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# Leases explained

## 1. Buying a lease

Purchasing your home on a leasehold basis means that you have bought the right to remain in your home for a fixed term subject to certain terms and conditions (this is usually on a long lease).

Your lease contains details of these terms and the charges that may be made to you. It will also describe who the landlord/freeholder is and make reference to a Managing Agent who will manage the building and common parts.

In some cases you may own the freehold for your property too – if so you have a different legal agreement which may be known as a transfer or a deed and this will detail your relationship with Hanover.

In addition to estates occupied entirely by homeowners it is likely that properties on some Hanover estates will be occupied by people who will rent their home as well as those who chose to buy a property (the initiative is called Tenure Neutral). In these cases the terms and conditions of occupancy are the same. So for example a homeowner has the same rights to use the car park and communal facilities as someone who rents on that estate.

You should make yourself familiar with the obligations that you have as a Homeowner/Lessee and those which are placed upon

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Hanover as your Landlord. A lease is a legally binding contract for both parties.

Your lease will set out the aspects of your property which are granted to you (usually called the demise) subject to the payment of charges (service charges). It will also explain if you have to pay ground rent to a landlord and when this will increase and by how much.

There will also be a clear description of what you must do when you sell your home and the approvals that are necessary from Hanover for which a charge applies. This may be linked to the final sale price of your property.

## **2. Other Information**

Your lease states the **age** that you must be to occupy the property and who may live with you in your home (eligibility criteria). You will need to ask for permission to sublet or to take in a lodger or a relation.

Your lease may state that only persons who are capable of living independently may purchase a lease or reside within a property.

Often when a sale reaches a certain point this involves signing a declaration in the presence of a legal representative. Often people in this situation will have a care package which they receive privately in their own home to support them to live independently at the estate.

It will also describe who is responsible for arranging **Buildings Insurance** cover – whether this is the Landlord or yourself. As

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the owner of your home you must arrange your own contents insurance cover.

If you want to undertake a **structural alteration** (for example replace your kitchen or bathroom) to your home it is usually necessary for you to ask Hanover's permission to do so.

We also ask all residents to contact us if you wish to fit **wooden floors** in the home. This is so that we can advise you on appropriate soundproofing to ensure that you do not inadvertently cause nuisance to your neighbours.

Some **repairs** are your responsibility. Others must be arranged by Hanover and will be recovered from you via the service charge account.

Subject to the payment of **service charges and reserve/renewals contributions** Hanover is responsible for the maintenance of the structure of your home including major works like a new roof or redecoration of the communal parts/windows and doors.

The different types of repairs that we will arrange are laid out in the lease. It is really important that you ensure that you contribute sufficient money into the estate reserve fund for these works. Usually prospective buyers for your home will want to know how much is available for future repairs and if the balance in the fund cannot cover the cost of works as the lessee you will be responsible for making an additional payment. We will discuss likely future requirements for your property each year when your service charge is recalculated.

Your lease will usually state whether you can **keep a pet**, subject to obtaining permission. This is so that we can ensure

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that the property is suitable for your pet and advise you of any local regulations.

Hanover consults all the residents at your estate about the services that we provide. This is usually undertaken by your estate manager and local housing management via your estate **Local Agreement**. You will receive a copy of this during the sale process.

### **3. Other legal rights**

#### **To be consulted about expenditure**

Where we are proposing to spend money on works which cost in excess of £250 per property we must consult with you in a prescribed format and provide you with full details of the works, give you a right to nominate a contractor and to be informed of the estimates received. We must then account for your views prior to appointing a contractor.

#### **Long term agreements and Service Charges**

Where Hanover enters into a contract for services which is longer than 12 months and/or costs more than £100 per property we must involve you in this process and take account of your views.

#### **The Right to Manage**

As a long leaseholder you purchase the right to occupy your home for a fixed term. Your landlord will control who manages, maintains and insures your property. Hanover will do this in consultation with you but you may feel that you would like to have more control.

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The Right to Manage allows leaseholders to take over management responsibility without them having to buy the freehold or prove that the landlord is at fault.

### **Codes of practice for Retirement Housing**

The Association of Retirement Housing Managers (ARHM) Code of Practice is designed to promote good practices in relation to any matters concerned with the management of retirement housing and incorporates the principles of the National House Building (NHBC) Code of Practice for Sheltered Housing.