



Your lease agreement

Information for council leaseholders

Your lease is a legal agreement between you and the council.

You only own a leasehold property for a fixed period of time and when the lease agreement ends, the council will take back the ownership of the property.

This leaflet tells you:

- What a lease agreement is
- What information your lease includes
- Your rights and responsibilities as a leaseholder
- Our rights and responsibilities as your landlord

What is my lease agreement?

Your lease is a legal agreement between you (the leaseholder) and us (the freeholder). The lease gives you rights over land and buildings that make up your property for a limited period. This period is known as the term of your lease.

Our leases run for 99 or 125 years. When this period runs out, we take back the rights over the land and buildings.

If you bought your property before 1980, your lease will be for 99 years from the date you first bought your home. By law, we did not have to sell our properties at this time.

The Housing Act 1980 introduced the 'Right to Buy' scheme, under this scheme, local authorities had to sell council properties to qualifying tenants who wanted to buy their homes. Because of the rules of the scheme, we sold leasehold properties with 125-year leases. The length of lease you have will depend on the date you bought your property.

If you bought your property with a 125-year lease, as your landlord, we have to provide certain services and you must pay routine service charges to pay for these. As well as the routine service charges, we will also send you a bill for your share of the cost of any major work we carry out to your block or estate (if relevant).

Because your lease is a legal document it is written in legal terms and this means that it is not easy to read. The following summary of the sections of your lease may help you to understand it better.

What information does my lease include?

The opening section:

This section includes the main details of the lease, including who the lease is between, how much you are paying for the lease and the other regular payments you must make.

The first schedule:

This section defines what is included in your lease. There is a map showing your property, the building it is in, and the location of any shed or parking bay you may have.

The second schedule:

This section explains your rights under the lease. This includes your right to use the shared parts of the building and the water, gas and electricity services.

The third schedule:

This section explains our rights under the lease, including our right to enter your home to inspect the property. In some cases we may have to enter your home to do repairs or improvement work, for example to repair a fault on the shared television aerial.

The fourth schedule:

This section explains that you must repay the discount (or a portion of it) that you received when buying the leasehold property, if you sell it within five years of buying it under the 'Right to Buy' scheme.

The fifth schedule:

This section explains your responsibilities under the lease, including:

- The charges you have to pay.
- The repairs you have to carry out.
- The conditions you must keep to.

The sixth schedule:

This section explains our responsibilities under the lease. For example we must:

- Maintain and look after shared parts of the building.
- Make sure that the building is properly insured.

This schedule also covers items you will have to pay for and tells you the times during the year when we send out accounts.

The seventh schedule:

This section gives more details about service charges. It tells you what services you have to pay for.

- Part one lists regular services such as cleaning and landscaping.
- Part two lists services we provide when needed, for example painting the outside of buildings.
- Part three explains how we charge for replacing lifts (if there is a lift in your building).

The final part of the lease:

This is the section of the lease that you and we sign. When you sign your lease you are agreeing to keep to the conditions of the lease agreement. When we sign the lease we are agreeing to carry out our responsibilities under the agreement.

Once you and we have signed the lease it forms a legal agreement.

What are my rights as a leaseholder?

The lease sets out the part of the building which is your home and your rights to use the shared areas of the block or estate.

There are a number of laws protecting your rights as a leaseholder. If you are not sure of your rights, you can ask a solicitor or the citizen's advice bureau for advice. You may also find the Leasehold Advisory Service (LEASE) is a very useful source of information. LEASE is funded by the Government to provide free legal advice to leaseholders, landlords, professional advisers, managers and others on the law affecting leaseholders.

The main Acts of Parliament covering leasehold tenancies are as follows.

- Housing Act 1985
- Landlord and Tenants Act 1985 and 1987
- Housing and Planning Act 1986
- Leasehold Reform, Housing and Urban Development Act 1993
- Housing Act 1996
- Commonhold and Leasehold Reform Act 2002

You can find useful information relating to the relevant sections of these acts at www.lease-advice.org or you can ask to borrow a copy of the acts at your local library (there may be a charge for this).

What are my responsibilities as a leaseholder?

As leaseholder, you must:

- Pay your ground rent and service charges, and any bills we send you for major work, when they are due.
- Pay a fair share of our expenses for providing repairs, maintenance, insurance and services to the building and shared areas.
- Repay the discount (or a portion of it) you received when you bought your home if you sell the property within five years of buying it under the Right to Buy scheme.
- Get our written approval before making any alterations or additions to the structure of your home.
- Keep the walls, pipes, cables, wires, fixtures and fittings and gas appliances inside your home in good repair and condition.
- Allow us into your home to carry out inspections or repairs to your flat or maisonette, other parts of the building or to your neighbours' properties. We will give you at least 48 hours' notice if we need to come into your home (except in emergencies).
- Tell us, within one calendar month, if you transfer the lease or mortgage, or sublet any part of your home.
- Avoid damaging the property or being a nuisance to other residents. This applies to anything you (and members of your family, visitors or pets) do or do not do.
- Not keep more than one animal as a domestic pet or keep any animals other than domestic pets. (This applies to leases that started after 20 April 2006. If your lease started before this date, you are allowed to keep two domestic animals as pets.)
- Keep any private garden properly maintained.
- Only use the property as a private home for a single family to live in.
- Keep to the terms and conditions in your lease.

What are your rights as my landlord?

As your landlord, we have the right to:

- Make decisions about the way your block is managed (following consultation).
- Carry out repairs, maintenance and improvements to the structure and shared areas of the block (following consultation).
- Enter your home without permission to carry out essential repairs needed to prevent injury or extensive damage to property in an extreme emergency, if we have been unable to contact you.
- Enter your home to carry out inspections or repairs to your flat or other parts of the building, or to your neighbours' properties. We will give you at least 48 hours' notice (except in emergencies).

What are your responsibilities as my landlord?

We have a duty to:

- Keep the main structure and outside of your home in good condition (Including the roof, outside walls, structural walls inside shared areas, balcony railings, foundations, chimney stacks, gutters and rainwater and soil pipes).
- Keep the building insured to the full cost of restoring it to the same condition it was in before any damage or destruction and to make good any such loss or damage as soon as possible. This means you do not need buildings insurance. But we do suggest that you take out contents cover for your possessions.
- Manage your block or estate properly and reasonably.
- Consult with leaseholders before carrying out any major work to the building.
- Maintain estate and block lighting such as lighting in entrance halls and stairways (where provided).
- Keep shared water tanks, shared loft space, main water and sewage drains, rubbish chutes, lifts, door-entry systems and shared television aerials in good condition (where we provide these).

What happens if I break any of the terms of my lease agreement?

As a first step, we will contact you and try to settle the matter with you. If we are unable to reach a satisfactory agreement with you after a period of negotiation, we may apply to the court to end your lease agreement. If the court decides you have broken a condition of your lease, they may make an order allowing us to revoke the lease. Revoking the lease means that we would take back the property from you and end the lease. We would hope to reach resolution with you before getting to this stage. As a leaseholder, you would not want to lose the value of your investment, but you should be aware that this is legally possible. You will also have to pay our legal costs and any other costs we have to pay as a result of you breaking the terms of your lease agreement.

Do I need permission to sell my flat?

You do not need our permission to sell your home. However, if you bought your home under the Right to Buy scheme, you will have to repay all or some of the discount you received if you sell the property within five years. (The amount you have to repay is worked out as a percentage of the current value of the property less the value of any improvements you have made since you bought it.)

If you sell within the first ten years of the Right To Buy, you should offer the council the right of first refusal to buy your property back. To do this, contact our Legal Services team.

Email: legalpost@dacorum.gov.uk or Tel: **01442 228000** and ask for “**Legal Services**”.

You must pay any outstanding bills before you move out, including service charges, ground rent, and buildings insurance. You must ask your solicitor to contact us before the lease is

transferred. We will sort out any charges you still owe and check that you have met the conditions for transferring the lease. The solicitor acting for the new owner of the lease must tell our Legal Services Department once the new owner has taken over the lease. We charge a fee for the work we have to do when a lease is transferred.

To request a Leasehold Pack or Management Pack, please apply online:

www.dacorum.gov.uk/home/housing/leaseholder/letting-your-leasehold-property

Customer Services will liaise with your solicitors prior to the sale.

Email: customer.accounts@dacorum.gov.uk

Tel: **01442 228315**

When should I think about extending my lease?

A lease is a right to use the property for a period of time. As a lease gets shorter, the value of the lease falls and it becomes more expensive to extend the lease. Sometimes it is difficult to sell a property with a short lease because mortgage lenders may be reluctant to lend money on these properties.

When a lease drops below 80 years, the premium (cost) to extend the lease increases because 'marriage value' becomes due. Marriage value is the increase in the value of the flat arising from the new lease being granted.

The process of extending a lease can be difficult. We recommend you get professional help from a solicitor and surveyor with experience in this area of the law.

You can also get online advice from the Leasehold Advisory Service. This is a Government funded website, giving free and independent advice for residential leaseholders. The link to the Leasehold Advisory Service website is: www.lease-advice.org

Please note there is a calculation tool on the home page, to give you a rough idea of what you should expect to pay the council to extend your lease. To use this you will need to know the number of years remaining on the term and the value of your property.

The council cannot offer you advice on extending your lease, as there would be a conflict of interest.

DBC would only agree the statutory 90 year lease extension under the Leasehold Reform and Housing and Urban Development Act 1993 for their domestic leasehold properties. This is to ensure that all leases at the same block (when extended) will expire on the same date.

When the first flat in a block is sold, this determines the start of the 125 year term of the lease **for all flats in that block.**

- Say the first flat in a block was sold under RTB on 1st April 1990. The term of the lease ends on 31st March 2115.
- When another flat in the same block is sold, it is not sold with 125 years from the date of sale. **It is sold with the term of the lease ending on 31st March 2115 (to correspond with the first flat sold).**
- When any lease is extended in that block, an additional term of 90 years is added.
- All the leases in that block, once extended, will end on 31st March 2205.

Please contact Estates if you want to go ahead with a lease extension.

Email: es-estates@dacorum.gov.uk

Tel: **01442 228000** and ask for “**Estates**”. Please leave a message.

Can I buy the freehold?

If there are still council tenants in your block, you cannot buy the freehold of the property. This is because we are still the landlords responsible for our tenants under the terms of the tenancy agreement.

If all the properties in the block are leasehold, you may want to consider buying the freehold. Whether it is one individual buying the freehold or a group purchase (where a group of leaseholders form a management company), the freeholder takes full responsibility for maintaining the building, arranging buildings insurance and all the other things we currently do. You should always get advice about buying the freehold and estimated costs.

Leaseholders have a legal right under the Leasehold Reform, Housing and Urban Development Act 1993 to act together to buy the freehold of their building if they meet certain conditions. This is known as ‘collective enfranchisement’. The act sets out a procedure and timescales you must follow if you want to buy the freehold. Under the act, the First Tier Tribunal (Property Chamber) can set the price and terms if you can’t reach an agreement with. Or, it may be possible to negotiate with us informally to buy the freehold by agreement. If you decide to ask us for an informal agreement, you cannot apply to the First Tier Tribunal (Property Chamber) if you have a dispute with us about the terms of the sale or the price. However, depending on the nature of the agreement you reach with us, the agreement may be enforceable through a county court.

Buying the freehold can be difficult. We recommend you speak to a solicitor and surveyor with experience in this area.

For more information, please contact the Leasehold Service team by email: servicecharges@dacorum.gov.uk or telephone **01442 228000** and ask for **Leasehold Services**. Direct line: **01442 228 799**.