



Lease Extension Guide for shared owners

Background

Shared ownership leases would have been originally granted for a fixed term, often for 99 or 125 year leases. Shared ownership leaseholders do not have a legal right to extend their leases. However, at Latimer by Clarion Housing Group, we wish to give our shared owners the same choice as 100% lease owners.

This procedure explains the circumstances in which we'll allow shared owners to extend their leases and its 'informal' procedure for doing so.

Checking eligibility

Upon receipt of an initial enquiry we'll check if we're the freeholder. Where we own a head lease we check whether Clarion is 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. In this circumstance the team will contact you to review a way forward.

Informal route

Our informal route provides a new 125-year lease. The terms will include a peppercorn ground rent of nil per annum. The premium will be apportioned based on the equity you own.

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

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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 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.

The legal process

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 Clarion 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.