

# Extending your Residential Lease

## Frequently Asked Questions where CBC is the Freeholder

Important: This guide provides general information only. It is not legal, valuation or financial advice. Lease extension claims involve legal requirements and deadlines, so you should obtain advice from appropriately qualified professionals.

## Understanding Lease Extensions

### 1. What is a lease extension?

A lease gives you the right to occupy your flat for a fixed number of years. A lease extension adds more years to that term. Under the current formal process for a qualifying flat, the usual right is to add 90 years to the existing term and reduce the ground rent to a peppercorn, meaning no financial ground rent.

### 2. Why might I want to extend my lease?

As a lease becomes shorter, the flat may reduce in value and become harder to sell or remortgage. Under the current law, the cost may increase once the remaining term falls below 80 years because an additional amount called marriage value may apply.

### 3. When should I consider extending my lease?

Consider taking advice before the lease approaches 80 years, and earlier if you intend to sell or remortgage. The right time depends on your lease length, plans and circumstances. A specialist adviser can explain the options and the possible effect of proposed law changes.

### 4. Does the Council offer voluntary lease extensions?

There are two broad routes: an informal or voluntary agreement with the freeholder, and the formal statutory process. Cheltenham Borough Council currently deals with residential lease extensions through the formal statutory route only. A voluntary route is not currently offered because the Council has not adopted a formal policy or the necessary delegated authority for it.

### 5. Who is eligible for a statutory lease extension?

The formal route normally applies to the qualifying leaseholder of a flat where the lease was originally granted for more than 21 years. Eligibility is based on the original lease term, not the number of years left today. Since 31 January 2025, a qualifying leaseholder does not need to have owned the flat for two years before starting a claim. Exceptions apply, so ask a solicitor to confirm your position.

## 6. What professionals should I appoint?

You should normally appoint a solicitor experienced in statutory residential lease extensions; and a specialist valuer or surveyor experienced in lease extension valuations. The valuer advises on the likely premium and negotiations. The solicitor checks eligibility, serves notices, manages deadlines and completes the legal documents. The Council cannot recommend an adviser or provide your valuation figure.

### The process at a glance

1. Check your lease and eligibility
2. Appoint a specialist solicitor and valuer
3. Obtain a valuation and serve a Section 42 Notice
4. Council considers the claim and serves a counter-notice
5. Premium and lease terms are negotiated
6. Solicitors complete the lease extension

This is a simplified overview. Your solicitor should explain the statutory timetable and monitor the deadlines.

## 7. What is a Section 42 Notice?

A Section 42 Notice is the formal legal notice used by a qualifying leaseholder to start a statutory lease extension claim under the Leasehold Reform, Housing and Urban Development Act 1993. It normally identifies the property and leaseholder, proposes a premium and lease terms, and gives the date by which the Council must respond. Errors can affect the validity of the notice, so professional advice is strongly recommended.

## 8. What happens after a Section 42 Notice is served?

The Council must serve its formal counter-notice by the response date stated in the Section 42 Notice. That date must be at least two months after the notice is served on the Council. The counter-notice may accept the right to a lease extension while proposing a different premium or different terms. The Council may appoint its own specialist valuer. The valuers and solicitors then negotiate. Once the premium and terms are agreed, the solicitors prepare and complete the lease extension.

## 9. How is the premium calculated?

The premium is the price paid for the lease extension. It is calculated under statutory valuation rules and depends on the individual property and lease. Because this is specialist valuation work, the Council cannot give you an initial figure. Obtain advice from an experienced lease extension valuer before serving the notice. Your Section 42 Notice must include your proposed

premium. It is for you to decide whether to provide the Council with your full valuation report, although your solicitor or valuer can advise whether sharing it may assist negotiations.

## 10. What costs and fees will I need to pay?

You should budget for:

- The premium for the lease extension
- Your own solicitor's and valuer's fees
- The Council's reasonable legal and valuation costs where recoverable under the statutory process
- The Council's surveyor fee, currently stated as £385
- The Council's legal costs, currently estimated at approximately £500 to £650
- The Council's specialist valuation cost, if a valuation is required. These figures do not include the premium or your own professional fees. Council fees and estimates may change and must be checked before publication and at the beginning of a claim

## 11. How long does the process take?

The statutory process contains formal stages and deadlines. The overall time depends on the case, including whether the premium and lease terms can be agreed. The source guidance does not give a standard completion period. Your solicitor should explain the timetable and monitor every deadline.

## 12. What happens if the Council and leaseholder cannot agree terms?

If the premium or lease terms cannot be agreed, the statutory process allows an application to the First-tier Tribunal (Property Chamber). Strict deadlines apply. Take advice from your solicitor before any deadline expires, as missing it may affect the claim and lead to additional costs.

## 13. Are the leasehold reform changes already in force?

Not all of them. The Leasehold and Freehold Reform Act 2024 became law, but many proposed changes to the lease extension and valuation regime are not yet in force. Government and Leasehold Advisory Service guidance explains that further legislation and commencement measures are still required for important parts of the new regime. Until relevant changes take effect, the statutory framework applying at the time of the claim continues to govern the process. Do not assume that all widely reported reforms already apply. Obtain current legal and valuation advice before deciding whether to extend now or wait.

## 14. Where can I obtain independent advice?

The following independent resources explain the process and current reforms:

- Leasehold Advisory Service: lease extensions
- Getting started with a flat lease extension
- The formal statutory route
- Lease extension and leasehold reforms
- GOV.UK Leasehold Toolkit for England

### Before you start

- Check how many years remain on your lease
- Ask a solicitor to confirm your eligibility
- Obtain a specialist valuation
- Budget for the premium and professional costs
- Confirm the Council's current fees and the correct address for service
- Make sure your advisers understand the statutory deadlines

### Contacting the Council

Property Services  
Cheltenham Borough Council  
Municipal Offices  
Promenade  
Cheltenham  
GL50 9SA

Email: [property@cheltenham.gov.uk](mailto:property@cheltenham.gov.uk)