

# LEASEHOLDERS' HANDBOOK



**Exeter City Council**



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## ABOUT THIS GUIDE

We are committed to providing a high standard of services to our leaseholders.

### We have produced this booklet to:

- explain your and our rights under the lease;
- explain what charges you must pay under the lease and how we work them out;
- provide information on us; and
- improve communications between you and us.

This is not a legally binding document and you should refer to your lease at all times if you have specific questions about your home.

The handbook is a guide only. If there is something that you are not clear about, please contact us and we will be only too happy to help.

## 2: YOUR RIGHTS AND RESPONSIBILITIES

### WHAT IS A LEASE?

The lease sets out the legal agreement between you (the leaseholder) and the Council (the freeholder). The lease is a very important document as it sets out your rights and responsibilities as leaseholder and those of the Council as freeholder and your landlord.

A leaseholder is the name given to a person who owns their property with a lease.

The lease will have a plan attached showing your property and the block in which it is situated (the building), together with any garden and/or shed included in the sale. The plan may also show the neighbourhood your building is in (the estate) and any communal areas that you may be entitled to use within the estate.

When you purchase a flat or maisonette you purchase the leasehold interest in that property and the Council retains the freehold interest.

Generally as a leaseholder you will be responsible for the area within the flat and the freeholder will be responsible for the exterior of the building and the land on which the property is situated. Most leases are for a term of 125 years from the date of sale of the first property in the

block. The lease will specify which parts of the property and rights over communal areas you may have.

All leases are granted by Exeter City Council and are almost identical. There may be some small differences depending on when your lease was granted but the main responsibilities for repairs and charges remain the same.

The lease contains covenants which contracts legally binding promises between you and the Council.

### WHAT ARE THE MAIN RESPONSIBILITIES UNDER THE LEASE?

The table on the next page sets out the main responsibilities of you (the leaseholder) and us (your landlord).

**We charge you for carrying out our responsibilities; this is part of your service charge. You should check your individual lease for full details of rights and responsibilities. This table is only a guide.**

## What we must do

Keep the main structure and outside of your home in good condition. This includes the roof, gutters and rainwater down pipes, window frames, communal doors, outside walls and foundations.

Keep shared water tanks, mains water and sewage drains, lifts (where installed), door entry systems and shared TV aerials (where installed) in good condition.

Keep communal gas and water supplies to your home in good condition.

Insure the building (but not your personal possessions).

Decorate the outside of the building and or common areas inside the building.

Rebuild the building if it is destroyed by fire or any other insured risk.

## What you must do

Keep your home, including all fixtures and fittings, water, gas, electrical equipment, window glass, tanks, pipes and wires in good condition.

Pay your service charge bill within the time we set and pay towards major repairs and/or improvements to your block.

Allow us, if required, into your home to carry out emergency repairs or repairs to shared services or our neighbouring properties. You will have to pay for any repairs which are your responsibility but which we carry out on your behalf.

Get our permission in writing before you make any alterations to the structure or appearance of your home.

Give us written notice if you are going to sublet your home. You must pay a registration fee for this.

Ensure that you, or anybody living in, or visiting, your home does not cause a nuisance to your neighbours.

## 3: ANNUAL SERVICE CHARGE

### WHAT DO I PAY FOR?

Under the terms of your lease you must pay us a service charge each year. The amount of this charge varies depending on where you live and the services we provide to you.

In February of each year you will be sent full details of the service charges that will be set for the coming year. This is called a **estimated service charge**.

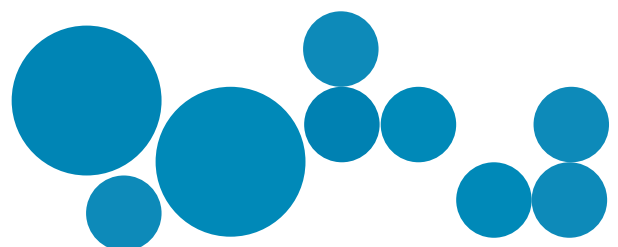
Each quarter (25 March, 24 June, 29 September and 25 December) we will send you a service charge bill.

In September of each year you will receive a **statement of account**, which gives details of the actual amount we spent the previous year. If we spent less money than you have paid us, we will reduce your service charge the following year. However, if we have spent more money than you have paid us then we will increase your service charge the following year.

You have the right to challenge the reasonableness of any service charge or of the standard of works or services. From time to time the Council will carry out repairs, improvements, or major works to your property, block or

estate. As a leaseholder you will be required to pay a proportion of the cost of any work carried out. More information about major works can be found on pages 9-10.

The table on page 6 lists the services that may appear on your service charge statement. **You will not pay for any services that are not provided for your home.**



Service Charge Item	Description of Service
Ground rent	Ground rent is a rent paid by the leaseholder (you) to the owner (the Council) for the use of the land on which their flat or maisonette is built. Your ground rent is fixed at £10 each year and we will send you a bill on 1st April for the 12 months to come.
Insurance	As the owner of the outside of your block, the Council is obliged to pay what is known as 'buildings insurance'. This covers damage to walls, roof and foundations. You will also be required to pay an interior insurance covering the inside of your flat. Insurance will be referred to later on in this handbook.
Grass cutting	This covers the cost of maintaining the grounds on your estate. It includes cutting the grass, looking after shrubs, plants, hedges and trees, and keeping concrete areas free of weeds. You will pay a share of the cost of maintaining these facilities.
Communal electricity	This charge is mainly for lighting shared hallways, communal TV aerial boosters and running the door entry system (if you are in a block of flats that benefits from it).
General repairs	<p>These are day-to-day repairs to common parts of the block and estate and the door entry system. All of the individual repairs under this category will cost less than £250 for each person.</p> <p>We will tell you about any repair that will cost more than £250 for each person, before we start the work.</p>
Door entry maintenance	This is the cost of a specialist contractor who will service the entry system on an annual basis. Ordinary repairs to the system are paid for under general repairs.
Management fee	The management fee covers the cost of managing all the leasehold properties we own. This includes the cost of advising and communicating with leaseholders, handling the contracts for services provided by outside contractors and working out the billing for the yearly service charge.
Window cleaning	Window cleaning is carried out only to windows and doors in the communal areas, it does not include individual flats. The windows are cleaned once every three months.
Reserve fund	A reserve fund is money which is charged over a period of time to pay for cyclical decoration of the interior communal parts of the block.

### IS THERE A LIMIT ON WHAT I HAVE TO PAY?

Yes. If you bought under the Right to Buy scheme we cannot charge you for general communal repairs, unless we have set a yearly amount for these repairs in your original 'Offer Notice', also known as a Section 125.

During the first five years of the lease, we cannot charge more (other than an allowance for inflation) than the amounts set out in your official Offer Notice. Once the five years are over, this limit no longer applies.



## 4: PAYING FOR SERVICE CHARGES

### YOUR QUARTERLY SERVICE CHARGE BILL

This is the bill issued quarterly for the services that are provided to you. Invoices are issued on 25 March, 24 June, 29 September and 25 December each year. The bill is based on the actual cost of maintenance and services provided to your home in the previous year.

#### For example:

In September of each year you will be sent a statement of account. This will show exactly what has been paid out against your property during the previous financial year (1st April – 31st March).

If you have paid us more than we spent then you will have a credit or surplus on your account. If this happens we will take the amount of the credit into consideration when we set a new service charge for your property the following February and will reduce your service charge accordingly.

If you have paid us less than we had to spend you will have a debit or deficit on your account. When this happens we will have to raise your service charge the following year in order to cover this deficit.

### METHODS OF PAYMENT

When paying an invoice it can be paid in full or you can request to pay it in instalments by setting up a monthly direct debit.

#### You can pay:

- By Direct Debit – Please phone 01392 265261 to set up a direct debit.
- Via the internet – Log on to <https://pay.exeter.gov.uk/payments/> select Sundry Debtors as the type of payment you wish to make and follow the instructions.
- Via the bank – use the form at the bottom of your invoice at your own bank or any branch of the Co-operative Bank.
- By telephone – payment by debit and credit card is accepted. Please telephone 01392 265551 or 01392 265239 to pay.
- In person – you can also pay at our Customer Service Centre using cash, cheque or debit cards at the following address:

Exeter City Council  
Civic Centre  
Paris Street  
Exeter EX1 1RQ

Opening Times: Monday to Friday  
8.30am to 5.00pm

- By post – please send cheques / postal orders to Exeter City Council, Civic Centre, Exeter, EX1 1JW.

Cheques and postal orders should be made payable to 'Exeter City Council', crossed and the invoice number quoted on the reverse.

### DIFFICULTIES PAYING

If you are having difficulties paying your service charge or ground rent, you should contact us to discuss this matter as soon as possible as we may be able to accept payments in instalments. If you fall into debt with your service charges you will be breaking the conditions of your lease and we could take legal action. This could leave you having to pay extra legal and administration charges or even losing your home.

If you get into arrears (missed payments), we will write to you to tell you and ask you to contact us to discuss the matter or to make the payment. If we do not hear from you and you do not pay the outstanding charges, we will write to you again explaining what action we will take if you fail to pay your outstanding charge.

#### Action we may take includes the following:

- We must contact your mortgage lender before taking legal action that may result in you losing your lease. Your mortgage lender may choose to pay the amount you owe to prevent you losing your lease and to protect the security of their mortgage. If your mortgage lender pays us, they will add an amount to your mortgage loan.
- Taking small claims action in the County Court.
- Asking the County Court to end your lease and evict you from your home. We would only do this as a last resort.

If we have not heard from you after the second letter and you do not pay the outstanding charge, we will then start to take further action.

Please do not ignore our letters. We will give you as much help as possible to clear your arrears, but if you do not contact us we will have no choice but to take further action.

If you are experiencing financial difficulties and need further independent advice the following organisations may be able to help:

## 4: PAYING FOR SERVICE CHARGES

### Citizens Advice Bureau

0844 4994101

[www.citizenadvice.org.uk](http://www.citizenadvice.org.uk)

[www.exetercab.org.uk](http://www.exetercab.org.uk)

### National Debt Line

0808 808 4000

[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

### National Benefit Enquiry Line

0800 88 22 00

[www.direct.gov.uk](http://www.direct.gov.uk)

## DISPUTES

If you formally refuse to pay part or all of a charge for a reason you will be considered to be “in dispute”, rather than simply a non-payer.

You will be asked to pay any undisputed amount while an investigation into the disputed charge is completed. No action will be taken over the withheld part of the service charge until the dispute has been considered and a formal answer provided.

You will be sent a letter explaining the decision. If you do not accept Exeter City Council’s decision, the dispute should be treated as a formal complaint and dealt with through the complaints process.

## 5: REPAIRS

Generally, we are responsible for maintaining and repairing the structure and outside of your property and any communal areas (although we recharge leaseholders for the costs of repairs). You are responsible for the inside of your home including the fixtures and fittings.

### Repairs **ECC** are responsible for

- Communal areas (doors, windows, stairs, lights, floors ceilings)
- Shared communal washing lines and posts
- Door entry
- Window frames and catches/lock
- Shared pipes, drains and sewers
- Shared paths
- Exterior walls of block and roof
- Boundary walls of gardens (only where adjoining a public footpath)
- Ceiling beams and floor joists within individual flats
- Window seals on PVCu units
- Communal side screen doors/gates to access rear gardens
- Electricity and water supply to communal areas
- Bin stores



### Repairs the leaseholder is responsible for

- Door locks and other door furniture
- Front door and frame leading directly inside flat, and internal doors
- Shed doors
- Sheds/outhouses
- Individual side screen doors/gates to access garden sold to flat
- Any repairs and maintenance to boundary fence/wall of garden sold to flat (except where adjoining a public footpath)
- Any area between floor and ceiling level in a flat (including actual floor and ceiling)
- Individual washing lines sold to flat (line and post variety)
- Any sole electrical and gas supply to the individual flat
- Any cisterns, sewers, drains, pipes, wires and conduits used solely by the flat
- Any window glass
- External cupboard doors

When you buy a leasehold property you will have to pay your share of the repairs and improvements we carry out on communal areas.

Under the terms of your lease you are obliged to contribute to the cost of the repair of the whole block or building in which your flat is situated, as well as to your own individual flat. This obligation is the same for all leaseholders.

If you live in a ground floor flat you will have to contribute, for example, to the repair of the roof of the block your property is situated in. Also, if repairs are needed to the foundations of the block, the leaseholders of the upper storey flats will contribute with you to the cost of the repairs.

If you are uncertain about whether you are responsible for a particular repair you should contact the Repairs Team at the Council. If the Council carries out a repair for you that is your responsibility you may be recharged for the costs of the repair.

## GAS APPLIANCE SAFETY CHECKS

It is the responsibility of every leaseholder to ensure that their gas appliances are safe. Each leaseholder will need to make their own arrangements for appliances to be serviced regularly. The contractors that the Council use are able to offer leaseholders gas servicing at a competitive rate; please contact the Leasehold Services Team for more information.

It is important to carry out regular servicing, as heating appliances which are not checked and maintained, will become inefficient and may become unsafe.

All servicing and maintenance to any appliance should be carried out annually by a fully trained tradesman (CORGI registered for gas appliances).

If you sublet your property, you are **legally obliged** to have any gas appliances serviced on a yearly basis.

## 6: MAJOR REPAIRS AND IMPROVEMENTS

### WHAT IS THE DIFFERENCE BETWEEN GENERAL AND MAJOR REPAIRS?

A general repair is one that costs under £250 for each leaseholder. A major repair will cost the individual leaseholder £250 or more and requires the Council to carry out a consultation process before starting the work.

### MAJOR REPAIRS OR WORKS

These are repairs or improvements that will cost an individual leaseholder £250 or more and are normally work carried out to communal areas. This includes, for example, redecorating the outside of the building, repairing or replacing the roof or drains and in some cases, redecorating the communal hallways (if you live in a block with a particularly large communal area).

### WHO WILL CARRY OUT THE WORK?

In order to comply with our procedures, we only use buildings and maintenance companies from our list of approved contractors. To be included on the list, these contractors have to meet certain standards in health

and safety procedures, customer care, financial performance and past performance in responding to problems.

If you are unhappy with the work that is being carried out to your property, please let us know and we will take up any reasonable complaints with the contractors. We will write to you and advise you of who is in charge of the contract when we consult with you before the work starts.

**Please remember not to let anybody into your home unless you are satisfied that they have shown you correct identification. If you are in any doubt about the identity of a Council Officer or contractor who wants to come into your home then do not allow them entry and contact the Council immediately and ask to speak to the Repairs Team.**

## THE CONSULTATION PROCEDURE

Under legislation known as the *Commonhold and Leasehold Reform Act 2002* the landlord (Council) must consult with you when we are planning repairs/works and improvements that will cost each leaseholder £250 or more.

The process can take a long time and is usually started several months in advance of the work being carried out.

We will write and inform you that we are carrying out the repairs or works. It will tell you what work we want to carry out and why we are doing it. You are then given 30 days to make any written comments or observations to the Council about the work.

Sometime after the 30 days have ended we will send you a second notice (statement of estimates in relation to proposed works). This will give you details of the two lowest estimates for the work and the names of the contractors who have supplied them. You will have the opportunity to come to the Council's office to inspect the estimates if you wish.

This notice will also tell you the details of any written comments or observations we have received.

You will be given another 30 days to make any written comments or observations on the estimates or contractors.

After 30 days have expired we will send you one final notice (notice of reasons for awarding a contract to carry out works). This notice will tell you the name of the successful contractor who will be carrying out the work.

### Works Under a Long-Term Agreement

If we plan to carry out any works under a long-term agreement with a contractor, and it is likely to cost each leaseholder £250.00 or more, we must consult with you first.

We will write to you and explain what we plan to do and why we think it is necessary. This is known as the 'Notice of Intention'. We will also provide you with an estimate of the cost and let you know what your contribution is likely to be. You will then have 30 days in which to give any comments you may have.

**We do not have to consult you if the work carried out is an emergency or if the courts would think that it was reasonable not to consult you.**

## HOW WE WORK OUT THE CHARGE

### Major communal (shared) repairs or improvements include:

- renewing the roof;
- repairing or installing a door entry system;
- repairing the boiler;
- decorating the outside of the building;

When we have done the work, we will tell you the total cost of repairs and work out your share of the cost.

### EXAMPLE

Redecorating the outside of the building:

The cost of the redecoration including administration costs and professional fees = £6,000.

There are eight flats in the block, all the same size. Leaseholders live in three of them and tenants live in the other five.

£6,000 divided by eight = £750 for each flat.

The leaseholders in each of the three flats each pay £750.

We pay £3,750 for our tenanted flats. Our tenants pay their share of the cost indirectly through their rent.

**This cost is only an example.**

## LOANS

It may be that you are entitled to a loan to help pay for the major works.

Under the Housing (Service Charge Loans) Regulations 1992, Right to Buy leaseholders who have bought under the provisions of the Housing Act 1985 have the right to a loan within the first ten years of their lease.

Leaseholders will be informed of their right to a loan when sent the demand for payment.

Application for a loan must be made in writing within six weeks of receipt of a demand for payment of the service charge. An administration fee may apply.

## 7: INSURANCE

### BLOCK INSURANCE

As the owner of your block, we must adequately insure the whole building, but you have to pay your share towards this cost which is payable within your service charge. Your lease says you must pay for block insurance in this way.

### INTERIOR INSURANCE

We offer interior insurance which is payable within your service charge. You may choose to get your own insurance in which case you must provide us with a copy of your insurance schedule. Your lease stipulates that you must have interior insurance. This is to insure the interior of the premises, for example the internal walls, ceilings, floors, all cisterns, tanks, drains, wires and so on that solely serve the premises.

Our Insurance Officer can give you more information about the cover provided by our insurance policy.

**The insurance does not cover your personal belongings and furniture.** You must arrange your own insurance to cover for these items.

### HOW DO I MAKE A CLAIM?

- 1 You must report any theft or malicious damage to the police straight away and get a crime reference number.
- 2 We will arrange the repair if the loss or damage is to the outside of your property (such as the roof) and to communal areas.
- 3 To make a claim, phone the insurance company. They will send you a claim form, which you should fill in and return to them. If you have any problems with this, please contact our Insurance Officer. We will then send this to the insurance company on your behalf.
- 4 We will contact you if we need any more information, or the insurance company may write to you direct. You must keep any documents such as certificates or reports and send them to the insurance company, if they ask.
- 5 The insurance company will write to you with the decision about your claim.

## 8: LEASEHOLDER IMPROVEMENTS

You may want to carry out improvements to your home, which need our permission under the terms of your lease. You must first send us full details of the proposed work, providing accurate scaled plans where appropriate.

When dealing with your application we will take account of our legal duty to act reasonably and to do so within a reasonable time-scale.

We will decide whether or not to grant permission to carry out the work taking into account whether the proposed improvement will:

- make the property or part of the property dangerous or unstable, or otherwise create a risk to the health and safety of others;
- affect land that is not included in the lease;
- prevent light or air reaching other residents;
- affect other residents' legal rights – (for example, a right of way);
- look attractive;
- reduce access to other neighbouring properties;
- make maintaining neighbouring properties more difficult or expensive.

If you need planning permission, Building Regulations approval or any other statutory consent we may give our permission to the improvement as long as you get that permission, approval or consent and then provide evidence of it. We may set other reasonable conditions to protect our interests and those of our tenants and other leaseholders.

We may inspect the completed work before we give our full and final permission.

If you carry out repair and maintenance work as an improvement by a leaseholder, which then becomes our responsibility, and we do not want to take on this responsibility, you must enter into a legally binding agreement with us. Under that agreement, you (and anyone who takes over the lease from you) will take on responsibility for future repairs.

If we refuse to give you permission for an improvement, we will explain why in writing.

We are entitled to charge a reasonable administration fee for carrying out this work.

## 9: BREAKING THE TERMS OF YOUR LEASE

If you break the terms of your lease, we will take firm and appropriate action against you.

Failing to pay ground rent and service charge is covered under Section 4.

### Breaking the terms of your lease may also include:

- carrying out work we have not approved;
- using the property for immoral or illegal purposes;
- failing to maintain the property properly;
- deliberately damaging the property or a neighbouring property;
- refusing to give our officers or contractors reasonable access;
- harassing other people or causing a nuisance to your neighbours;

### In all these cases, we will:

- I review evidence or get adequate evidence to be certain that you have broken the terms of your lease;

- 2 consider the most appropriate action depending on what has happened and how serious it is;
- 3 make you aware that you have broken the terms of your lease (by letter or in person) and aim to reach an agreement to put things right;
- 4 if the problem continues we will send you a 'Notice of Forfeiture' under Section 146 of the Law of Property Act 1925 (this means you must put things right and pay us compensation);
- 5 if you do not put things right within a reasonable time we will apply to the court for forfeiture of the lease (this means that we will apply to repossess your flat).

If the problem requires urgent attention, we will consider applying to the court for an injunction to prevent you from continuing to break the terms of your lease.

Due to the serious effects of repossession, and because this is a complicated area of the law, we will take appropriate advice throughout the process.

## 10: WHAT HAPPENS IF I WANT TO SELL MY HOME OR SUBLET IT?

If you sell your home within five years of buying it from us (or three years if purchased prior to 18th January 2005), you may have to pay back some of the discount you were granted at the time of the Right to Buy. The amount you would have to repay depends on how long you have owned your home.

### DO I HAVE TO OFFER TO SELL MY HOME BACK TO YOU?

Possibly, but only if you purchased your home under the Right to Buy scheme on or after 18 January 2005, and you wish to resell or dispose of it within 10 years. You will be required to offer it to either your former landlord, or to another social landlord, in your area at the full market value. The market value must be agreed between the parties, or if they are unable to agree, will be determined by the District Valuer. If your offer has not been accepted within eight weeks, you will be free to sell the property on the open market.

### WHAT DO I NEED TO DO WHEN I'M READY TO SELL MY HOME?

You must make arrangements to pay any outstanding service charge invoices or any outstanding costs for major work before you leave your home.

You will also need to deal with payments you make for your home such as Council Tax, water rates, electricity, gas and your phone.



## ASSIGNING YOUR LEASE

You do not require our permission to sell your property. However, it is a requirement of your lease that we are notified of the sale within 21 days of completion. This needs to be done by way of a formal notice of assignment served by the purchaser's solicitors to Exeter City Council's Legal Services Department. There is a fee for serving this notice.

The notice of assignment is required in order to update our records. **If no notices are received, you will still be liable for any charges against the property.**

## SUBLETTING

**You can let your property to another person if you want to, but you remain responsible for:**

- making sure that anyone living in your property complies with the covenants of your lease;
- paying all service charges.

If you let your property, you must inform the Council's Legal Services Department in writing and provide details of where you can be contacted for future correspondence and any invoices. There will be a registration fee for this.

If you have a mortgage on your home your lender may have rules about subletting.

Letting out your flat may affect the buildings insurance premium and can affect the risks covered. Also remember that if you sublet your property, you are legally obliged to have any gas appliances serviced annually. All servicing and maintenance to any appliance should be carried out by a fully trained tradesperson (CORGI registered for gas appliances). See section 5 for further details.

For further insurance details please contact the Council's Insurance Officer.

## 11: COMPLAINTS

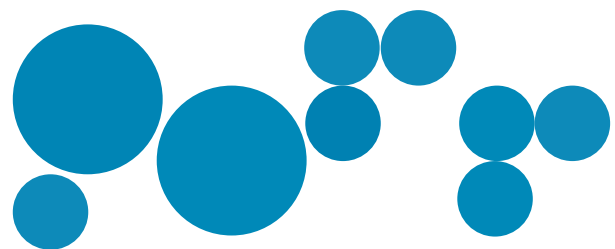
If you are not satisfied with our services, you can use our complaints policy and procedures.

You also have the right to refer disputes to the Leasehold Valuation Tribunal.

The Commonhold and Leasehold Reform Act 2002 has extended the powers of the Tribunal. New powers include the right to decide whether a service charge should be paid, how, when and who it should be paid to, and who should pay it. The Tribunal can also deal with applications to vary leases and decide not to follow normal consultation requirements in emergencies.

You and we have the right to apply to the Tribunal for a judgement or ruling.

Applications to the Tribunal on our behalf may be made by the Valuation Officer (as long as the Management Team approves and we have asked for advice from our solicitors).



## 12: EQUAL OPPORTUNITIES AND DIVERSITY

We are committed to equality of opportunity and to ensuring that no one receiving Council services is discriminated against on such grounds as disability, ethnic origin, age, gender, sexual orientation, language, religion or belief, political or other opinion, national or social origin, association with a national minority, locality, property, birth or other status.

If you have any specific needs, please let us know so that we may help you. For example, we can provide this in larger print, in other languages and on a tape.

We will do everything we reasonably can to tackle any kind of harassment.



## 13: RESIDENTS' AND LEASEHOLDERS' ASSOCIATIONS

If you would like to become involved in a local association, please contact the Tenant Participation Team. They will be able to advise you about existing associations and about setting up or joining an association. You are on our mailing list for 'Insight' the residents' newsletter, which we produce four times a year. We will also invite you to take part in our events.



## 14: BUYING THE FREEHOLD

Long leaseholders of flats have the right, as a group, to buy the freehold of the building, if they and their building qualify. This is known as 'collective enfranchisement'. Leaseholders have this right even if the freeholder, or landlord, does not wish to sell.

Once they have bought the freehold, leaseholders themselves take over the management of the building.

### To qualify, certain conditions have to be met:

- the block must have two or more flats;
- no more than 25% of the internal floor area must be used for non-residential purposes – for example, as an office or a shop;
- at least two-thirds of the flats in the block must be leasehold;
- leaseholders numbering at least half the flats in the building must want to buy the freehold;
- the group of leaseholders purchasing is properly constituted in line with the law.

If your block fails in any of the above tests you will not be able to buy the freehold. It is essential you get legal advice if you and the other leaseholders wish to apply to buy the freehold of your building.

The process to franchise is set out in the Leasehold Reform, Housing & Urban Development Act 1993 and it starts when a group of leaseholders serves a notice on a landlord and other interested parties. It is essential you get independent professional advice about the process. If you would like further information, please contact the Leasehold Services Team.

## 15: THE RIGHT TO EXTEND YOUR LEASE

### LEASE RENEWAL

Depending on a number of things, when your lease ends you may become a tenant of the property. However, most leaseholders have the right to buy an extension to the terms of their lease. You may apply for a new lease at any time while you have a long lease, but you should note that if you apply for a new lease during enfranchisement your application for a new lease will not go ahead until the enfranchisement process has ended.

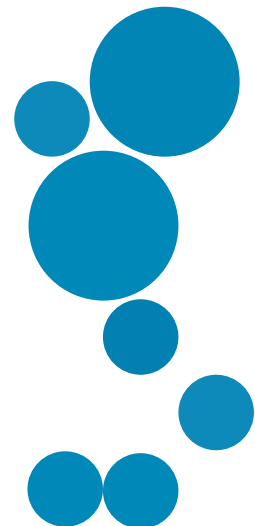
### BUYING A NEW LEASE

When you buy a new lease, you give up your current lease and buy a new one, adding 90 years to the time left on your old lease. You can do this more than once if you want, and at any time while you are a long leaseholder. The terms of your new lease will be largely the same.

### QUALIFYING FOR A NEW LEASE

Acquiring a new lease is an individual right. To qualify you must be a long leaseholder and have held your lease for two years or more at the date you give your notice.

For further information please contact the Leasehold Services Team.



## 16: RIGHT TO MANAGE

Under the Commonhold and Leasehold Reform Act 2002, Chapter 1, part 2, leaseholders have the Right to Manage the block they live in. The right must be exercised through a specific company, set up by the leaseholders for that purpose. The company must be a private company limited by guarantee and registered with Companies House.

All qualifying leaseholders are eligible to join a Right to Manage company. Membership of the Right to Manage company must equal at least 50% of the number of flats in the block.

### Leaseholders may be eligible to claim the right to manage where:

- at least two-thirds of the total number of flats contained in the premises are let to qualifying leaseholders;
- the premises contain two or more flats held by qualifying leaseholders;
- the premise is a structurally detached building.

### Premises will not qualify where:

- more than 25% of the internal floor area is in non-residential use;

- it contains separate freehold parts where another landlord owns these;
- the Right to Manage has already been acquired and continues to be exercised;
- the Right to Manage company has ceased to be responsible for the management but four years have not passed and the Leasehold Valuation Tribunal has not determined that the right to manage can be re-exercised. For the purpose of Right to Manage, qualifying leaseholders are those whose lease was originally granted for a period exceeding 21 years. If more than one party owns a lease jointly, all would be the qualifying leaseholder of their flat. A leaseholder with a shared ownership lease will only qualify if they own 100% share of the lease.

The Right to Manage company will become responsible for the management of the common parts and the fabric of the building, but not individual flats owned by non-qualifying leaseholders.

## 17: INDEPENDENT ADVICE

### THE LEASEHOLD VALUATION TRIBUNAL (LVT)

The Leasehold Valuation Tribunal (LVT) is the formal name given to the body appointed to make decisions on various types of disputes relating to residential leasehold property and provides an accessible and informal way to resolve such disputes.

#### The LVT can:

- determine the reasonableness of a service charge or a management cost and whether it is payable;
- deal with an application to vary a long lease of a flat – a long lease is one which has been granted for a term exceeding 21 years;
- make orders.

The LVT can decide cases at a hearing where applicants, respondents and their witnesses attend to give oral evidence and to explain their case in person. The case can also be decided without a hearing on the basis of written representations. If the LVT decide that the case requires a hearing, or one of the parties requests a hearing, then the application can be dealt with on a fast or standard track basis.

Proceedings at the LVT are semi-formal. Neither side is required to be legally represented, evidence is not given under oath nor do the usual court rules apply. The LVT hears both sides of the issue raised and then makes a decision on the basis of the evidence and the judgement and experience of the LVT members. Their decision is issued in writing as soon as possible after the hearing.

#### Address:

LVT  
1st Floor  
1 Market Avenue  
CHICHESTER PO19 1JU

Tel: 0845 100 2617 or 01243 779394  
Fax: 01243 779389

Email: [southern.rap@communities.gsi.gov.uk](mailto:southern.rap@communities.gsi.gov.uk)  
Website: [www.rpts.gov.uk](http://www.rpts.gov.uk)

## LEASE (LEASEHOLD ADVISORY SERVICE)

LEASE provides free advice and guidance to leaseholders and landlords on all aspects of leasehold law and also offers a mediation service.

The Leasehold Advisory Service  
2nd floor, 31 Worship Street  
London  
EC2A 2DX

Tel: 020 7374 5380 (lo call 0845 345 1993)

Fax: 020 7373 5373

Email: [info@lease-advice.org](mailto:info@lease-advice.org)

Website: [www.lease-advice.org](http://www.lease-advice.org)

## COMMUNITIES AND LOCAL GOVERNMENT

Communities and Local Government  
Leasehold Reform and Park Homes Team  
Zone 2/H10

Eland House  
Bressenden Place  
London SW1E 5DU

Tel: 020 7944 4287

Email: [leasehold.reform@communities.gov.uk](mailto:leasehold.reform@communities.gov.uk)

Website: [www.communities.gov.uk/residentialleasehold](http://www.communities.gov.uk/residentialleasehold)

## 18: USEFUL CONTACTS

### Leasehold services

#### – for leasehold enquiries

01392 265526

[leasehold.services@exeter.gov.uk](mailto:leasehold.services@exeter.gov.uk)

### Repairs Team

#### – to report repairs

01392 265031 (Monday to Friday 08.30 to 17.00)

[housing.repairs@exeter.gov.uk](mailto:housing.repairs@exeter.gov.uk)

08453 511 0610

(If you have an emergency repair out of office hours)

### Estate Management Team

#### – neighbourhood issues

01392 265032

[estate.management@exeter.gov.uk](mailto:estate.management@exeter.gov.uk)

### Tenant Participation Team

01392 265698

[www.exetertenants.org.uk](http://www.exetertenants.org.uk)

### Insurance enquiries

01392 265239

### To make payments

01392 265239

01392 265551

[www.exeter.gov.uk](http://www.exeter.gov.uk)

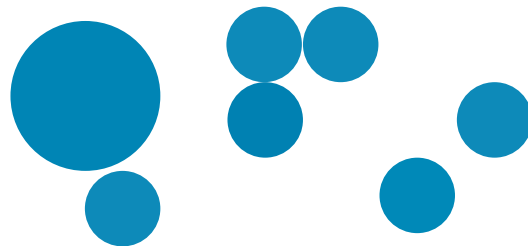
### To set up a direct debit

01392 265261

### Legal Services

01392 265662

[legal.services@exeter.gov.uk](mailto:legal.services@exeter.gov.uk)



## 19: DEFINITIONS

**Assignment** – the passing on of the rights, privileges and liabilities contained within a lease from one lessee to another.

**Communal areas** – all parts of the building in which the property is situated and all access areas and land in the vicinity of the dwelling which is owned by the City Council for housing purposes, but which is not granted under any one tenancy or lease agreement for the exclusive use of one person.

**Communal windows** – windows located in communal areas.

**Contractor** – an individual, company or organisation carrying out work on behalf of the Council.

**Covenant** – a legally binding requirement contained in the lease.

**Day-to-day repairs** – minor repairs carried out either to the building or within the estate.

**Enfranchisement** – the legal right of leaseholders to join together and purchase the freehold of the building from the current freeholder.

**Estate** – the land and buildings adjacent to the property from which the lessee derives benefit.

**Forfeiture** – decision by a court that a lessee must give up all rights to a leasehold property, without compensation, as the result of non-compliance with the terms of a lease.

**Freeholder** – means Exeter City Council (or any successor authority) which owns the building in which the leasehold property is located.

**Ground rent** – annual payment to the landlord for the lease, giving the right to occupy.

**Landlord** – under leasehold, the same as freeholder. May also be the City Council acting as landlord to tenants who rent their home.

**Lease** – A legal document that contains the terms under which the lessee holds the property. The covenants within the lease are binding upon both the leaseholder and the freeholder for the term of the lease unless both parties agree to their variation.

**Leasehold** – a type of property ownership.

**Leaseholder** – means all those people (but no others) who are the legal owners of the lease of a property and whose names are on the lease or assignees of those persons.

**Lessee** – Please see Leaseholder.

**Lessor** – Please see Freeholder.

**Repossession** – use of the property is returned to the landlord.

**Reserved premises** – means that part of the block not included in the flats. Also referred to as the 'communal parts' of the block.

**Resident** – person living either permanently or temporarily within the property, building or estate.

**Right To Buy (RTB)** – the legislation, which requires social landlords (such as councils) to sell the property or grant leases to qualifying sitting tenants.

**Right To Buy Discount** – a reduction on the valuation of a property that a person buying under RTB legislation is entitled to.

**Section 20 Notice** – a formal notice sent under Section 20 Landlord & Tenant Act 1985 giving details of proposed major work to a block and providing an estimate of the likely cost for each leaseholder in that block.

**Section 125 Notice** – the legal notice from a social landlord which sets out the valuation, discount and other matters under which it intends to sell a property or grant a lease to a person applying to purchase under the RTB.

**Service charges** – payment made by a lessee to a lessor for services provided, or to be provided and for management and maintenance of the property and communal areas.

**Tenant** – under leasehold, the same as Leaseholder. May also describe people who rent their home on a weekly tenancy.

**Term** – the period of time from the granting of the lease to its end date.





### **AVAILABILITY IN DIFFERENT FORMATS**

This Handbook is available in large print, on tape and in other languages.

Please contact:

Leasehold Services Team  
on 01392 265526 or fax 01392 265180

Or write to:

Leasehold Services Team  
Exeter City Council, Civic Centre  
Paris Street, Exeter EX1 1RQ



**Exeter City Council**