

### 3. About your lease



This document is available in other languages, larger text, Braille and on audio cd or cassette.

Your lease agreement is an important legal document. It is a contract between you and Beech Housing Association and it details your rights and responsibilities as a leaseholder. You should ask your solicitor for a copy of the lease agreement and keep it in a safe place.

Leasehold ownership of a property is simply a long tenancy, where you have the right of occupation and use of the property. The lease will usually be for 99 or 125 years and the property can be bought and sold during that term. The term is fixed at the beginning and so decreases in length year by year. If the lease is coming to an end, the owner can apply for it to be extended by contacting Beech Housing Association.

If you find it difficult to understand your lease you should get advice from a solicitor or the citizen's advice bureau. It is difficult to change the conditions of the lease after you buy so make sure that the service provided for and the obligations imposed in the lease are those that you want or can accept.

The lease sets out the contractual obligations of the two parties i.e. what the leaseholder has contracted to do and what the landlord is bound to do.

In developments made up of a number of flats the leaseholders obligations will include payment of ground rent (if any) and contribution to the costs of maintaining and managing the building. The landlord will be required to manage and maintain the structure, exterior and common areas of the property, to collect the service charge from all the leaseholders and keep the accounts.

Leaseholders are not necessarily entirely free to do whatever they want in or with the property; the lease comes with conditions to protect the rights of everyone with an interest in the building. For example retirement schemes will usually have restrictions on the age of those who can live there.

When a property changes hands the seller assigns all the rights and responsibilities of the lease to the purchaser including any future service charges that have not yet been identified.

## Your lease explained

The demise; this is what is included with your home; for example, gardens and fences. If you live in a flat your lease will tell you what part of the buildings belong to you along and whatever parts you share with other people in the building. Often the lease will include a plan of your home.

## The leaseholder covenants

These are your responsibilities as leaseholders. For example, your responsibility to pay your rent and service charges; Beech Housing Association will take action to enforce the covenants of your lease if necessary.

## The landlord covenants

These are our responsibilities as your landlord. For example it is our responsibility to insure your home, to review your rent and advising you what to do if you want to buy extra shares in the property.

## What are your contractual rights?

First and foremost, the right of peaceable occupation of the flat for the term of the lease usually referred to as quiet enjoyment.

In addition, if you live in a block of flats or you share communal areas with other residents you have the right to expect the landlord to maintain and repair the building and manage the common parts, that is the parts of the building or grounds not specifically granted to the leaseholder in the lease but to which there are rights of access, for example, the entrance hall and staircases.

## What are your responsibilities?

If you live in a flat or a bungalow within a block and you pay a service charge you will be responsible for keeping the inside of the flat/bungalow in good order, to pay (on time) a share of the costs of maintaining and running the building, to behave in a neighbourly manner and not do certain things without the landlords consent, for example, make alterations or sublet. The landlord has an obligation to ensure that the leaseholder complies with such responsibilities for the good of all other leaseholders.

If you live in a house you will be responsible for the maintenance and upkeep of the house both internally and externally. You will be expected to behave in a neighbourly manner and not do certain things without the landlord's consent such as make alterations to the exterior of the property or sublet the property.

## What are service charges?

Service charges are payments by the leaseholder to the landlord for all the services the landlord provides. These will include maintenance and repairs, insurance of the building and in some cases, provision of central heating, lifts, lighting, cleaning of the common areas etc. Usually the charge will also include the costs of management.

Service charges can vary from year to year, they can go up or down without any limit other than that they are reasonable.

Details of what can be charged by the landlord and the proportion of the charge to be paid by the individual leaseholder will all be set out in the lease. The landlord arranges the provision of services, the leaseholder pays for them.

All costs must be met by the leaseholder; the landlord will generally make no financial contribution. Your lease allows for Beech Housing Association to collect service charges in advance repaying any surplus or collecting any shortfall at the end of the year.

Beech Housing Association can only recover the costs which are reasonable and leaseholders have rights to challenge service charges they feel are unreasonable at the leasehold valuation tribunal.

## What are sinking funds?

Also sometimes referred to as reserve funds your lease allows Beech Housing Association to collect sums in advance to increase a sinking fund or reserve fund to ensure that sufficient money is available for future schedule major works such as external decoration or lift replacement. Contributions to the sinking/reserve fund are not repayable when the flat is sold.

## What happens if the leaseholder does not pay?

It is the leaseholder's obligation to pay the rent and service charge promptly under the terms of the lease. If they are not paid we can begin forfeiture proceedings by applying for a court order. This can lead to us repossessing the property. We may also seek a county court judgement for payment.

## What other rights does the leaseholder have? Information

Beech Housing Association must provide a name and contact address for residents to use. Leaseholders can demand summaries of the service charges, details of the insurance cover and have the right to inspect the accounts and other documents.

## Consultation on major (qualifying) works

We can not carry out major works to the building where it costs any leaseholder more than £250 without first consulting you, failure to do this means we may not be able to recover all the costs.

## Consultation on long-term agreements

We can not enter into certain agreements or contracts for any service over 12 months where the cost to any leaseholder is more than £100 per year without first consulting you.

## Challenging service charges

You can apply to the Leasehold Valuation Tribunal to seek a determination of the liability to pay and reasonableness of the charges, whether already paid or not.

## Challenging administration charges

You can apply to the Leasehold Valuation Tribunal to seek a determination of the liability to pay and reasonableness of other charges arising from the lease in addition to the service charge.

## Right to manage

If leaseholders want to change the management of their property, whether it is deficient or not, they can do so by using the right to manage. This is a 'no fault, no compensation' process that will allow leaseholders as a group to decide the management arrangements for the property.

## Right to vary a lease

A lease can be varied at any time where it does not make proper provision for such things as the repair or maintenance of the building, insurance etc. A lease can be varied with the agreement of all interested parties or by application to the leasehold valuation tribunal.

## Right of first refusal

Where a landlord is proposing to sell their interest in a building containing flats they must, by law, first offer it to the residents before offering it on the open market. The landlord must serve formal notices on the residents telling them what they are intending and must provide time for them to consider the offer; the landlord cannot sell to another party during that time, nor offer the interest to anyone else at a price less than that proposed to the residents or on different terms. Breach of these legal obligations by the landlord is a criminal offence. If the landlord sells without providing the Right of First Refusal, the residents can serve a notice on the new owner demanding details of the transaction, including the price paid; they can then take action to force the new owner to sell to them at the price they paid.

## Right to enfranchise

Leaseholders may qualify for one of the rights to enfranchise. For residents of flats in a block, these rights include the right to an extended lease and the right to acquire the freehold interest in the block, together with the other residents in the block (otherwise known as 'collective enfranchisement'). This is a complicated legal process and if residents wish to activate this right they should seek legal advice before doing so.

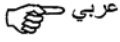
# Getting in touch

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عربي

ARABIC

حدد اللغة التي تتحدثها .  
سوف نستدعي مترجماً على الهاتف لمعاونتنا .



کوردی

KURDISH

پهتجه رابکیتنه بۆ نهو زمانهێ قسهی پێدهکهیت.  
ئیمه موتهرجیمیک پهیدا دهکهین تا به ته له فۆن  
هاوکاریمان بکات.



বাংলা

BENGALI

আপনার ভাষাটি অঙ্গুলি নির্দেশ করে দেখান।  
আমাদেরকে সহায়তা করার জন্য টেলিফোনে  
আমরা একজন দো-ভাষী বা ইন্টারপ্রেটার এর  
ব্যবস্থা করব।



普通话 / 国语

MANDARIN

请指出您讲的语言。  
我们将请一位口译员在电话上翻译。



廣東話

CANTONESE

請指出您講的語言。  
我們將請一位電話翻譯員  
來幫助您。



ਪੰਜਾਬੀ

PUNJABI

ਆਪਣੀ ਭਾਸ਼ਾ ਵਲ ਇਸ਼ਾਰਾ ਕਰੋ।  
ਅਸੀਂ ਦੁਬਾਸੀਏ ਨੂੰ ਕਹਾਂਗੇ ਕਿ ਉਹ ਟੈਲੀਫ਼ੋਨ  
'ਤੇ ਸਾਡੀ ਮਦਦ ਕਰੇ।



فارسی

FARSI

زبانی را که صحبت میکنید نشان دهید  
برای کمک، مترجم تلفنی تهیه خواهیم کرد.



Soomaali

SOMALI

Farta ku tilmaam luqaddaada.  
Waxaan telifoonka ku heli doonaa  
turjibaan na caawiya



ગુજરાતી

GUJRATI

તમારી ભાષા તરફ આંગળીથી ઇશારો કરો.  
આપણને મદદ કરવા માટે એક દુભાષિયાને અમે ટેલિફોન  
પર બોલાવીશું.



اردو

URDU

اپنی زبان کی طرف اشارہ کیجئے۔  
ہماری مدد کرنے کیلئے ہم ٹیلی فون پر کسی ترجمان (اگر پڑھ لکھ سکتے ہیں) کو بلائیں گے۔



हिन्दी

HINDI

आपकी भाषा की ओर इशारा करें।  
हमें सहायता करने के लिए एक दुभाषिये को हम टेलीफोन  
पर बुलाएंगे।



Tiếng Việt

VIETNAMESE

Hãy chỉ vào ngôn ngữ của quý vị.  
Chúng tôi sẽ mời một thông dịch  
viên qua điện thoại giúp chúng ta.