

What Costs will I have to pay each year

Service Charge

Service charges are monies collected to maintain the structure of the building and common parts and cover the cost of any services provided. These include; repairs, cleaning, lift servicing, garden, on-site staff, utilities, building insurance, managing agent's fees, in fact any service provided under the lease. See "The money – service charges and ground rent".

Ground Rent

The amount of Ground Rent payable, will be set out in the lease, it may only be a nominal amount sometimes referred to as 'peppercorn' or it may be something more substantial. The lease will set out how the Ground Rent is increased over the period of the lease and how often this is charged and increased. See "The money – service charges and ground rent".

Interest charges for penalties and late payments

Your lease will set out if there are any charges for penalties and late payments on the service charge and ground rent.

Contribution to a Reserve/Sinking Fund

Money collected towards major works. The lease will set out whether the landlord can set up a reserve/sinking fund and money must be kept in a trust account. See "Reserves and sinking funds".

There may also be other additional charges that you may have to pay during your time as a leaseholder that you need to be aware of.

Licence to Alter

If you wish to carry out alterations within your flat you may be required to pay the landlord's costs of issuing a licence in advance to carry out the alterations. See "carrying out alterations or improvements".

Extending your lease

If you wish to extend the length of your lease there will be a cost payable to the landlord. Specialist valuation and legal advice should be sought before embarking on this process. The Association of Leasehold Enfranchisement Practitioners (www.alep.org.uk) provide a database of qualified / experienced practitioners who specialise in this work.

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
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Solicitors Enquires

When you come to sell your flat there may be a charge from either your landlord or managing agent in providing information and responses to solicitors' enquiries.

Deed of Covenant / Notice of Transfer

A cost associated with selling your flat and / or providing the landlord with a notice of transfer. Your conveyancer should provide you with details of all costs which will be payable on sale.

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