offer, you will have to serve tenants' notice – your solicitor will be able to take care of this.

Step 5 – Pay the deposit (if required)

This will either be £250, or 10% of the lease cost in the tenants' notice, if that exceeds £250. If the landlord does require a deposit, this will have to be paid within 14 days, so it's important to have this money readily available.

Step 6 – Negotiate a price.

We are proud to be members of **ALEP – Association of Leasehold Enfranchisement Practitioners.**



Membership of this professional association is a badge of assurance to leaseholders and freeholders that they can be sure of a consistently high level of service, integrity and professionalism.

CONTACT YOUR LOCAL SURVEYOR

- A Lease Extension may add considerable value to your property.
- Many buyers avoid properties with a short lease.
- Many mortgage lenders will not lend on a short lease.
- We can negotiate on your behalf and advise through the entire process.

Further information:

The Leasehold Reform, Housing and Development Act 1993, amended by the Commonhold Reform Act 2002.

NEED OUR HELP? GET A QUOTE OR BOOK ONLINE: www.watsons-property.co.uk/book-your-survey/

Please email our customer services team who are ready to assist you Monday to Friday 8:00am-5:30pm, and Saturday 9am - 5.30pm or email:

survey@watsons-property.co.uk



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