

Leaseholder FAQs – A Guide for New Buyers

What is a leasehold property?

All flats and maisonettes sold by South Lakes Housing are sold as leasehold. This means that you would own the property for the length of the lease, but you do not own the building as a whole or the land that it sits on. This is owned by the freeholder, South Lakes Housing.

How long will the lease be?

When buying from new, the lease will be for 125 years. If you buy your property on the open market you should check the date the original lease was granted and subtract the years since.

Can I extend the lease?

Yes, however, you will not be able to do this straight away. The following two qualifying criteria need to be met:

- The lease was originally granted for 21 or more years (which is the case with those granted by SLH)
- The current leaseholder needs to have been the leaseholder for 2 years.

It is always advised that the lease is extended before less than 80 years remain on the lease before marriage value is payable, which drastically increases the price of the extension. Please contact us if you need further advice.

What repairs is the leaseholder responsible for?

As a leaseholder, you will be responsible for repairs to the interior of your property, the glass in the windows and your front door*. As the freeholder, South Lakes Housing will be responsible for repairs to the exterior of the building, door frames and window frames.

*Please note that the glass will always be replaced at the same time as the window frames and leaseholders are responsible for paying for the full amount.

Who arranges the insurance cover?

As the leaseholder you will be responsible for arranging your own contents insurance. South Lakes Housing arranges the buildings insurance and you will be billed for your contribution toward this every April. A copy of the current building insurance policy summary can be found on our website. Should you need to make any claims you will be expected to contact the insurance company yourself using the contact details provided on the policy.

Do leaseholders pay for Major Works?

Major works to the block are considered those works that will cost over £250.00 per property. Examples of this may be a roof replacement or the replacement of communal lighting. The majority of the time these works will be carried out after a Section 20 consultation, whereby you will be given

notice of the works, followed by an estimated cost and your expected contribution. In your offer letter will be a list of any major works expected within the next 5 years.

Does South Lakes Housing operate a Sinking Fund?

No. A sinking fund is money set aside to cover major works. Leaseholders would pay into this fund over time and then the cost of the works would be taken from this. SLH do not operate a sinking fund as there is currently no provision with the lease for us to collect money this way, therefore, we advise that you set aside money yourself to cover any future major works to the block.

Are there additional charges associated with being a leaseholder?

As a leaseholder you will be expected to pay yearly fees to the freeholder (South Lakes Housing). Ground rent will be charged at £10.00 per year, and there may be other fees to pay depending on the where your property is located. These could include, management fees, communal electricity, communal cleaning, grounds maintenance, alarm maintenance and rechargeable repairs.

Can a leaseholder alter their property?

South Lakes Housing would require all its leaseholds to make contact in writing asking permission to carry out alterations to the property prior to any work commencing.

What does the leaseholder own?

You will need to refer to your lease and plan to determine what you own (the demised premises). Plan will 'edge' what is yours, and may also denote other areas that you have access to such as bin stores, drying areas, parking etc. Those properties located on the top floor of a building will not own the loft space above their property, this is retained under the freehold and is owned by South Lakes Housing.

Can I sell my property once I have purchased it?

Yes, however, you'll have to pay back all of the discount if you sell within the first year. After that, the total amount you pay back reduces to:

- 80% of the discount in the second year
- 60% of the discount in the third year
- 40% of the discount in the fourth year
- 20% of the discount in the fifth year

The amount you pay back depends on the value of your home when you sell it.

If you sell your home within 10 years of buying it through the Preserved Right to Buy, you must first offer it to either:

- The freeholder, South Lakes Housing
- Another social landlord in the area