



STANFORD ORCHARD, WARNHAM

UNDERSTANDING YOUR LEASE

AND INFORMATION ON RESELLING YOUR DWELLING

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.

INTRODUCTION

Stanford Orchard is a retirement development of 32 flats plus one flat for a resident Estate Manager. The development was constructed by Wates Built Homes Limited in 1989, and a headlease for a term of 999 years was transferred to RLHA following the end of the development period. RLHA is therefore the headlessee and the immediate landlord of leaseholders at Stanford Orchard. Although Wates Built Homes remain as freeholder, for all practical purposes the rights and responsibilities of the freeholder have been assigned to RLHA under the headlease.

RLHA is now therefore both the headlessee and also the management organisation responsible for the management of the estate and supplying services to leaseholders in accordance with the terms of the lease. The purpose of this summary is to explain in plain language the rights and obligations of leaseholders (also known as lessees) under the lease, and what you may expect from RLHA as your headlessee (also known as the landlord).

RLHA'S OBLIGATIONS UNDER THE LEASE

As freeholder, RLHA has a number of obligations under the lease, the most important of which are summarised below. **Please note that this**

summary is not necessarily complete and is intended as general guidance only. You are strongly advised to consult your solicitor before taking any important decisions based on your understanding of the lease.

The principal obligations of RLHA are set out in Clauses 3 and 4 of the lease, and can be summarised as follows:

- (a) to maintain the property in a good state of repair (except for decorations inside dwellings, which are the responsibility of individual residents)
- (b) to keep the common parts of the building properly cleaned and lit.
- (c) to seek to prevent one resident causing nuisance to another.
- (d) to insure the property comprehensively (but not the contents of individual properties)
- (e) To allow the Lessee to live in the property without interruption.
- (f) To ensure that all other lessees enter into a lease in substantially the same form and with similar obligations.
- (g) To enforce the observance of covenants if reasonably required by the Lessee but at the Lessee's cost.

LESSEES' OBLIGATIONS UNDER THE LEASE

The Covenants you enter into with RLHA are found in Clause 2 and comprise the main obligations which govern occupancy of your property. These are summarised as follows:

- (a) To pay the ground rent and service charge, within 21 days of the due date.
- (b) To pay all other outgoings in respect of your dwelling, including charges for statutory services.
- (c) To keep the interior of your dwelling in good decorative repair at all times and in any case to redecorate fully at least once in every 7 years and in the last year of the term.

- (d) To keep the patio area in a neat and tidy condition (where applicable).
- (e) To allow Wates, RLHA, or anyone working for them to enter your dwelling after reasonable notice or, without notice in an emergency, to examine its condition or to carry out repairs.
- (f) Not to damage the property, nor to make any alterations without the consent of the Lessor (other than minor non-structural alterations).
- (g) Not to use the property in such a way as to cause a nuisance or danger to anyone else and only to use it as a private residence.
- (h) To observe such rules or regulations which RLHA may apply from time to time and to comply with all covenants etc. affecting the property.
- (i) Not to assign, let or dispose of the property, except under certain limited conditions, for example to a surviving spouse.
- (j) To pay the Lessor's legal and other costs in enforcing the terms of the lease in certain circumstances.
- (k) To leave the dwelling in good condition and decorative repair at the end of the term.

SERVICE CHARGE

All leaseholders at Stanford Orchard pay an equal 1/32nd share of the service charge costs which are incurred by the landlord in managing the estate. The service charge is payable in two equal instalments, on 1st December and 1st June each year.

The service charge will be based on a budget estimate presented by staff to leaseholders at the Annual Consultation meeting, before the start of the new financial year.

GROUND RENT

In accordance with Clause 1 of the lease, an annual ground rent of £50 per dwelling and £5 per garage is payable in advance on 25th March in each year. The ground rent rises after the first 25 years of the term, and at

regular intervals thereafter.

RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

RLHA is required to repair and maintain not only the main structure of the buildings and the common parts, but also everything which is within the individual flats. *N.B. This is an unusual benefit for leaseholders which does not apply in most other leasehold developments, and should be taken into account by leaseholders when comparing costs at Stanford Orchard with other similar retirement schemes elsewhere.*

Leaseholders are only required to keep their flats in a good state of decorative repair, redecorating fully at least once every seven years and during the last year of the lease.

The properties at Stanford Orchard were originally sold with a number of fixtures and fittings which varied between individual properties, and for which maintenance responsibilities were unclear. In consultation with the Stanford Orchard Residents' Association, RLHA has agreed that the following items within individual flats will be maintained by RLHA and paid for out of the service charge:

- Installed sanitary ware (baths, hand basins, toilets and sinks) and the installed plumbing thereto.
- Installed heating systems, radiators, domestic hot and cold water systems and the installed plumbing thereto.
- Electric cables for heating and lighting systems and power points, as per the original installation.
- TV and FM aerial points, as per original installation.
- Mirrors and window glazing.

It should therefore be noted that any other items contained within individual dwellings are the responsibility of individual leaseholders to maintain unless you have chosen to replace any of the above items at your own cost in which case responsibility for maintaining them in good working order will revert to you.

ESTATE RULES

The lease gives RLHA as landlord the right to make reasonable rules concerning how the estate will be managed. A set of rules was prepared before the properties were sold for the first time, and a copy of those rules

can be found at Appendix 1 (attached to this document).

RLHA considers that rules governing communal living in a retirement scheme should primarily be set according to the preferences and priorities of those living there. For that reason, no further rules will be issued without prior consultation, and without the support of a large majority of leaseholders.

PETS

No dogs are allowed at Stanford Orchard. Other pets may be kept with prior written consent from RLHA (see Rule 9 in the Estate Rules).

From time to time RLHA consults residents about this rule, most recently at the Annual Consultation meeting in October 2000. No changes will be made to this rule without the support of at least two thirds of leaseholders.

RESELLING YOUR PROPERTY

The following is a brief summary of the procedure which should be followed when reselling your property. It is intended for general guidance only, and before taking any action you are strongly advised to consult your own Solicitor or professional adviser.

1. If at any time you wish to resell your home, you must first give written notice to RLHA.
2. 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 an active retired person aged 55 years or above in respect of the cottages and 60 years or above in respect of the flats.
3. Following the determination of the Lease, RLHA will pay to the Lessee or his representative, the agreed re-sale price less the following deductions:
 - (a) any outstanding service charges
 - (b) the cost of bringing the dwelling to a good standard of decorative repair if not already carried out

- (c) 0.25 per cent of the sale price for each full year of ownership as a contribution to the sinking fund
 - (d) all legal charges, fees and other charges incurred by RLHA in connection with granting the new lease.
4. 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.

CONCLUSION

We hope you have found this summary of your lease helpful and informative. If you have any queries arising from it, or wish to know anything further about RLHA and our management service for Stanford Orchard, please contact us.

