



WHAT IS LEASEHOLD

As the purchaser or owner of a leasehold flat, it is important that you understand the legal nature of the ownership. What exactly do you own and what are the associated rights and liabilities. This fact sheet aims to help you understand this better. However, it is not a substitute for legal advice and terms of the lease can vary

What is Leasehold

Leasehold homeownership of a flat is simply a long tenancy, which has been granted for up to 99 or 125 years. Nottingham City Council still owns the freehold of the building and the land it is built on. The responsibility for maintenance of the structure, the upkeep of the common areas, providing insurance and the provision of services therefore remains with the Council.

What is a Lease

A lease is a legal term to describe a property contract. Your lease allows you to occupy the property for a fixed number of years.

The wording of leases can vary from one property to another and you will always need to refer to the specific wording of your own lease, if you are unsure about your rights and responsibilities and those of the freeholder.

It is important to note that it is difficult to vary the conditions of the lease after you buy.

Length of the Lease

This is usually referred to as “the term”, and most leases are either 99 or 125 years when they are first granted.

The length of the lease reduces over time from the date when it was originally granted, as the same lease is passed on every time the flat is sold. At the end of the fixed term the lease will automatically end and revert back to Nottingham City Council.

Most mortgage companies will only lend on a lease that has more than 80 years remaining. Leaseholders do have the right to request an extension of their lease and you would need to seek professional legal advice on this.

Financial

Under the terms of the lease, you are required to pay the following:

- Ground Rent - £10 per annum payable directly to Nottingham City Council falls due on 29 September each year.
- Service Charges – the lease will describe what is covered by it, how it is paid and when due, what proportion you will be charged.

- Insurance – leases dated post 1990 have a requirement that the buildings insurance is provided by Nottingham City Council. Pre-1990, the leaseholder is responsible for insuring themselves.
- Interest charges – in unpaid Service Charges
- Day to Day Repairs
- Major Works and Improvements
- Management Fees

Our Responsibilities

- Maintain and repair the structural elements of the main building, and common parts of the building, including drains, external pipes and roof, balconies, exterior walls, exterior windows, floor and ceiling joists, foundations and service equipment inside the property that does not exclusively serve the property
- Make sure the building is re-built in the event of major damage eg fire or flooding
- Manage the building, block and estate in a proper and reasonable manner
- Consult with leaseholders on expensive repairs or improvements to the building and recover a fair proportion from you.
- Enter your home to make sure the building is kept in good repair, to carry out improvements or to inspect the premises
- Estimate and reconcile the service charges due for the service we provide
- 'Police the Lease' and ensure you are complying with the terms and Legislative requirements

Your Responsibilities

- Pay ground rent, service charges, insurance and any repair costs, you will be liable to pay any interest on unpaid charges and this constitutes a breach of lease, you may be putting your home at risk of repossession if you fail to pay
- Obtain written permission if you want to make structural alterations/ improvements to your home
- Let Nottingham City Council know if you plan to sell your lease, or sub-let the property
- Only allow the property to be used as a single residential dwelling eg do not turn a house in to two flats, or operate a business from the premises and strictly no Air B&B's or other short term lets
- Maintain and repair the property internally, your lease will tell you what you are responsible for but generally you will be responsible for
 - All service equipment inside of your property that exclusively services your property such as
 - Boilers, radiators and gas equipment/appliances including pipework and flues which must be serviced annually and if you are a landlord you are bound by the **Gas Safety (installation and use) Regulations 1998(as amended) the 2018 Regulations**. You must ensure that a gas safe certificate is provided to your existing tenants within 28 days of the check

and for any new tenant this must be provided before they occupy the premises

- Electrical wiring and electrical equipment/appliances which must be regularly maintained and if you are a landlord you will be bound by **the Electrical Safety Standards in the Private Rented Sector (ENGLAND) Regulations 2020**. The regulations require that every private rented property has an electrical inspection completed by a suitably qualified person, at a maximum cyclical period of every 5 years. You must provide a copy of the electrical inspection to your tenant within 28 days of the inspection or before the tenancy begins for new tenants. You must also supply a copy to the local authority with 7 days if requested. Local authorities are responsible for enforcement of the regulations and for any non compliance can issue an Enforcement notice failure to act could result in Local authorities enforcing the repairs to be completed and recharging for this work or even impose a fine of up to £30,000.
- The landlords fixtures and fittings on the property including
 - The plumbing
 - Sanitary and electrical equipment
 - Floorboards and floor coverings
 - Plaster and wall coverings
 - Ceilings and glass in windows and doors
 - Flat front doors
- Send us a copy of any notice that you receive (or is served upon you) relating to your property
- Not do anything that could be a nuisance to other residents, or cause damage to the property
- Not use your home for any unlawful or immoral activity.

You have the right to:

- Peaceful occupation of the flat for the term of the lease, usually referred to as “quiet enjoyment”.
- The provision of information – we must ensure that our contact details are on all invoices/statements. Leaseholders have the right to request information that is used to calculate service charges. We must also ensure that every demand for a service charge we send to you includes a copy of “The Service Charges – Summary of Rights and Obligations (England) Regulations 2007”.
- Be informed about service charges and the money spent on your block
- Be consulted on works where the cost will be more than £250 per property, we must consult with you on the works and invite you to make observations on the tenders received.
- Be consulted when we wish to enter into a long term contract/agreement for the delivery of services where the costs will be more than £100 per property per annum.

- Dispute any service charges that you think are unreasonable but you must not withhold payment as you will be liable to interest on unpaid Service Charges and we can take enforcement action against you if you do not make your payments
- Apply to the First Tier Tribunal for independent advice and assistance if you think a service charge you have been asked to pay is unreasonable.

Legislation

There are many pieces of legislation to protect Leaseholders and ongoing government consultation's about future protections, there are also many legislations that leaseholders need to comply with

Here are some of the legislations

Landlord and Tenant Act 1985
 Landlord and Tenant Act 1987
 Commonhold and Leasehold Reform Act 2002
 Fire Safety Order 2005 as amended
 Building Safety Act 2022
 Fire Safety (England) Regulations 2022
 Housing Act 1985
 Building Regulations 2010 and approved documents
 The Electrical Safety Standards in the Private Rented Sector (ENGLAND) Regulations 2020
 The Gas Safety (installation and use) Regulations 1998(as amended) the 2018 Regulations.
 Discretionary Reduction of service charge Regulations 2014
 Mandatory Reduction of Service Charge Regulations 2014
 Right to buy Service Charge Loans April 2020
 The Housing (Service Charge Loans Regulations) 1992
 The Building Safety (Leaseholder Protections) (Information etc.) (England) Regulations 2022

If you are unsure about your legal rights and responsibilities as a leaseholder, you should seek professional legal advice.

Where can I get further advice on leasehold?

There are a number of organisations who specialise in providing advice to leaseholders about their rights and the legislation. We would recommend the following:

[LEASE \(Leasehold Advisory Service\)](#) – LEASE provides free advice and guidance to leaseholders and landlords on all aspects of leasehold law.

Telephone – 0207 832 2500

Email – info@lease-advice.org

Website – www.lease-advice.org

Housing Ombudsman Service – deal with disputes from both tenants and leaseholders of social landlords.

Exchange Tower
Harbour Exchange Square
London
E14 9GE

Telephone - 0300 111 3000
Lines are open Monday to Friday from 9:15am to 5:15pm (except public holidays)
Email - info@housing-ombudsman.org.uk

Citizens Advice Bureau

Nottingham and District
16 – 18 Maid Marion Way
Nottingham
NG1 6HS

Tel: 0300 330 5457
Website <http://www.citizensadvicenottingham.org.uk/>

First-Tier Tribunal (Property Chamber) (FTT)

The FTT handles applications and appeals relating to disputes over property and land including leasehold disputes.

Midlands region Tribunal:

Centre City Tower
5-7 Hill Street
Birmingham
B5 4UU

Email – rpmidlands@justive.gov.uk
Telephone - 0121 600 7888
Fax - 01264 785 122
Website [First-tier Tribunal \(Property Chamber\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk)