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Lease extension solicitors costs

At Lease Extension Company, we're here to simplify the process of extending your lease and save you time and money. Our team of expert solicitors and surveyors work together to provide transparent rates and fixed fees that ensure you know exactly what you're paying for. A shortening lease can significantly decrease your property's value over time, but extending it not only protects your current investment but also increases its worth by up to 200% of the extension cost. By adding 90 years to your existing lease, an extended lease gives you peace of mind and unlocks your property's full potential. If you're considering extending your lease, you may be wondering how it will affect your mortgage. Fortunately, most lenders are happy to accommodate lease extensions and can often roll the costs into your existing mortgage. Our team is here to guide you through this process and ensure that you get the best possible deal. A low lease shouldn't deter you from buying or selling a property. In fact, our expert team can help you navigate the process and maximize your property's value. Call us today for a free, no-obligation consultation to learn more about how we can help. At Lease Extension Company, we offer a bespoke service that includes specialist solicitors and surveyors working together to save you money on valuation and legal costs. With our fixed fees, you'll know exactly what you're paying from the start and won't be surprised by any hidden charges at the end of the process. Extending your lease not only adds significant value to your property but also increases its saleability and eliminates ongoing ground rent costs. Our team will oversee the entire process from valuation to registration with HM Land Registry, giving you complete peace of mind. We operate nationwide and offer a one-stop solution for all your lease extension needs. To get started or learn more about our services, simply call us today or fill out our online form for an estimated cost calculation. Our company offers a hassle-free experience in navigating the lease extension process. Our partner will guide you through it with ease, all for a fixed fee that won't break the bank. We're proud members of ALEP, which speaks volumes about our high standards and commitment to excellence. Keep in mind that this calculator is just an estimate, not an expert opinion from a Chartered Surveyor - so don't rely on it in court or tribunal proceedings. Here are the key costs involved: - Serving the initial notice: £750 + VAT - Finalizing the new lease after valuers agree on the price: £750 + VAT - Registering your new lease at Land Registry: £750 + VAT - Obtaining a letter of consent from your lender (if you have one): £200 + VAT If multiple leaseholders in the same block want to extend their leases, we'll give them a discount. Our services cover everything from serving notices and arranging valuations to negotiating the lowest premium possible. We can even handle the paperwork and application to Land Registry on your behalf. Our expert solicitor, Ashley Connell, is well-known for his industry expertise. Don't hesitate to contact us - whether you're a leaseholder or freeholder, we've got you covered. Given article text here Leaseholder Rights and Lease Extension: What You Need to Know Act 1993 outlines the rights of leaseholders. As a leaseholder, you have the right to: * Know the freeholder's name and address * Receive information about insurance costs * Review service charges calculations and spending * Participate in Section 20 consultations on charges over £250 for planned work or £100 per year for over 12 months You can also dispute unreasonable charges by applying to a tribunal. Additionally, you have the right to collectively acquire the freehold of your block with other tenants. If your lease is below 80 years and nearing its end, it's essential to consider extending before selling. The marriage value, which increases property value due to the extended lease, applies when extending a lease with less than 80 years left. Landlords are entitled to 50% of this value. When deciding whether to extend your lease or buy shares of freehold, consider the following: * Time left on the lease: +90 years = not worth extending, 90-85 years = worth extending for improved saleability * Mortgage-ability: below 80 years, lenders become less willing to offer mortgages, and terms worsen; below 60 years, it may be impossible to get a mortgage * Saleability: your property will be harder to sell if buyers can't secure a mortgage, limiting your pool of potential buyers Under the 1993 Leasehold Reform Act, you have the right to extend your lease or join forces with other leaseholders to purchase the freehold. This option requires cooperation between you and your neighbors and meeting eligibility criteria, including at least half of all flat owners wanting to buy the freehold. Enfranchisement of freehold requires at least two-thirds of leaseholders to have long leases, exceeding 21 years. This decision should not be taken lightly, as it involves running a freehold company and serving as directors. Consulting an experienced leasehold solicitor and RICS Leasehold Reform valuation surveyor is necessary for this process. Extending a lease may not be worth it if there are more than 90 years left, unless significant savings can be made on ground rent or long-term plans are in place. However, collective enfranchisement plans may make individual lease extensions unnecessary. The application process involves getting valuation advice, serving a Section 42 Notice, and receiving a counter notice from the freeholder, which can take several months to over a year. The total cost of lease extension includes a premium, typically £5k and upwards, and professional fees, costs, and taxes, ranging from £2k-£3k. A reliable estimate of the premium can be obtained through a leasehold valuation professional, who should provide a 'best and worst' case figure. The lease extension formula is set out by the relevant legislation, and it's crucial to understand the implications and seek expert advice throughout the process. The 1993 Reform Act establishes the framework for calculating the capital (premium) that leaseholders must pay to freeholders when extending a lease. This involves considering the potential losses suffered by the landlord due to granting a new lease and the share of the marriage value. Marriage value refers to the increased property value resulting from extending a lease beyond 80 years, with the freeholder entitled to 50% of this gain. Professional fees, costs, and taxes can amount to around £3,000 for straightforward lease extensions, including solicitor's conveyancing fees, surveyor's valuation report costs, and landlord's reasonable legal and valuation report expenses. SDLT considerations apply if the premium exceeds £125,000 (standard rate) or £40,000 (3% surcharge for non-main residences). In summary, the total cost of a new lease will be the premium plus both parties' reasonable professional fees and SDLT liability. Eligible leaseholders must have an original lease longer than 21 years and have owned the property for at least two years. Key steps include: 1. Check eligibility as a leaseholder. 2. Ensure sufficient funds to complete the process, which can cost several thousand pounds. 3. Identify the freehold owner or apply for a vesting order if no freeholder is found. 4. Appoint a valuation surveyor and solicitor with experience in extending leases and membership in relevant professional organizations (RICS and ALEP). 5. Consider approaching the freeholder personally or through intermediaries to discuss lease extension terms. 6. If an informal offer is accepted, proceed with a formal offer. If rejected, serve a Section 42 Notice and negotiate a counteroffer. 7. Pay a deposit within 14 days if the freeholder accepts the offer (10% of the cost or £250, whichever is higher). 8. The freeholder will issue a counter notice (Section 45) accepting, proposing alternative terms, or rejecting the request. 9. If no agreement is reached, seek assistance from the Leasehold Advisory Service or First Tier Tribunal/Leasehold Valuation Tribunal. For more information on lease extension disputes, visit . To extend a lease on a flat or maisonette, you'll need approval from your lender and a solicitor. Most lenders won't lend on properties with short leases, but some may accept 85+ years. When buying a property with a short lease, consider asking the seller to extend it first or negotiate a shorter sale period. For shared ownership properties, check with your landlord for their extension policy, as you might be able to purchase more shares instead of extending the lease. If you own 100% of the property after increasing your share, you're entitled to extend the lease under the 1993 Leasehold Reform Act. Before building an extension on a leasehold property, ensure you have permission from the Freeholder and check your lease for any restrictions. You might need to pay fees for their consent and subsequent changes to the lease. For shared ownership properties, you don't have automatic rights to extend the lease, but you can check with the freeholder for their policy. If you increase your share to 100%, you may be able to extend the lease under the Act, provided you meet its criteria. The costs of extending a lease include: * Your legal fees (£2,400-£4,500) * The freeholder's reasonable legal and valuation fees (£1,200-£2,100) * The premium (cost of additional lease term) (£3,000 or more) Additionally, if you own multiple properties, you'll be liable for the 3% SDLT surcharge on the premium. It's essential to seek independent advice to determine the best course of action and avoid unexpected costs. £40,000 in costs, depending on property value, lease length, and negotiation complexity. A tribunal referral will add at least £1,600 more. Keep in mind that withdrawing your application after serving a Section 42 Notice still incurs costs and fees. The premium is based on the property's current value, potential future increase with a longer lease, and remaining lease duration. Shorter leases typically result in higher premiums. A Section 42 Notice, or Tenants' Notice, is a formal request to extend the lease, stating your willing-to-pay premium, given to the freeholder at least two months prior. Accurate service is crucial, as incorrect service allows rejection and a 12-month waiting period before reattempting. Ground rent is an annual fee for land use, varying from £50 to over £200, with no increases without consent or lease stipulation. Leasehold reform allows collective enfranchisement, where lessees can collectively purchase the freehold. Criteria include at least half of lessees willing to participate, a minimum original lease duration of 21 years, and no more than two flats owned by individual lessees. Successful freehold purchase requires a company director appointment. Freehold property ownership entails sole possession of the land, whereas leasehold properties involve renting the land from a freeholder, with ground rent payments often applicable. Leasehold Properties Explained A freehold property grants ownership not just of the building itself but also the land it sits on and any communal areas. Leasehold properties, such as flats or apartments, typically have a different arrangement. Here, you own the parts of the building you occupy, while the land and common areas are owned by the freeholder who leases them to you long-term. In exchange for maintaining these areas, you pay ground rent, service charges, and maintenance fees to the freeholder. If you're unsure about the identity of your lease's freeholder, you can check the Land Registry website or consult with your legal representative. They should have provided this information when you purchased the property. When a lease expires, technically, it reverts back to the freeholder, but in reality, you may continue living there on the same terms unless the landlord serves you with notice to vacate. You cannot be forced out without a court order for possession. The landlord might choose to replace your tenancy with an assured periodic tenancy, allowing you and the landlord to negotiate new terms or seek arbitration from a Rent Assessment Committee if necessary. A long lease is generally considered one that exceeds 90 years, as properties with leases under 80 years tend to decrease in value. However, for the purposes of extending a lease under the Leasehold Reform Act (1993), a "long" lease is defined as one exceeding 21 years. You can only extend your lease if it originally exceeded 21 years and you have owned the property for at least two years. As a leaseholder, it's essential to know how many years remain on your lease because once it drops below 80 years, extending it becomes more costly. When purchasing leasehold property, consider those with leases of at least 83 years, as you won't be able to extend the lease until you've owned it for two years and the process can take time. As a leaseholder, you have the right to extend your lease by 90 years for a reasonable market fee and purchase part of the freehold under certain conditions. Regardless of whether you pursue a statutory or informal route, you'll need to instruct a solicitor to handle the process on your behalf. Completing a lease extension without a solicitor is not possible due to Land Registry requirements. If you have a mortgage, it's essential to involve a solicitor in the process as they must approve the lease extension deed on behalf of the lender. When selecting a lease extension solicitor, consider factors such as cost and fees, which can vary widely despite providing similar services. Firms in less central locations, like smaller towns in the North of England, often provide better value compared to those outside of central London. When searching for a solicitor, consider their experience with lease extensions and daily workload involving such work. The ideal candidate should have extensive expertise and be able to start working on your case within 3-4 working days.

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