



Your Lease Explained

What is a lease?

A lease is an extremely important legal contract relating to the occupation and ownership of your home and sets out the legal relationship between you, the leaseholder and us, the landlord. When you sign the lease or take over an existing lease you are agreeing to certain responsibilities and so are we. The lease grants you a number of rights but also serious obligations which you need to understand when you buy your new home.

It is essential that you seek legal advice prior to signing the lease and make sure that your solicitor goes through each clause of the lease with you. Ask your solicitor to provide you with a copy of your lease when you purchase your property.

Main terms of a lease:

The main sections of a lease give you details on the following:

- A description and outline plan of the property, defining the boundaries and areas you are responsible for
- Definitions of your scheme and your block or building are important as if a service charge applies, it will be based on these
- Rent and/or service charges you must pay
- How and when the rent and service charges are reviewed
- Items that may be included with your service charges including the types of services that will be provided. These are also important as your service charges are also based on these
- The lease is likely to tell you what proportion of the service charges you will have to pay but may not indicate exactly what you will be paying for or how much
- The lease details whether or not you are required to contribute to a Sinking Fund and if so how this will be paid. Some leases allow for collection of the Sinking Fund contribution as part of the annual service charge calculation and in others, the sinking fund contribution is collected when the property is re-sold
- The length of the lease. If it is a new lease it may run for 99 or 125 years. If it is an assignable lease it will start from the date the first owner bought the property. If this took place 15 years ago and the lease is 99 years, there will be 84 years left of the lease



- The lease will give details of the full market value of the property and the amount you have to pay depending on the share you are purchasing. You can only purchase the percentage that is up for sale. This could range from 25% to 100% depending on how much is being sold, and the age group the property has been built for. At our Leasehold Schemes for the Elderly the maximum equity share you can purchase is 70% and for our Older Persons shared ownership the maximum equity you can purchase is 75%.
- Details of rights, such as rights to use shared areas
- Details of when and why staff can come into your home
- Information about maintaining the scheme, block or building and inside of your home
- The rights and responsibilities of the landlord
- Your rights and responsibilities as the leaseholder
- The rights to end the lease in certain circumstances
- Rent. You are likely to have to pay a monthly rent if your share is 25% or 50% (and possibly 75% if the property is for general sale and not specifically for the elderly). The lease will indicate if you need to pay rent and your solicitor will confirm the amount, payment method etc. We will also provide you with this information.
- Information about ground rent. This varies from property to property. The lease will indicate if you need to pay a ground rent on your home. Your solicitor will confirm your obligation
- Details about buildings insurance
- Buying more shares in your home (staircasing).

Frequently asked questions about your lease:

Can the lease be changed?

The lease can only be changed in exceptional circumstances. In general, the conditions of the lease can only be changed if we both agree to the changes, and/or by the direction of a court or First Tier Property Tribunal.

There are specific procedures that need to be followed in these instances and you will need to get legal advice.



If the change or correction to your lease involves one of the clauses that the Tenant Services Authority (TSA) considers to be fundamental to shared equity home ownership, JJH will also need to obtain their agreement to the change.

For more information or advice about changing your lease please contact Johnnie Johnson Housing on: 0345 305 5335

What are my obligations within the lease?

Obligations vary from lease to lease, but cover such items as:

- Keeping the property in good repair
- Paying charges
- Not causing a nuisance
- Not altering your home without asking for permission from the landlord.

Please refer to your lease agreement for details of the specific obligations applicable.

What are the landlord's obligations?

Landlord obligations may include:

- Allowing you peaceable enjoyment of your home
- Arranging buildings insurance (but not contents insurance)
- Providing a warden call system (where applicable usually at schemes where residents are 55+)
- Arranging external repairs and replacements (in some schemes but not all).

Please refer to your lease agreement for details of the specific obligations applicable

Are there any specific restrictions in my lease?

Check your lease for specific restrictions applicable. These may include restrictions on keeping pets, putting up TV aerials, car parking etc. Please make sure you are made aware of these restrictions.

Your lease also details other things you may be able to do including buying more shares in your home or selling your share to somebody else if you want to move, and tells you how to do it. It may allow you to:

- Staircasing i.e. to purchase more shares in the property
- Sell your share of the property to someone else
- Transfer ownership, for example from a joint to single name.

What do I do if I think you are not complying with the landlord responsibilities within the terms of the lease?



Should you have a dispute with us, we have a complaints procedure to help resolve the situation. If there are still problems even when you have exhausted our complaints procedure, you can complain to the Independent Housing Ombudsman. However, if your dispute is over certain matters connected with your lease, for example the level of service charges or your liability to pay them, then there are other routes of complaint and you should seek appropriate legal advice or contact JJH for more information and advice.

Can JJHT end my lease?

We can only end your lease if you break some of the conditions of the lease. For example if you do not pay the rent or service charges.

If we consider that you have broken the conditions of your lease we will write to you. We will explain how you are breaking the conditions of your lease and what you must do to put it right. If you continue to break the conditions of your lease, we may ask a court to end your lease.

The court will ask us to prove that:

- You have broken the conditions of your lease; and
- It is reasonable for you to lose your home as a result.

Can I purchase outright?

Leases vary from scheme to scheme but most shared ownership leases will allow for staircasing provision up to 100% of the property. However, the leases for most of the Leasehold Schemes for the Elderly normally only allow leaseholders to purchase up to 70% of the equity in their home.

What is staircasing?

If you live in your home under the shared ownership scheme, but do not own all of your home and you want to buy an extra share, this is called 'staircasing'. For example you may have initially purchased a 25% share, but find that your improved financial circumstances would now allow you to purchase a further 25% taking the share you now own to 50%. Since the rent you pay is calculated in relation to the share you do not own, by "staircasing" not only do you increase your financial interest in the property, but also you reduce your monthly rent payment.

What do I do when I want to sell?

If you want to sell your home, the lease normally states that you must inform JJH first. You should inform us in writing that you want to move and we will undertake to find a purchaser for your share from our waiting list. This helps to make sure that as many people as possible benefit from shared ownership.



Who benefits from any increase in value when I sell?

As the leaseholder you will benefit from a share of any increase in the value of the property according to the share you own, but you should be aware you may be affected by any fall in values. For example, if the property value has increased by £5,000.00 and the percentage share you own is 50% the value of your share will have increased by £2,500.00. House prices can fall as well as rise, if so you would similarly bear a share of the loss.

What if I want to reduce my share?

JJH is unable to buy back a share in your home

Can more than one person purchase a lease?

Two or more adults can hold a joint lease. You are a joint leaseholder if you bought your home with another adult and both of you signed the lease. In this case you would also need a joint mortgage if required.

The rights, responsibilities and other conditions contained in the lease apply to each of the joint leaseholders equally.

You can add an extra leaseholder or remove a leaseholder from the lease if all existing leaseholders agree. Please note that your service-charge or rent account (or both) must be clear.

You will need our permission and the permission of your mortgage lender in both cases.

You will also need a solicitor to deal with the transfer of the lease. You will have to pay all the legal costs.

What happens if my relationship breaks down?

If you hold a joint lease with a partner and the relationship breaks down, one of the partners can take on the lease. You will need our permission and the permission of the mortgage lender. We will try to help and we will give permission if we can. We will not give permission if we think the remaining leaseholder cannot afford to pay the mortgage, service charge and other costs.

If you cannot agree who should take on your lease, you must ask a court to decide.

What happens to the lease if I die?

You may be able to pass on your lease in your will. If you are a joint leaseholder, you may be able to pass on your interest in the lease, but you should be aware of any restrictions in your lease.

We would recommend that you seek advice from your solicitor in relation to preparation of your Will. If you die without leaving a Will the lease might not pass to the person you think it would.

**Can I sublet my home?**

Generally your lease will not allow you to sublet your property.

Can I make alterations and improvements to my home?

If you wish to make any alterations/improvements to your home, you will need to apply to JJH in writing providing details about the proposed alteration and/or improvement. This includes alteration of windows, construction of porches and conservatories, replacement kitchens/bathrooms and structural alterations inside the property.

We will consider the request and if reasonable, grant permission on the condition that the work is carried out at your own expense by a competent builder. It may be necessary to formalise consent through a legal agreement and you would be required to meet the legal costs incurred.

You will normally be responsible for the future maintenance and replacement of the 'improvement' or alteration e.g. conservatory, porch etc.