



# HOMEOWNER HANDBOOK



Whether this is your first leasehold property, or your twenty-first, leasehold is a form of home ownership that's unique to England and Wales. This handbook is designed to help you to navigate leasehold ownership with RHP.



## Your lease

Your lease agreement is your 'contract' with RHP. This makes us your landlord and, in most cases, the freeholder of your block and estate.

The term 'freeholder' means to own the land a building is on. As flat owners only own the space they live in, rather than any communal areas or land, it makes it impossible for them to be a freeholder. This is why leasehold exists.

Your lease agreement explains all the important information you need to live in your home. Leases are legal contracts, so sometimes the information may not be very clear but do make sure you read your lease.



## Lease extensions

Leases, like most contracts, have a start and an expiry date. The "commencement" (start) date can be found on page 2 of any lease granted under the Right to Buy. This is the relevant date when calculating how many years remain on your lease.

Your lease is likely to be for 125 years from the commencement date. As there is an expiry date, this means that if the lease expires, you'll have to give the property back to RHP. This is why all 100% leaseholders have a legal right to a lease extension. You can extend your lease at any point during your ownership, and a guide to the process, including costs and options can be found on the [help and advice section of our website](#).

## Service charges

One of the key features about owning a leasehold property is the payment of service charges to your landlord/freeholder. These service charges are for the maintenance of communal areas and elements of the building that you use but don't own, like the roof, communal hallway cleaning and grounds maintenance. We can only recharge leaseholders the actual costs of providing a service to your estate each year. Every year we'll send you an estimate, like a budget, for what we think it will cost to provide services to your estate. This estimate is usually based on the previous financial year's actual accounts and our known contract costs.

At the end of every financial year, within six months of the year-end, we calculate what we actually spent on maintaining your estate (including blocks) within that last financial year, and issue you with 'actual' service charge accounts. If we've underestimated the charges, you're charged the difference. However, if we've overestimated, you'll receive a credit for the difference.

This process is set within leasehold legislation (The Landlord and Tenant Act 1985, to be specific). The fundamental point in leasehold service charging is that the freeholder can't profit from leaseholders. Freeholders can only charge you the actual costs incurred for providing services.

You have the right to ask for invoices from RHP to explain the costs in your actual accounts. If you'd like to see these, please email the Homeowner Team.

The amount you pay towards service charges is either set out in your lease specifically, for example 1/12th of block costs if you live in a block of 12 flats, or it will link to your property's 'Rateable Value'. This is based on your property size, so a two-bedroom flat would pay a slightly larger apportionment of costs than a one-bedroom flat. The latter is most common within RHP leases.



One other important point on service charging: service charges are charged to a property rather than an individual. This means that if a leaseholder passes away, charges still remain payable. It is also why costs are payable by the person owning the property at the point of issuing the bill, even if the works happened before they owned it. As a result, it's really important that solicitors make solid agreements between buyers and sellers about who's responsible for costs when the property changes hands.



## Major works/Section 20 notices

Your service charges cover the 'day to day' running costs of your estate but there are also costs that occur much less frequently for large items such as roofs, windows, lifts and communal redecorations. When these elements need to be replaced, the costs are also charged to blocks under the same apportionment as your service charges. However, as the costs are likely to be high, they will trigger the 'section 20' process - Section 20 of the Landlord and Tenant Act 1985. This clause states that a landlord/freeholder must consult with leaseholders when works costs are likely to be over £250 per property.

Section 20 notices must be written in a prescribed way, which can make them quite difficult to understand. There are two main stages to a consultation: The Notice of Intention stage, and the Notice of Proposals stage.

During the **Notice of Intention** stage, leaseholders are advised that their freeholder plans to carry out works (for example a roof replacement), and why. Leaseholders are invited to make 'observations' and nominate a contractor in most instances.

During the **Notice of Proposals** stage, leaseholders are advised of the tender returns and given an individual cost estimate for their part of the project costs.

It's important to note that the purpose of section 20 isn't to get everyone's 'vote' or agreement to proceed: though a freeholder has to consider all comments from leaseholders before proceeding with works.

If you receive any section 20 notices, you should keep hold of them to give to your solicitors when you sell your property.



## Ground rent

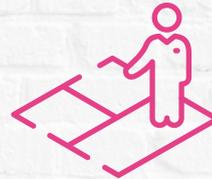
If you have an un-extended lease, you'll be charged ground rent on top of your service charges, which is most likely to be around £10 per year. Ground rent is a sum of money payable from a leaseholder to a freeholder in acknowledgement of the fact that they don't own the land. Once you extend your lease, the ground rent reduces to 'a peppercorn', which is essentially an old-fashioned term for £0.

if you are a shared owner you are unlikely to pay ground rent until you own 100% of your property. Please check your lease for terms and charges.



## Alterations

One of the joys of owning your own home is being able to make it look exactly how you want. However, it's a term of your lease that you ask permission for alterations. We're here to support you in this and aim to make our alterations permissions process as quick and simple as possible. This extends to non-structural alterations too, such as a new kitchen. We would never unreasonably withhold permission - in fact we can't under the terms of your lease - but it is important that we are aware of the work as it could unknowingly impact others living in the building. There is a small admin fee for us to provide permission and this is tailored to the type of work you are asking for permission to carry out. The full list of fees can be found on the [help and advice section of our website](#).



## Sub-letting

Most RHP leases have no restrictions on sub-letting, so we don't need to provide specific permission unless you need it for a lettings agent or mortgage lender. We do, however, require that you give us your correspondence address and the details of who'll be managing the property. It's important that anyone becoming a landlord remains aware that the behaviour of their tenant could impact the security of their lease. RHP have no contract with a sub-tenant, so we'll only liaise with you, our leasehold customer. Any queries from a sub-tenant, or complaints about their behaviour must be channeled through either the leaseholder, or their managing agent. If you hold a shared ownership lease and have not staircased to 100%, please note that shared owners are forbidden from subletting under any circumstances under the terms of the lease. This restriction will fall away once 100% of the property is owned.

## Selling your home

When you own 100% of your leasehold home, you can sell your property in the usual way: via an agent on the open market. When you have a buyer, your solicitor will request a Sales Pack from us (also known as a Leasehold Management Pack).

This pack contains important documents relating to your property, such as service charge accounts and the buildings insurance certificate. It also supplies the answers to standard leasehold enquires. The charge for this is £200 (including VAT). You can make the payment to us, or your solicitor will make the payment on your behalf. Once payment has been received, we'll aim to issue the solicitors pack within five working days.

You must also email [homeowner@rhp.org.uk](mailto:homeowner@rhp.org.uk) to request this pack and provide your solicitor's details.



## Admin fees

At RHP, we aim to be easy to do business with. These tables outline our administration fees for key services.

Leasehold service	Admin Fee (inc VAT)
Sales pack	£200
Sales pack additional enquiries	£20 per enquiry
Notice of Transfer / Assignment	£70
Notice of Charge	£70
Re-mortgage pack	£100
Certificate of Compliance	£60
Requests for copy of lease	£10 (if we need to purchase from Land Registry)

Leasehold service	Admin Fee (inc VAT)
Lease extension	£250
Enfranchisement	£500
Staircasing	£250
Resales (shared ownership)	1% of market value
Deed of Variation	£100
Court application for arrears	£100



Throughout the time you own your leasehold home with RHP, we hope you're happy with our service and enjoy your home. However, there will inevitably be the odd issue and so below is a basic guide about what falls under our responsibility and what is yours.

## Our responsibilities

- ▶ If there are any **antisocial behaviour** issues on your estate, these need to be reported directly to the police for serious issues such as vandalism and drugs, or to RHP to take action for non-police matters such as noise nuisance. We can act on any breaches of lease or tenancy, but please be aware that both require action through the County Court, which is a long process and requires significant evidence. Ending anyone's tenancy or lease is always a last resort and we'll do everything we can to work with customers to prevent an issue from reaching this point.
- ▶ **Estate maintenance**, like cutting grass and bushes owned by RHP, estate repairs (e.g. drainage, paving etc), bulk waste collection.
- ▶ **Block maintenance**, including internal cleaning, cleaning of communal windows, fire safety checks, bulk waste collection, lighting, repairs.
- ▶ **Window ownership** is often split, and in RHP leases this is the case. Most RHP leases state that the window frames are the responsibility of RHP to repair, with the glass owned by leaseholders. When it comes to a full replacement project, leaseholders' windows would be included in this programme. For repairs between replacement projects, we'll carry out any necessary repairs to window frames and handles for leaseholders.
- ▶ As we own the freehold of your block, RHP are responsible for arranging the **Buildings Insurance** for you, which is passed on within the service charge. The best way to think about our relationship with Buildings Insurance is to consider RHP as your broker. The insurance policy, and therefore any subsequent claims, are leaseholders' responsibility. As a result, the insurance excess is also payable by the leaseholder on submitting a claim.
- ▶ **Fire Risk Assessments** and **Asbestos Surveys** where appropriate.
- ▶ To discuss a repair, estate or antisocial behaviour issue, visit [www.rhp.org.uk](http://www.rhp.org.uk) or call **0800 032 2433**.

## Your responsibilities

- ▶ **Everything within your property**, including any pipework that services only your property, and your stopcocks.
- ▶ Your **front door**, which should be to an FD30S standard or higher. As part of our legal responsibility, a competent, independent fire risk assessor carries out fire risk assessments in our blocks of flats. If they find or suspect that you have a non-fire-resisting door, we'll get in touch and ask you to provide further evidence or upgrade your flat entrance door.
- ▶ The **glass in your windows**.
- ▶ You're responsible for **your behaviour**, and the behaviour of any guests or sub-tenants on the estate. Please be aware of how sound travels in communal living spaces and consider the impact on neighbours.
- ▶ Making sure your **gas boiler** (if you have one) is regularly serviced and that any electrical work is carried out by a qualified electrician. This isn't a specific term in your lease but it is important to keep you, your family and your neighbours safe.

## Contacting RHP

In March 2020 RHP introduced a new team to provide a dedicated service for homeowners. They can help with all legal transactions, including lease extensions and advice, resales, the section 20 process, service charge enquiries and customer engagement. Email [homeowner@rhp.org.uk](mailto:homeowner@rhp.org.uk) and they will respond within two working days.

For arrears monitoring, invoicing and payments, contact us at [customer.services@rhp.org.uk](mailto:customer.services@rhp.org.uk) or by calling **0800 032 2433**. You should also use these links for reporting repairs, estate issues and anti-social behaviour.

For answers to some of our most frequently asked questions from homeowners, visit the [help and advice section of our website](#).





8 Waldegrave Road  
Teddington  
TW11 8GT

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