

# Your Lease Extension Journey

## STEP 1

### Time to take action

You understand the implications of your falling lease length and decide to do something about it.

## STEP 2

### Leaseholders take control

If you instruct Leasehold Valuers, one of our specialist valuers will carry out an inspection of the property. We will then prepare a comprehensive report, which includes calculations detailing the likely price payable for the lease extension premium (or freehold purchase price), together with an 'Offer Price' figure, which will be used later by the solicitor to start the process.

## STEP 3

### Instructing a solicitor

If you decide to proceed with a lease extension, you are required to instruct a specialist solicitor, who will use the 'Offer Price' figure from our report to serve a Section 42 Notice of Claim. We can provide you with the contact details of our partner firm, Leasehold Law, which is also committed to championing leaseholders' rights.

## STEP 4

### Section 42 Notice served

Once the Section 42 Notice has been served on your freeholder, claiming your right of a lease extension of 90 years and a reduced ground rent to zero, they have two months to respond with a Section 45 Counter Notice. The lease length is frozen once a Section 42 Notice has been served.

## STEP 5

### Section 45 Counter Notice received

Once the Section 42 Notice of Claim is received by the freeholder, they are allowed to instruct their own valuer and solicitor and they can recover the costs of these from the leaseholder (usually when the lease extension price is paid). Your freeholder will then prepare their valuation (during which time they may need to inspect your property) and serve their Section 45 Counter Notice. Please don't be surprised if the Counter Notice price is far higher than our recommended settlement range; this is very common and we are highly experienced at negotiations against many of the most difficult and notorious freeholders.

## STEP 6

### Negotiations begin

Once the Counter Notice has been received, we will contact your freeholder's valuer to negotiate the lowest price possible. At the same time, it should be your solicitor's responsibility to ensure and/or negotiate the appropriate wording of the terms, etc. of the new extended lease. This period can take up to six months.

## STEP 7

### Negotiations complete

Negotiations complete and a fair price for your lease extension is determined, which we ask you to approve. Leasehold Valuers' involvement is now complete and we will inform your solicitor. There is then a period of two months allowed for the lease extension to complete.

## STEP 7a

### Negotiations stall

If negotiations are unsuccessful then an application should be made to the First-tier Tribunal (Property Chamber) by your solicitor. This forces the freeholder to negotiate and very rarely results in an actual hearing going ahead. From application to hearing can take three months, but the application may be withdrawn if a settlement is reached during this time.

## STEP 8

### You sign your new lease

Your solicitor will liaise with you to sign your new lease, which has an additional 90 years and a zero ground rent and, at this point, you will need to provide the final payment of funds.

## STEP 8a

### Negotiations stall

If completion does not take place in four months, your solicitor should make a protective application to the Court. If this application is not made the lease extension is deemed withdrawn. This is very uncommon, but your solicitor will be able to advise you further.

## FINAL STOP

### CONGRATULATIONS - YOUR LEASE EXTENSION COMPLETES!

Your solicitor will send the new lease to the Land Registry to be registered (which can take some time depending on the Land Registry's capacity). Once you receive the registration documents from your solicitor, your new lease extension is complete. You can now be confident that you have dealt with your lease length issue once and for all and that, whenever you want to, you will be able to sell or remortgage your property for its full value.

WELL DONE!

For further information please contact us:

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