



**Your guide to**

# Lease extensions



# Introduction

This guide is designed to assist you as a leaseholder to understand how you can extend the term of your lease.

This guide is designed to show you how your lease with Harrow Council can be extended.

Once a lease reaches below 80 years remaining, the resale value of the lease (i.e. the value of your flat), starts to reduce.

A lease extension adds an additional 90 years to the remaining term by surrendering the old lease and paying for the grant of a new lease.

**For example:**

If your lease was originally for 125 years and now has only 82 years remaining you could buy a lease extension and add 90 years to your lease so that your new lease will run for 172 years.

Harrow Council follows the statutory (legal) route set out in the Leasehold Reform, Housing and Urban Development Act 1993 for all lease extensions.

## Where can I get advice from?

It is very important to obtain independent advice before commencing an application to extend your lease. You can obtain free and independent advice on the legal procedure from:

Leasehold Advisory Service

31 Worship Street

London

EC2A 2DX

Tel: 0207 374 5380

Email: [info@lease-advice.org](mailto:info@lease-advice.org)

Website: [www.lease-advice.org](http://www.lease-advice.org)

Please note that the Leasehold Advisory Service will not deal with the purchase of the lease extension on your behalf.





# The lease extension process explained

Harrow Council follows the process set out in the Leasehold Reform, Housing and Urban Development Act 1993. It does not offer any voluntary lease extension service.

If you own your home outright or with a mortgage, you may qualify for the statutory right to extend your lease. This is a legal process which enables you to buy an additional 90 years. Many leaseholders engage a solicitor to act for them in this process as this is a complex area of law.

These are the steps in the legal process:

1. You must have owned a lease of your flat for at least two years before serving a notice on Harrow Council requesting a lease extension.
2. When you serve the notice on the Council, it triggers the statutory procedure to acquire a new lease under the Leasehold Reform, Housing and Urban Development Act 1993 (LRHUDA 1993).
3. How much am I likely to pay?  
Please note that the Council are unable to advise on the price of your lease extension. We recommend you visit Leasehold Advisory Service for independent advice.

Our fees for the transaction itself, which must be paid by the leaseholder are:

£75 administration fee

£750 valuation fee

Our solicitor's costs are set at £1500, no VAT is payable, but may increase if the matter becomes protracted. All fees (legal, surveyors) are correct for the 2022/23 financial year and are subject to review.

4. There is no specified form for the notice, but section 42 of the LRHUDA 1993 sets out what the notice must include:
- a) The full names of all the tenants
  - b) The address of the flat
  - c) The date on which the lease was entered into
  - d) The term for which it was granted (the original length of the lease)
  - e) The date the lease started
  - f) The premium which the tenant proposes to pay in respect of the grant of a new lease
  - g) The name and address of the person (if any appointed by the tenant to act for them in connection with this matter, ie a solicitor
  - h) The date by which the landlord (Harrow Council) must respond to the notice. This date must be at least two months in the future.

The Council will ask for a down payment on receipt of a section 42 notice of 10% of the proposed premium which is non-refundable even if matters do not proceed to completion.

## How to calculate the premium

The LRHUDA 1993 sets out a formula for calculating the premium, ie working out the valuation of the lease extension. This is a complex area and you should get advice about your rights and responsibilities from a surveyor who specialises in this area.



## What happens next?

All requests for lease extensions are dealt with by the Council's Legal Services team.

The Council must respond by the date specified in the notice (which must be at least two months after the notice was served). Harrow Council's response must either

- agree your claim for an extension if the Council is satisfied that you qualify for a lease extension under the LRUHA 1993, or
- not agree your claim for a lease extension if the Council does not think that you satisfy the qualifying criteria to be eligible for a lease extension.

If the Council agrees with your claim it must state which of your proposals (including the premium) within your initial notice the Council agrees with and which proposals it does not agree with.

The Council will also begin to negotiate the terms of your new lease with you (or your solicitor). The new lease will

- be at a 'peppercorn' (nil) rent, so you no longer pay ground rent
- be for a term of 90 years plus the remaining term of your existing lease
- be on the same terms as your existing lease apart from minor modifications and any statutory amendments required or allowed by the LRUHA (etc.) and any subsequent amendments
- Before the new lease is granted, you will be required to pay to the Council
  - the premium (including, if applicable, any amount payable to another landlord)
  - the Council's legal and valuation costs
  - any sums recoverable as rent - in respect of your flat (including service charges)
  - and any other sums payable by you under your existing lease to any person.

There are other forms of enfranchisement including those of long leasehold houses and blocks of flats where two-thirds of the flats are owned by leaseholders.

Further information on this is available at

[www.lease-advice.org/topics/?topic=houses-buying-the-freehold-and-lease-extension](http://www.lease-advice.org/topics/?topic=houses-buying-the-freehold-and-lease-extension)  
[www.lease-advice.org/advice-guide/ce-getting-started/](http://www.lease-advice.org/advice-guide/ce-getting-started/)

# Who to contact for more information?

Leasehold services:

[leasehold&rtbservices@harrow.gov.uk](mailto:leasehold&rtbservices@harrow.gov.uk)