
Legal Rights as a Leaseholder

Your lease

Purchasing your home on a leasehold basis means that you have bought the right to remain in your home for the period of a long lease. This is subject to certain terms and conditions such as paying the service charges or not causing a nuisance to your neighbours.

This helpsheet offers general advice as to your rights as a leaseholder. The terms of a lease on each estate may be different. It is important that if you are buying a leasehold property that you seek advice from someone like a solicitor who can explain the rights and responsibilities of the lease you are considering buying.

- Leasehold ownership is a long tenancy which creates a right to occupy the property for a fixed term. The term is stated in each lease and is often for 99 or 125 years. The remainder of the lease term decreases in length each year.
- You have the right to sell your lease to someone else. The sale of the property will be subject to certain terms. These may include your Landlord approving of the new purchaser. The Landlord would normally require the purchaser to meet the minimum age requirement in the lease. Some leases require you to pay a fee when you sell your property. In some cases this fee is a percentage of the sale price, which is paid into a reserve fund to pay for future repairs to the

building. In some cases the fee is payable to the landlord in the same way that a ground rent is due.

- Some leases permit you to sub-let your property to another older person who would become your tenant. Some leases prohibit this. Where the lease prohibits sub-letting, or is not clear about sub-letting, Hanover staff will talk to residents collectively about their lease and will agree how residents expect Hanover to respond to requests for sub letting.
- In most cases Hanover owns the estate (sometimes called being the freeholder). In some circumstances, Hanover is appointed as the managing agent by another freehold owner, or by a Right to Manage Company formed by the leaseholders.
- Your lease will set out which parts of the property you have exclusive use of and which parts you have the right to use. You will usually have the right to use and access the communal areas outside your home. There may be a charge for using some parts of the property, such as service charges, ground rents or other administrative charges.
- Your lease states the age that you must be to occupy the property, you will need to ask for permission to sublet or to take in a lodger, to keep a pet, or to undertake a structural alteration to your home. As the lease for each estate can be different, you would need to ask your Estate Manager or Area Manager for details about this.

- We also ask all residents to contact us if they wish to fit a hard flooring surface within their home, such as wood, tiles or vinyl. This is so that we can advise on the appropriate soundproofing to ensure that noise is not inadvertently created which may cause a nuisance to neighbours.
- Leaseholders can expect to enjoy their home in a peaceful way. This requires their neighbours to behave in a respectful and neighbourly way. Some leases will require the landlord to enforce this, but others do not. Hanover does not expect to step into every neighbour dispute.
- If you are responsible for a serious breach in the condition of your lease Hanover may apply to a court to terminate the lease. We will always act reasonably before initiating this process and will:
 - Speak to you/advise you about the problem and give you the chance to rectify
 - Notify you of our intention to apply to Court
 - Prove to the Court we have acted reasonably
- Some repairs are your own responsibility but others such as those to the parts of the building shared with others must be arranged by Hanover. Where Hanover carries out repairs, then a share of the cost will be recovered from you via the service charge that you pay.

- The lease will usually require Hanover to arrange for Buildings Insurance cover. This covers damage to the parts of the building which are shared. This pays for things like subsidence, damage caused by gales, damage caused by fire or damage caused by a break in. It does not pay for wear and tear arising through normal use of the building and there is a “policy excess” which means that the first part of every claim is not met by insurers.
- This insurance also includes for accidental damage to components of your own property like a wash basin, but the insurance does not cover maintenance such as that arising as a result of normal wear and tear. You may wish to consider whether you want to take out your own choice of cover to pay for such repairs.
- Residents are responsible for arranging their own contents insurance cover. Hanover has made an arrangement with an insurance provider to offer a suitable home contents policy.
- Hanover will usually collect money into a reserve fund which is used to pay for major repairs (such as replacing the lift). It is important that these funds are maintained at a level which is sufficient to meet bills thus offering the reassurance of some protection from extra unexpected invoices to existing and future residents. Contributions into this reserve are not refundable when you sell your property, but should offer valuable reassurance to a prospective buyer.

- Should you wish to consider Equity Release as a way to release part of the value of your home, as income or a lump sum, we strongly recommend that you take independent legal and financial advice prior to proceeding.

Service Charges & Ground Rents

Service charges on home ownership estates cover the Landlord's costs both in maintaining the building and paying for services provided. The service charge costs are estimated before the beginning of each financial year and Hanover staff will send the estimated costs to residents in order to seek their opinions at a meeting. Following the end of the financial year, Hanover staff will produce a statement of the costs incurred, within six months of the year end.

Your lease may also include payment of a ground rent to the landlord. Your solicitor or legal advisor should have explained this to you when you bought your property.

Varying your services

In some cases it may be necessary for us to change, increase or decrease the services at your estate and in this event we will comply with the requirements of the lease and the Association of Retirement Housing Managers (ARHM) Code of Practice.

Selling your home

Your lease can be sold if you no longer wish to own your home and this must be done with the Landlord's consent. When you sell your lease all rights and responsibilities pass to the next owner – this even includes service charge arrears or the right to have a surplus on the service charge refunded. It is important

that these issues are identified at the point of sale by your legal representatives.

Association of Retirement Housing Managers (ARHM)

Hanover is a member of the Association of Retirement Housing Managers and as such we meet the requirements of that body's Code of Practice. A copy of the code is available at your estate for you to read.

Your legal rights

- **Major works expenditure**

Where we propose to spend money on works which cost in excess of £250 per leaseholder we are required to follow a procedure for consulting with leaseholders and taking account of their views. This is set out in legislation, which we know as "Section 20", named after the relevant section of the legislation.

- **Long term agreements**

Where we propose to enter into a contract for services which is longer than 12 months and where the cost will be more than £100 per leaseholder we are required to follow a procedure for consulting with leaseholders and taking account of their views. This is set out in legislation, which we know as "Section 20", named after the relevant section of the legislation.

- **The Right to Manage**

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

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

- As a leaseholder you have other rights;
- The right to information (about your landlord and charges)
- The right to challenge service charges at a Leasehold Valuation Tribunal
- The right to challenge administration charges (for example relating to subletting or alterations) at a Leasehold Valuation Tribunal
- The right to appoint a different management company where the management has not done a good job.
- Possession

If you are responsible for a serious breach in the conditions of your lease Hanover may apply to a Court to repossess your home. In carrying out this action we must;

- Speak to you/advise you about the problem and give you the chance to correct the actions.
- Notify you of our intention by providing you with a legal notice.
- Prove to the Court that we have acted reasonably

Useful contacts

- Leasehold Advisory Service (LEASE) 020 7383 9800
- Age UK; Advice and Information service 0800 1696565
- Association of Retirement Housing Managers (ARHM) 020 7463 0660

Main Title Procedure

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