

# What is a Lease?

The lease sets out exactly what you have bought, what is exclusively yours and what is shared; what services the landlord must deliver and what proportion you must pay.

The wording of leases can vary from property to property and you will always need to refer to the specific wording of your own lease which details what you have agreed.

## Some typical things to look for within a lease:

### Length of Lease

- This is known as the term – The same lease is passed on every time the flat is sold, so the length of the lease keeps reducing. Most mortgage companies will only lend on a lease that has more than 80 years remaining. Leaseholders (in most instances) have a legal right to purchase an extension to their lease but it is important to seek professional advice on this.

### Financial

- Payment of Ground Rent – How much are you required to pay and when? Does it increase every few years?
- Service Charge – what does it cover and when is it due? How is your proportion of the service charge calculated e.g. On a percentage, or square footage of the whole building?
- Interest Charges and penalties for late payments?
- How are surplus and deficit payments dealt with following the service charge year end?
- Is there a reserve fund or sinking fund?

### Whose Responsibility?

- Who is responsible for insuring the building?
- Who is responsible for utilities (electricity, gas, water etc.)?
- Window Frames/Balconies – who is responsible for maintaining and replacing?

### Are there any other restrictions?

- Noise / musical instruments
- Pets
- Sub letting
- Number of persons who can live at the property
- Flooring within the property
- Alterations within the property
- Use of the property
- Hanging of washing and signage
- **Other things to look for**
- Is there a communal heating system? If so, heating may only be provided during certain times.
- Requirements when you sell e.g. Deed of Covenant/Transfer Notice required?
- Can you carry out alterations or improvements? Is a licence required?
- When are external and internal decorations due?

## Other Guides:

- Glossary
- What is a Lease?
- Who is who in a block of leasehold flats?
- Who has responsibility for what?
- Carrying out alterations or improvements
- What costs will I have to pay each year?
- The money – service charges & ground rent in leasehold homes
- Reserve & sinking funds
- Section 20 information
- Shared ownership
- Common misconceptions about leasehold?
- Your leasehold home – making a complaint