

d&g&your simple guide to lease extensions



**Douglas
& Gordon**
HOMES & PROPERTY

Lease Extensions

If there are fewer than 80 years remaining on your lease, a 90 year extension will significantly increase the marketability of your property. It can, though, require a great deal of hard work and organisation, so when embarking on the process, it's best to make sure you receive the best possible advice.

At D&G, our Professional Valuations team specialise in assisting clients with lease extensions. They can help you from start to finish or, whenever you need them to step in.

1. Timings

As a lessee, you are usually the one to initiate the lease extension process. You can serve notice on your landlord claiming a statutory 90 year lease extension or approach them informally. **It can take between six and nine months to acquire a new lease, so it is important to take this into consideration if you are thinking of selling in the near future. Leaving it to just before you sell is not advised.**

2. Negotiations

Once you have served the initial notice for the lease extension, the landlord will respond stating the premium that they are seeking. There then usually follows a period of negotiation between the parties. It is at this point that the help and support of your D&G valuer will be critical in achieving the lowest possible premium.

3. Completion or an independent tribunal

When the premium payable for the lease extension is agreed, completion of the new lease will shortly follow suit. If the terms cannot be agreed, the matter is referred to an independent tribunal who will make a binding determination as to the appropriate premium payable. Your D&G valuer is experienced in preparing submissions for, and giving evidence under cross examination at such hearings so will be able to help you throughout this process.

4. Costs

Most lessees are entitled to extend the lease by 90 years at zero ground rent, in exchange for a premium payable to the landlord. There are additional costs that you may be liable for, such as; solicitor's fees, SDLT, valuation and negotiation

costs and the landlord's recoverable costs.

Solicitors

Solicitors fees will vary but are likely to be in the region of £1,500 + VAT*

Stamp Duty costs

SDLT is a premium payable on the lease extension as if you were buying a property.

Valuation and negotiation costs

D&G's valuation fee will vary depending on the complexity of the case. It's important to note that the shorter the lease, the higher the negotiation costs are likely to be. Once we know the specific details of your case we can provide you with a quote.

Landlord's recoverable costs

In addition to your own costs, the lessee is also liable for the landlord's reasonable valuation and legal costs.