



Lease Extension Guide for outright owners

At Latimer by Clarion Housing Group we offer both the statutory (or ‘formal’) route to lease extension as well as our own ‘informal’ procedure.

Upon receipt of an initial enquiry we’ll check if we’re the freeholder. Where we own a head lease we check whether we’re the immediate landlord and that the head lease has a sufficient term remaining to be able to grant the lease extension. In cases where we only hold a head lease which does not have a sufficient term remaining it will not normally have a legal right to extend its head lease and may therefore be unable to extend the underlease.

Formal route

To start this process you must serve a valid Section 42 notice. We recommend that you seek legal advice for help in drafting the notice or instruct a solicitor to act on your behalf. The notice must include:

- An indication you are serving a Tenant’s Notice as set out in S42(3) of the Leasehold Reform Act 1993.
- Your full name and address.
- The date when your existing lease was granted.
- The name and address of your appointed representative.
- Your proposed premium.
- The deadline for Latimer by Clarion Housing Group to respond (at least two months from the date of the notice).
- If you wish to propose changes to the existing lease, these should also be included in the notice.

Please ensure that a valid Section 42 notice is served. Where a Section 42 notice is served incorrectly it will be deemed withdrawn and the leaseholder must pay the landlord’s reasonable legal and valuation costs to the date of withdrawal. Furthermore the leaseholders cannot re-serve another notice for 12 months.

Please also supply a contact telephone number which you are happy for us to release to the surveyor, who will provide us with a valuation report.

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Latimer by Clarion Housing Group is the development arm of Clarion Housing Association Limited and Latimer Developments Limited. Clarion Housing Association Limited is registered with Regulator of Social Housing (4865); and is a charitable Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014 (7686) VAT no 675646394. Clarion Housing Association Limited’s registered office is at Level 6, 6 More London Place, Tooley Street, London SE1 2DA.



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We must respond to the notice by issuing a Counter-Notice within the deadline provided. We'll instruct an external RICS-surveyor to obtain a premium. As the leaseholder you must pay our surveyors fees, in addition to our legal costs and our administration fee you must also meet your own solicitors fees.

On receipt of the valuation report, our solicitors will serve a Counter-Notice stating:

- Premium payable.
- Length of extension (an additional 90 years plus the remaining term).
- Ground rent payable (this will be nil or peppercorn).

If the Counter-Notice is not accepted, both parties' surveyors will negotiate a premium. The negotiation period should commence from the date when the Counter-Notice is served. If terms remain in dispute after two months, either party can refer the case to the First-tier Tribunal (Property Chamber) but no later than six months after the date of the Counter-Notice.

If you wish to proceed along the formal route please arrange for your solicitor to serve the Section 42 notice on Clarion Housing. Please note that timescales for this process are dependent on and guided by legislation.

Informal route

We also offer an informal route, where you'll receive a new 125-year lease. The terms will include a peppercorn ground rent.

For this route there is no written notice served, you can simply advise us that you wish to proceed through the informal route via email to leaseextensions@clarionhg.com, providing us with a contact telephone number that you are happy for us to pass to the surveyor. As the leaseholder you must pay our surveyors fees, in addition to our legal costs and our administration fee you must also meet your own solicitors fees.

We'll instruct an independent RICS-registered surveyor to provide a valuation. The valuation will be valid for three months. You will be entitled to receive a summary of the valuation report and you will receive a premium offer letter with confirmation of the premium payable for a new 125-year lease.

If you wish to proceed with your lease extension you must send written confirmation of your acceptance of the premium along with your solicitor's details. We'll instruct our solicitor to extend the lease as per the terms detailed in the offer letter.

Please be advised that the time taken for the informal process to complete will vary however we suggest that completion should take place within 6-8 weeks from the acceptance of our premium offer.



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The legal process

Whether you're following the Formal or Informal route our solicitors will:

- Prepare the legal documents, obtain lender's consent where our interest is charged (your solicitors would deal with the consent from your mortgage company, if applicable).
- Liaise with us to confirm whether there are any service charges, rent or other charges owing.
- Provide your solicitor with a statement of what you must pay on completion.
- Forward the legal documents to each party to be signed and returned.
- Complete the transaction, collecting all monies payable to Clarion.

Your solicitor must deal with Stamp Duty Land Tax returns and registration of the lease extension at the Land Registry.