

## FAQ – Lease Extension

### What is a lease extension

A lease extension is the method by which a leaseholder **extends the term of their lease**. Leases of properties where Westminster City council is the freeholder, are capable of extension.

### How long can I extend the new lease for

A new lease expiring **90 years** after the expiry of the present lease.

### How do I qualify

To qualify, you must have owned your flat for the preceding **two years**.

### Do I need a solicitor

Lease extension can be a difficult process, you can extend your lease without using a solicitor although we recommend you get professional help from a solicitor and surveyor with experience in this area.

If your property is mortgaged, then your lender would need to be involved as well and they may insist on using a solicitor.

### How do I apply

In order to apply to extend a lease a **Section 42 notice must be served**, a template can be found on the link <https://www.westminster.gov.uk/housing/leaseholders/about-your-lease/extend-your-lease>.

They will need to include the following:

- The names on the lease (parties)
- The date the lease was granted
- The term of the lease
- The commencement date of the term (this can vary from the date the lease was granted),
- The details of who they may have acting on their behalf and their address.
- The 'Premium price' they propose to pay for the lease extension, the premium price is the amount for the lease extension only and does not include our costs listed below
- Allow the council **minimum 2 months** from the date of the **Section 42 notice** to serve a **Section 45 Notice** to accept the offer or make a counteroffer based on the valuation.
- Signature and date

### **What happens after the Section 45 is received**

At this stage the Lessee can go ahead or withdraw the lease extension. They will however have to pay any costs incurred from the list below.

The **costs for a lease extension** are as follow:

- £200 admin fee
- £350 Valuation
- £102 New lease plan
- the solicitor's actual costs, which are set at £1,365 but may increase if the matter becomes protracted
  
- Cost of the Lease extension also known as the 'Premium price'

Once the Leaseholder or their Solicitor has advised they wish to proceed with the lease extension we will instruct our Solicitors to prepare a draft lease

### **What are the terms of the new lease**

The terms of the lease remain the same except for:

- The term of the lease, another 90 years is added
- The ground rent is reduced to a peppercorn rate, effectively nothing.

<https://www.westminster.gov.uk/housing/leaseholders/about-your-lease/extend-your-lease>

### **Links to important information**

<https://www.westminster.gov.uk/housing/leaseholders/about-your-lease/extend-your-lease>

<https://www.lease-advice.org/advice-guide/lease-extension-getting-started/>

<https://www.lease-advice.org/faq/should-i-wait-to-extend-my-lease-i-have-heard-that-planned-changes-to-the-law-could-make-lease-extension-cheaper/>

<https://www.gov.uk/government/publications/the-kings-speech-2023-background-briefing-notes>