

My name is Dee, I joined Alison Fielden & Co., in December 2021 as a Conveyancer dealing mostly with residential property along with my colleagues Alison and Phil, but also land, lease extensions, transfers of equity, and anything that comes under the umbrella of mostly residential property. I have worked in the Legal Profession for over 35 years

I thought for my first article I would explain the different types of Leasehold property.

Firstly, Leasehold flats, these usually have a Lease of either 99, 125 or even 999 years. The shorter Leases will have to be extended at some point. A Lender if you are having a mortgage requires a minimum of 50 years, plus the length of your mortgage period.

On a Lease of a Flat/Apartment you will either pay a fixed Ground Rent, or a Peppercorn (none at all), for the period of the Lease and this is either yearly or sometimes twice yearly. You will also pay additional charges for the property that are normally classed as Service Charge (this would cover maintenance of the main building, Insurance, and other items) these will be sent out in the Schedule to the Lease and your Solicitor will explain this in full to you.

Occasionally you have what is called a doubling Ground Rent, which takes an entire article on its own to explain.

Freehold Houses, on new Developments often have a Management Company to deal with the communal areas. Shared areas, are the green spaces, play areas, sometimes parking spaces, footpaths, and Courtyards that are not adopted by the Council. It also covers Public Liability Insurance. Although no Lease is attached to the property, there is still a Service Charge to be paid. When you sell the property a Management Pack will be required from the Company the same as if you are selling a Leasehold Flat.

There are some leasehold properties, most maisonettes that have Leases dating back to the 1930's and slightly later. These have a 999-year Lease, and you pay a minimal rent of about £3.50 p.a. However, you are responsible for the maintenance of the property. A lot of the owners buy the freehold of both maisonettes between them.

Shared Ownership, both Houses and Flats/Apartments are Leasehold properties usually for a term of 99 years. The Rent paid which is referred to a Gross Rent, and also a Specified Rent. The Specified Rent is the proportion of the Rent you pay on the percentage of the property that you do not own.

Shared Ownership properties are bought from the Housing Association, and you have to be approved by them before you can purchase a property. You will purchase a percentage of the property which is normally between 25-40% and is usually decided by the Housing Association.

If you are buying a flat or a house, you will also pay Insurance Contributions and also Service Charge. Service Charge for the house would be for communal areas, and repair/maintenance. You are entitled with a Shared ownership property to staircase up. This basically means that you may purchase additional percentages of the property until you own 100%. Once you own this in respect of a house, this then becomes a Freehold property.

A shared-ownership Flat/Apartment will stay as a Leasehold property, but you will own if you so wish the whole of the property and not just a percentage.

At this point in respect of both properties you would no longer pay the specified rent.

Shared ownership properties are a way for first time buyers to get on the property ladder, but also for others as well. You are only purchase a percentage and therefore not paying the whole purchase price.

Alison, Phil and Dee can assist you in relation to legal matters concerning residential property. For an appointment ring 01285 653261.