

Introduction

Houses and flats in England and Wales are sold either freehold or leasehold. You are buying a leasehold property, which means you will have a landlord who owns the freehold of the property.

Key Facts for Leasehold Property

Generally, whether a home is sold leasehold or freehold will have little impact on a homeowner. However there are certain important differences, including:-

- Ground rent will usually be payable to the Landlord of a leasehold property. The amount is fixed at the start of the lease and is usually a few hundred pounds each year. The amount of ground rent will be reviewed every 10 years and increased in line with RPI. No ground rent is payable for freehold properties.
- A service charge will also usually be payable to the landlord or to a management company to cover shared services and costs. This is the same for freehold properties albeit the payment is to a management company rather than a landlord. In both cases, managing agents with experience of dealing with shared properties and service charges are likely to be appointed. Details of the service charge for your home will be provided on your reservation form.
- A lease is for a fixed duration after which (unless it is extended) the property reverts to the Freeholder. You will have statutory rights to extend the lease or buy the freehold but a premium for doing so will be payable to the Landlord.

FAQs

1. Do I have a choice of whether to buy leasehold or freehold?

Your sales advisor will confirm whether your home is being sold freehold or leasehold. If the property you are acquiring is leasehold and you would prefer to buy freehold (houses only – flats must be sold leasehold), please let us know. There will be an additional price for buying freehold.

2. Can I buy the freehold interest sometime after I have bought my home?

Yes. For houses, there is government legislation which means you have the legal right to buy the freehold if you have owned your home for 2 years. A price will be payable, which is a matter for negotiation between you and your Landlord albeit a tribunal will set the price if agreement cannot be reached. Whilst Miller Homes are your Landlord we will be happy to sell you the freehold at any time after you buy, however if we are no longer your Landlord the price may change and your new Landlord may not agree to sell before the statutory 2 year period has elapsed.

3. Will Miller Homes always be my Landlord?

No. It is likely that Miller Homes will sell our interest in the freehold to investors. The new Landlord will be bound by the terms of your Lease and you will still have the right to buy the freehold of your house as set out in paragraph 2 above.

4. What do I do if I have a dispute with my Landlord?

The leasehold valuation tribunal can help with disputes with Landlords or managing agents over service charge levels, price of lease extensions or freehold purchases and various other matters.

5. Where can I go for further information?

The Leasehold Advisory Service (www.lease-advice.org) is a non-departmental public body sponsored by the government which contains useful information. **You should also take independent legal advice from your solicitor about your own particular circumstances.**