



Lease and Lease Extensions

Should you be worried if you are buying a lease or a leasehold property?

Are you buying a lease or a leasehold property?

The concept of freehold and leasehold can be confusing to buyers. And buyers, quite rightly, worry as to whether they are paying hundreds of thousands to purchase something which does not actually belong to them (but which they occupy for a fixed period of years) Another question asked often is, 'Is my leasehold worth less than a freehold property?'

The answer is it depends.

It mostly depends on the length of your lease and the obligations and rights that exist or are missing from your lease. That is why it's important that you instruct solicitors both expert and experienced in dealing with leases.

Call Us. We are here to help.

Instructing A.V.Rillo will save you time and money in the long run. We are recognised as industry leaders in complex leasehold cases and specialise in leasehold extensions. We review our client's lease as soon as it is received and prepare a special report on the title, detailing key information and highlighting any defects with solutions the buyer may wish to consider before following through with the purchase.

You must also read the lease and ask your conveyancing solicitor to answer any questions you have or anything you are unsure about. A V Rillo reviews their client's lease as soon as it is received and prepare a special report on title which reports to them on the lease and will notify their client of defects if any in the lease and solutions the client buyer may want to consider to put right or whether they want to take a view and buy the lease in any event; depending on the price of course. This reporting process allows the buyer to make an informed choice on whether to proceed.

The obligations under your lease

An expert lease solicitor will also review your obligations under the lease to the freeholder or landlord (called covenants) and the freeholder or landlord's obligations to you (also called covenants). The solicitor should ensure that your freeholder has the obligations imposed on them that you want them to carry out for you; for example the covenant on the landlord to repair, maintain and insure the exterior of the property and common parts, etc.

These are just some of the obligations that you need to ensure exist. Your solicitor must also ensure that you have certain easements (i.e., rights) over the property such as the right to common services such as electricity and water pipes. Again, these are just a few of the easements your solicitor and you must look out for.

When do you ask your solicitor?

As soon as your agent asks you to instruct a solicitor on your purchase then ask your solicitor to advise you on the lease. If you get it wrong then you could end up suffering financially. If you choose an expert conveyancing solicitor then try to ensure they are on the Law Society Quality Conveyancing panel (otherwise known as CQS) and also try to ensure they *actually specialise* in lease extension work. Not all conveyancing solicitors have this speciality. Don't take chances and don't cut corners.

Ask a friend, family member or your estate agent to recommend a solicitor. The government backed leasehold advisory service have a list of experts for your area. A.V.Rillo has been reviewed as a leasehold extension specialist so call us or email for any guidance we will be happy to help.

Length of the lease and lease extensions

This is normally referred to as the "term of years". The years will vary depending on when the lease was drafted. Some leases are drafted as a fixed term of 999 years. Others are fixed at 125 years but some even have just 99 years. This is the original term of years granted but obviously the more time that elapses since the lease was first created means that you will have fewer years left on the lease.

Is there a problem with a short lease?

Again it depends on how many years you have less to run. Essentially, anything below 80 years means you should talk to your solicitor as to whether you need to try to extend the lease before you buy. After the purchase, you may be barred for two years to extend.

If you want to find out more on how to extend your lease then ask your solicitor or ask our leasehold extension unit or you can download the A.V.Rillo lease extension guide.