



Farebrothers, Warnham

Understanding Your Lease

RLHA
SINCE 1971

Freeholder:

Retirement Lease Housing Association

Managing Agent:

RLHA (part of ELM Group)

Please note that this summary is intended as general guidance only, to assist leaseholders. Although we have taken care in producing this guidance, the accuracy of the information it contains is not guaranteed. If you notice any discrepancies between this information and your own lease, please bring it to the attention of RLHA staff. You are strongly advised to consult your solicitor before taking any important decisions based on your understanding of your lease.

Definitions:

“Lessor” and “Freeholder”	Retirement Lease Housing Association
“Leaseholder” and “Lessee”	Owners at Farebrothers

Please note that the following responsibilities and obligations of the Freeholder and Managing Agent, as are set out in the lease, are only valid so long as leaseholders pay their Service Charge, as is specified in the lease.

Responsibilities of RLHA (Primarily, Clause Three of the lease):

- Maintain the structure of the buildings and the communal areas
- To maintain and repair the internal of the premises, including the leaseholder’s property
- Keep the internal communal areas of the estate properly maintained, cleaned and adequately lit
- Not to do or permit any leaseholders to do anything that may be of annoyance to other residents
- To insure the buildings in full reinstatement value against all usual risks (this does not include contents within the individual properties)
- Allow the leaseholder quiet enjoyment of the property
- Require all other lessees to abide by the same obligations which the lessee has entered into, on condition that the lessee shall pay to the landlord any costs incurred in enforcing the lease terms against other lessees

Leaseholders' Rights under the Lease (*Schedule One of the Lease*):

- To use all common areas and access ways and footpaths to gain access to the property
- Uninterrupted use of shared services
- To take support and shelter elsewhere on the estate

Leaseholders' Obligations under the Lease (*Primarily, Clause Two of the Lease*):

- Pay the service charge as set out in the lease
- Pay all charges, rates, taxes etc. which may be imposed by any authority in respect of the property
- To paint the internal of the property every seven years and in the last year of the term of the lease
- Permit the landlord and their workmen entry to the property to carry out obligated repair works, having received reasonable notice
- To use the property only as a private residence
- Not to do or allow to be done in the property anything which may cause a nuisance, annoyance, inconvenience or offence to the landlord or any other lessee, or which may be contrary to the conditions of the buildings insurance
- To observe and adhere to all rules and regulations imposed by the landlord
- To give up the property to the landlord at the end of the lease term and to pay the landlord's legal and other costs incurred in enforcing the terms of the lease in certain circumstances
- Not to sub-let the property
- Not to sell, transfer or sub-let part of the property except under the conditions detailed in the "Reselling Your Property" section
- To pay the landlord any balance of service charges owing at the end of the year, within twenty-one days of receiving the audited accounts

Please make note, leaseholders are responsible for their own medical care. It is not the responsibility of RLHA to provide any necessary special medical attention, as is specified in Clause 4 of the lease.

Responsibility for Repairs and Maintenance:

RLHA/ELM Group	Repair and maintain the main structure of the buildings, the exterior and the common parts, the internal fixtures inside the property.
The Leaseholder	Decoration within the property, white goods, carpets, personal affects and furniture

Please note, with concerns to internal repairs, RLHA will only repair and replace like-for-like to the original fittings.

Pets:

Pets are permitted but only with prior written consent from the landlord. Please note applications for pets will only be considered for leaseholders on the ground floor.

Please note that this rule was agreed to by all leaseholders at Farebrothers previously. RLHA will from time to time consult residents about this rule, however, support of two-thirds of leaseholders is needed in order to change the rule

Alterations *(Clause Two of the lease):*

- Any alterations to be carried out at the property must have prior consent from the landlord
- Leaseholders are liable for all costs incurred from obtaining approval

Age Restrictions *(Point Five of your lease):*

- Occupiers of the property must be 60 years old or over

Service Charge (*Schedule Three of your lease*):

End of year: 30 November	1 December
Payment periods (half yearly)	1 June

What principle items are covered under the service charge that all leaseholders are required to pay?

- Maintenance, repair and decoration of the structure of the buildings and all common parts, including any part of the estate which is not the responsibility of individual leaseholders to maintain under the lease
- Maintenance of all drives and parking areas
- Maintaining the shared communal gardens and private gardens
- Maintenance and servicing of all communal lighting and plant equipment
- The employment of staff at the discretion of the freeholder
- The employment of independent contractors
- The employment of managing agents
- Other expenditure incurred by the freeholder or the management company thought necessary for the proper running of the estate (including shared utilities)
- Any works required to ensure that the estate complies with insurance requirements
- Any works required to ensure that the estate complies with fire regulations
- The cost of insuring the estate against all the usual risks (not including leaseholders' contents)

Following the end of the financial year the management company is required to prepare accounts for the service charges and an estimate of the service charge for the following year. The accounts must be certified by an accountant, though in order to give assurance to leaseholders it is Elm's practice to arrange for an accountants' report to be issued under Section 21 of the Landlord and Tenant Act.

Following publication of the accounts, within 10 days leaseholders are required to pay any shortfall in payments made on account and any overpayment will be credited to the leaseholders account to reduce future payments. If the service charge remains unpaid for 28 days after the date of when it is due, interest may be charged on the sum of money owing at a rate of 4 per cent above the base rate of NatWest Bank.

The freeholder and management company are entitled at their discretion to spread the costs of renewing any equipment and machinery over a number of years if appropriate, in which case the cost of interest on the outstanding money and fees to any lender may be added to the service charge.

Please note, flats 1 to 5 (in the Old Vicarage) share the costs of communal heating in the building.

Reselling Your Property (Clauses Two, Five and Six of your lease):

If at any time you wish to re-sell your home, you must first give **written notice** to RLHA.

- On receipt of this notice, RLHA will take all reasonable steps to find a new qualifying purchaser for your home at a price equal to the market value and on the same terms and conditions as the existing lease.
 - A qualifying purchaser is an elderly retired person, which is defined as someone who is retired and **60 years of age or older**.
- Following the surrender of the Lease, RLHA will pay to the Lessee or his representative, the agreed re-sale price less the following deductions:
 - any outstanding service charges
 - the cost of bringing the property to a good standard of decorative repair if not already carried out
 - 0.25 percent of the sale price for each full year of ownership as a contribution to the sinking fund
 - all legal charges, fees and other charges incurred by RLHA in connection with granting the new lease.
- If the lessee and RLHA cannot agree the market value, the decision must be made by an independent valuer or arbitrator whose fees are payable by the lessee.

Estate Rules:

Please also refer to Appendix 1 for additional rules. Under terms of the lease, RLHA has the right to make reasonable rules concerning how the estate will be managed. Appendix 1 is a set of rules prepared prior to the first properties were sold. Any additional rules or changes to rules will only be issued with prior consultation with leaseholders.