

Leasehold extensions

Guidance and process for
Shared Ownership properties

Shared ownership leasehold extension guidance

All Flagship Homes shared ownership homes have a lease term of either 99 or 125 years. When the time comes and there are fewer than 80 years left on the lease, it can affect the value of that property as the lease will be considered 'short'. This can create difficulties when it comes to selling or remortgaging.

While shared owners don't have a statutory right to extend their leases, the regulator for affordable housing recommends that providers like Flagship Homes consider granting extensions where possible. So, we've put together an informal and easy-to-follow procedure for any customers looking to extend their lease.

Please note that we cannot provide legal or financial advice regarding your lease or your home. We recommend seeking external and independent advice if you have any questions or concerns.



Leasehold extension procedure

We want to make it as simple as possible for you to extend your lease.

Our procedure is split into three sections, as follows:

1. Checking eligibility

- Once you've told us you'd like to extend your lease, we'll verify the freeholder details and confirm the head lease (if applicable) has a long enough term remaining to be able to grant an extension
- In cases where the head lease isn't long enough, we'll need to extend the 'head' lease before we can extend the shared ownership lease
- If we hold a sublease at the address, rather than a head lease, we can consider extending the lease to one day less than the remaining head lease duration. This is because our sublease extensions cannot exceed the length of the head lease
- On completion of the lease extension, you'll need to pay:
 - associated legal costs (available on request)
 - a premium of £250

2. Next steps

- Assuming that:
 - you've maintained your home to a reasonable standard
 - any arrears in rent or service charges will be paid on, or before, completion of the new lease
- We will then send you a letter outlining the extension terms. You'll be responsible for any solicitor fees if you choose to proceed
- The term of the new lease will be 990 years from the original start date of your lease. Alternatively, if we have a sublease at the address (rather than a head lease), we can extend the lease to one day less than the remaining head lease duration

3. Instructing solicitors

At this stage, the process will be handed to our Legal team, who will:

- Prepare the legal documents
- Obtain Flagship's consent where our interest is charged (your solicitors would deal with the consent from your mortgage company, if applicable)
- Provide your solicitor with a statement of what you must pay on completion
 - this will include any service charges, rent, or other charges owing
- Forward the lease extension documentation to your solicitor
- Complete the transaction, including collecting payment

Your solicitor must:

- Arrange payment to us via bank Transfer
- Advise you of any Stamp Duty implications in relation to the new term
- Register the lease extension at the Land Registry

How to contact us

Flagship Homes Sales Team

31 King Street, Norwich, Norfolk NR1 1PD

Telephone: 01603 255444

Email: sales@flagship-homes.co.uk

Web: flagship-homes.co.uk

Our sales team is available to assist you

Monday - Thursday: 9.00am - 5.00pm

Fridays: 9:00am - 4:30pm

Flagship Homes is part of the Flagship Group

Flagship Housing Group Limited, trading as Flagship Homes. Registered Office: 31 King Street, Norwich, Norfolk, United Kingdom, NR1 1PD. Homes & Communities Agency Reg No. 4651. Co-operative and Community Benefit Societies Act 2014 Reg No. 31211R. National Housing Federation Member. An Exempt Charity.