Harlow Council
Working together for Harlow

Leasehold Forum

01 October 2025

Council Chamber, Civic Centre

Welcome

The Chair, Annette Hogan Leaseholder, opened the Leasehold Forum.

The Chair drew the audience's attention to fire safety and housekeeping rules; encouraged them to read the Code of Conduct leaflet in the front of the Forum packs and requested all mobile phones to be switched off. The Chair reminded the attendees that questions raised during the Forum must be general and all personal matters could be raised with officers during the Market Stalls, immediately after the presentations.

The Chair introduced Claire Hicks – Homeownership Manager, Harlow Council and the LEASE (Leasehold Advisory Service) presenters.

The Chair outlined the Market Stalls and officers around the Chamber:-

1. Harlow Council – Housing Property Services – future works
2. HTS (Property & Environment) Ltd – general repairs and any service issues
3. Harlow Council – Housing Officers – estate and housing related issues
4. Harlow Council – Home Ownership Officers – enquiries on lease extension, service charges and major works
5. Harlow Council – Contact Harlow Customer Advisors – general enquiries

The Chair introduced the presentation by LEASE.

LEASE presented a slideshow on Lease Extensions and an Update on Service Charge Reform. The presentation was included in the packs handed out to attendees.

Presentation by LEASE - Service Charge Reform

Q. Can Leaseholders be involved in the procurement of building insurance, as it is the most expensive part of my Service Charges?
A. This is not currently on the horizon, due to possible new regulations. If Leaseholders have more involvement with the choice, landlords are less likely to benefit from commissions.

Q. In relation to slide 20 of the presentation, what does FTT stand for?
A. FTT stands for First Tier Tribunal (Property Chamber), Leaseholders can go to FTT for disputes with their Service Charges.

Q. I was notified of planned work and given an estimate of costs in 2022. The works have not happened yet, and the cost will now be higher, is there anything I can do?
A. If you were previously quoted a price and the work hasn't been carried out you will need to be able to demonstrate the price difference and may need a quantity surveyor report. It would be a challenge to gain the evidence of increase in building material costs from then to now.

Q. I am paying for daily cleaning in my service charges and this doesn't happen.
A. You can argue this as unreasonable and look for a settlement, as there is a valuable argument which warrants a discussion.
Q: Who should I talk to about it?
A: The Service Charge Officers.

Q. Will the Leasehold Form Act make a difference for Leaseholders?
A. The aim of the act is to make things more transparent, open and fairer for Leaseholders. It may result in an increased management cost as there will be more administrative work to allow for open information.

Q. Is the act just a re-jig, as we have been waiting a long time for the legislation. The freeholders will continue to slow the government down.
A. We are hopeful but it may take some time due to other pressures. There also needs to be a practical way to show Leaseholders how their money is being spent and removing barriers to go to tribunal.

Q. Should I extend my lease now, I have 81 years left and I was waiting for the new legislation to come in?
A. We would advise to renew now as we are unsure when the new legislation will be implemented.

Presentation by LEASE - Lease Extensions

Q. Do I still have to wait two years before I can apply to extend my Lease?
A. The rule of owning your Leasehold property for two years before extending your lease has been removed. You can contact the Council to ask for the Councils fees and instruct a solicitor. You are able to do the process without a solicitor, but we advise Leaseholders to instruct a solicitor to have a trained eye look over the new Lease and any additional supplements and clauses.

Q. Can three out of four leaseholders in a block apply for franchise to be freehold?
A. Yes you are eligible, the criteria is that two thirds of the flats in the block are on long leases. The three properties can buy the freehold and offer the Council tenant a 999-year Lease for the flat.

Q. Time is ticking on my lease whilst waiting for charge changes, I have 82 years left on my lease, are you saying to extend it now?
A. Yes as we do not know when the new legislation will be in, and we are still unsure of the marriage allowance to pay. It makes sense to do it now before the changes are implemented. There are online calculators available to compare the difference of a cost of a Lease Extension above and below 80 years.

Q. Is it logical to extend the lease now if they do not abolish the marriage value, if the marriage value is abolished it would not matter if Leaseholders waited 20 years.
A. We do not know what will be in the Act so don't take the risk, if the new legislation comes within a few years, you will be able to take advantage of it without dropping into marriage value.

Q. Is the informal leaseholder route recognised by the local authority?
A. Your local authority does not recognise voluntary Lease Extensions. Some local authorities do not offer this route as the price has to be negotiated based on public funds.

Q. How many lease extensions do you do a year?
A. For 2024/25 Harlow Council completed 23 lease extensions.

Q. There are 12 tower blocks in the town, it seems a waste to go through statutory route.
A. It is your choice when to extend your Lease. The new changes may not make a big impact on the prices. It is tricky for the government to compensate the landlords as the landlords have made investments based off short leases.

Q. In 2021 I had 84 years left on my lease, the lease cost was about £2,600 for an extra 90 years. I think Harlow Council seemed reasonable. I had to pay a solicitor and surveyor, and the cost was around £6,000 in total. Has it gone up a lot?

A. The fees are available in the pack provided to all attendees and on the Councils website. The average premium for 2024/25 was £2,850 plus Council and your solicitor fees.

Q. How long does it take to extend the lease?
A. Once a notice has been served, the Council has a timeline to follow, the Council must serve a counter notice within two months of receiving a section 42. The information for this is in the handout packs and displayed on the website.

No further questions were raised. The Chair thanked the leaseholders for attending and taking part.

The Chair invited the attendees to visit the various Market Stalls situated around the Chamber, reminding them they will be open until 8:30pm.

The Forum closed at 8:30pm.

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Harlow council outreach

1 October

Alero Orimoloye & Kemi Adedeji

Service charges

Service charge

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- Are the charges payable under the lease?
- Are the charges reasonable?

- Section 27A LTA 1985

- Have relevant statutory requirements been complied with?

The lease

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- The landlord seeks to recover money from the tenant. On ordinary principles there must be clear terms in the contractual provisions said to entitle him to do so”

-Gilje v.Charlgrove Securities Limited [2002] 1 EGLR 4

General rule

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IF IT IS NOT IN THE LEASE YOU CANNOT RECOVER IT

The service charge demand

- Sections 47 Landlord and Tenant Act 1987
- Landlord’s name and address (and service address) on demand
- Immediate landlord
- Sum demanded not due until compliance
- Must be accompanied by the summary of rights and obligations
- Prescribed form and content
- May withhold payment in absence of summary

Construction of lease

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- Improvements vs. repairs
- Inherent defects
- Management costs
- Agent's fees
- Legal costs
- Section 20C LTA 1985
- Sinking fund
- Sweeper clause

Recovery under lease

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- Advance payments?
- When due?
- Certification?
- By whom ?
- Audited accounts required ?
- Inspection of documents?
- Sections 21 and 22 of Landlord and Tenant Act 1985.

Information

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- Tenant entitled to written summary of costs-one month
- Section 21
- Tenant entitled to inspect supporting documentation-two months
- Section 22
- Failure to comply without reasonable excuse is summary offence punishable with a fine

Proportion

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- Governed by lease terms
- Equal proportion
- Fixed % based on floor area
- Rateable value
- “fair” or “reasonable” proportions

Historic service charges

- Limitation Act 1980
- Rent
- 6 years
- Service charges
- 12 years

Historic service charges

- S20B of the Landlord and Tenant Act 1985
-
- Not payable if "incurred" 18 months before either service charge demand or written notification
-
- "Incurred" =receipt/payment of invoice

- Om Property Management Limited v.Burr [2013] EWCA Civ 479

Holding service charges

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- Held on Trust
- Section 42 of the Landlord and Tenant Act 1987

Reasonableness

- Section 19 Landlord and Tenant Act 1985
- Service charges only payable to the extent that
- Costs were "reasonably incurred"
- Works and services of a reasonable standard

Reasonableness

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- Section 19(2)
- Where service charge payable before cost incurred, amount demanded must be reasonable;
- After cost is incurred, relevant adjustment must be made

Reasonableness

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- Was the landlord’s decision a reasonable one?
- Did it fall within a “reasonable range” of possible decisions?
- All about the decision making process
- Tendering for works/services
- Testing market periodically to ensure VFM

Historic neglect

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- Daejan Properties v.Griffin[2014] UKUT 0206 (LC)
- But for a failure by landlord/manager to repair on time part/whole repair cost would have been avoided
- Tenant can set off damages for repairing covenant breach against service charges

Tribunal jurisdiction

- S27A of the LTA 1985
- Payability/reasonableness of service charges
- Watch out for costs
- Rule 13
- Through the service charges
- Section 20C Order?
- Against the leaseholder
- Freeholders of 69 Marina v.Oram[2011] EWCA Civ 1258
- Barrett v.Robinson[2014] UKUT 0322 (LC)
- Order made under Paragraph 5A of Schedule 11 to the 2002 Act.

Remedies & recovery

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- County Court
- Tribunal
- Forfeiture
- Writing to mortgage lender?

Leasehold and Commonhold reform

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- Leasehold and Freehold Reform Act 2024
- Provide greater transparency over service charge information by creating a standardised format.
- Remove barriers for leaseholders to challenge unreasonable service charges at FTT.
- End excessive buildings insurance commissions for freeholders and managing agents
- Replace commission with transparent and fair handling fees

  Make it easier for leaseholders to appoint managing agents of their choice.
- Grant freehold home owners on private and mixed tenure estates the same redress rights as leaseholders to challenge charges.
- Freeholders to belong to a redress scheme
- Increase floor space from 25% to 50% for non-residential areas in mixed use buildings to enable RTM/collective enfranchisement take up-in force since 3rd March 2025.

Leasehold and Commonhold reform

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- Leasehold and Freehold Reform Act 2024
- Make buying/selling leasehold property quicker and easier by setting a maximum time and fee for property information.
- Ban the sale of new leasehold houses, save in exceptional circumstances
- Every house in England and Wales will be freehold.

Questions

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Lease extension

Leasehold and Commonhold reform

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- The Leasehold Reform (Ground Rent) Act 2022
  - Commenced on 30 June 2022
    - Retirement Properties commenced on 1 April 2023
- Ground rents in new leases set at nil/peppercorn
- Freeholders banned from charging administration charges for collecting a peppercorn rent
- Fines from £500 up to £30k where ground rent is charged in contravention of legislation.
- Statutory lease extensions for houses and flats exempt from the Act.
- Ground rent can remain in a voluntary extension to the end of the term.

Leasehold and Commonhold reform

- Leasehold and Freehold Reform Act 2024
- Received Royal Assent on 24 May 2024 (most provisions yet to commence)
- Make it easier and cheaper for leaseholders to buy their freeholds
- Lease extension to 990 years for houses and flats at peppercorn ground rent
- Online calculator to determine cost of new lease/freehold purchase
- Remove marriage value from the cost of valuing short leases (term under 80 years)
- Remove two-year ownership requirement for lease extension-took effect on 31 January 2025.
- Remove the requirement for leaseholders to pay freeholder’s costs in an enfranchisement claim.

Voluntary lease extension

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- Before considering a lease extension under the Leasehold Reform ,Housing and Urban Development Act 1993 consider a non-statutory lease extension
- Either party can approach the other at any time, there are no rules that govern the agreement
- Expect a landlord to request an undertaking for its costs whether or not a lease extension is granted
- The leaseholder's solicitor should think carefully about the undertaking that is given
- Obtain client money first

Voluntary lease extension

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- Typically a deed of variation will be granted. At law this will operate as a surrender and re-grant
- This may require the consent of the leaseholder’s lender (if there is one) by way of a deed of substituted security

Voluntary lease extension

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- Potential pros
- Done through agreement so, in theory, not adversarial
- Usually less legal work required
- The client may therefore save on legal costs
- It is a potential source of profit for the landlord
- The client may be able to achieve a reduction in the overall cost of a lease extension
- Time may be saved

Voluntary lease extension

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- Potential cons
- Neither party can be forced to proceed
- The terms of the deal may not offer good value
- There is no recourse to a Court or Tribunal
- Costs may be non-refundable

The Leasehold Reform Housing and Urban Development Act 1993

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- A long lease is essentially a 'wasting asset'
- A long leaseholder with a short lease may find it difficult or even impossible to sell without a lease extension
- The 1993 Act was enacted to address this situation
- The primary right under the Act is to extend the lease by 90 years and remove the obligation to pay ground rent

The Leasehold Reform Housing and Urban Development Act 1993

- The key sources of the law are
- Chapter 2 of Part 1 of the 1993 Act and the Schedules to the Act
- Referred to in this presentation as ‘the Act’
- The Leasehold Reform (Collective Enfranchisement and Lease Renewal) Regulations 1993
- Referred to in this presentation as the ‘1993 Regulations’
- Chapter 3 of Part 2 of the Commonhold and Leasehold Reform Act 2002

The Leasehold Reform Housing and Urban Development Act 1993

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- Leasehold Reform (Amendment) Act 2014
- The Housing (Wales) Act 2014
- The Tribunal Procedure (First-tier Tribunal Property Chamber) Rules 2013
- Leasehold Valuation Tribunal (Procedure) (Wales) Regulations 2004

Basic process

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- Assuming the claim is admitted there is a 2 month period for negotiation
- After the initial 2 month period ends, there is a 4 month window in which either party may apply to the Appropriate Tribunal for a determination of the terms in dispute
- If the parties agree or the Tribunal makes a determination then 2 months to complete
- If no completion within 2 months then either party can apply to the County Court within following 2 months

Preparing for the process

- Obtain a valuation
- Is it necessary to use a solicitor?
- Who is the ‘competent’ landlord?

Drafting the notice (S42)

- Not prescribed
- Can be obtained from legal stationers
- Contents of the notice
- Name and address of landlord & tenant
- Particulars of property concerned
- Plan?
- Additions or other property included, e.g. garage

Drafting the notice cont

- Specify a premium
- "Must be a genuine opening offer... not a nominal figure": Westbrook Dolphin Square Ltd v Friends Life Ltd [2014] EWHC 2433 (Ch)

Effect of a notice of claim- costs

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- Effect of serving the notice
- Landlord entitled to reasonable costs under S60 of the 1993 Act until withdrawal of the notice or grant of a new lease in relation to:

a)Any investigation reasonably undertaken of the tenant's right to a new lease

b)Any valuation of the tenant's flat obtained for the purpose of fixing the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of a new lease under section 56

c)The grant of a new lease under that section(conveyancing costs)

The counter-notice

- No prescribed form but according to S45 of the Act it must contain certain information
- All counter-notices must

a)State that the landlord admits that the leaseholder had on the relevant date the right to acquire a new lease of his flat; or

b)State that, for such reasons as are specified in the counter-notice, the landlord does not admit that the tenant had such a right on that date; or

c)Contain such a statement as is mentioned in paragraph (a) or (b) above but state that the landlord intends to make an application for an order under Section 47(1) on the grounds that they intend to redevelop any premises in which the flat is contained.

Negative counter-notice

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- Objection may be on grounds the notice of claim was invalid or on the grounds of redevelopment
- The landlord has 2 months from the date of the counter-notice to apply to County Court under S46 of the 1993 Act for a declaration that the leaseholder’s notice is of no effect

Negative counter-notice

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- If the application to Court is not made in time, then it is deemed that the landlord has not served a notice at all
- The landlord may serve a notice subject to their contention that the notice of claim is not admitted

Positive counter-notice

- Service of a positive counter-notice binds the landlord to the leaseholder’s right to a new lease (S45(5) of the 1993 Act)
- The counter-notice must state which of the leaseholder’s proposals are accepted, which are denied and state the landlord’s counter-proposals
- If there is a mistake in the counter-notice then the ‘reasonable recipient’ test will apply
- Mannai Investment Co Ltd v Eagle Star Life Assurance Co Ltd [1997]

Positive counter-notice

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- If the landlord is disputing the premium payable, the counter notice must offer an alternative figure for the premium, but that figure need not be reasonable

The Appropriate Tribunal

- The Tribunal is the correct venue for disputes over the premium, terms of the new lease, and S60 costs
- S48 of the 1993 Act gives a 4 month window in which either party may apply to the Tribunal, with the 4 months starting 2 months after the date of the counter-notice

The Appropriate Tribunal

- The leaseholder should generally apply early on to reduce risk of missing deadline
- If the leaseholder does not apply within the 6 month deadline or otherwise enter into a new lease, their notice will be deemed withdrawn (S53(1) of the 1993 Act)

Applying to the Appropriate Tribunal

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- No form prescribed by the Act but now possible to use Tribunal Form 11 available through the LEASE website
- Tribunal will issue directions which must be followed, e.g. the applicant will usually be asked to provide the Tribunal with hearing bundles agreed between the parties prior to the hearing

Completion

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- Completion can take place once the ‘terms of acquisition’ are agreed
- These are the terms of the new lease and the premium, but not the landlord’s S60 costs
- For clarity the parties should confirm in writing when the terms were agreed
- The parties have an initial period of 2 months to enter into a binding lease from the date the terms of acquisition are agreed or determined by the Tribunal (S48(6) of the Act)

Terms of new lease

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- The general principle is the new lease will be on the same terms as the existing lease apart from the longer term and change to the ground rent (S57 of the 1993 Act)
- This is subject to agreement of other terms
- And where the lease is deemed to be defective (S57(6) of the 1993 Act)
- However, there are prescribed clauses
- The new lease must reserve the landlord’s right to terminate the lease on the grounds of redevelopment (S61 of the 1993 Act)
- This is subject to limitations and compensation at an open market rate (see Schedule 14 of the 1993 Act)

Sale of a flat

- Under S43 of the 1993 Act the qualifying leaseholder may serve notice and transfer the benefit of the notice to a buyer
- Agreement should be reached over costs and recorded in the contract
- The transfer must take place at the same time as the transfer of the seller’s interest in the flat
- The passing of the benefit should be expressed to take place at the same time as the transfer of the legal title which is perfected on registration at HM Land Registry.
- Precedent wording should be used e.g. see encyclopaedia of forms and precedents
- Preferable to use box 11 on HMLR form TR1

Disputing legal costs

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- Close regard should be had to the wording of S60 of the 1993 Act
- There is no definitive reasonable amount and it will depend on the how complex the process is
- The leaseholder should ask for a time recording break -down of the landlord's costs
- The leaseholder should consider whether the right grade of solicitor is doing appropriate work for the landlord and whether the time spent on each part of the process is reasonable
- There is likely to be an economy of scale for multiple lease extensions

Questions

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Building safety

Building safety

- Fire Safety Act 2021
- Commenced on 16 May 2022
- ‘Responsible Persons’ for multi-occupied residential buildings, will be under a duty to risk assess the structure and external walls of buildings and entrance doors and take general fire precautions to ensure those areas are safe.
- All doors between domestic premises and common parts such as flat entrance doors must be fire safe.
- Whose door is it anyway?
- Liability depends on the lease terms

Building Safety Act 2022

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- Introduced leaseholder protections so qualifying leaseholders not liable for paying for the costs of cladding remediation and limiting costs for non-cladding fire safety remediation for qualifying leaseholders
-
- Building must have been constructed/refurbished between 28 June 1992 to 28 June 2022 to benefit from protections.
-
- Empowers social landlords to seek redress against the original developers, previous owners, contractors, architects etc. involved in the design and build, where appropriate.

Building safety

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- Introduces ‘Building Safety Charges’ for leaseholders by amending the Landlord and Tenant Act 1985 to allow recovery of costs for certain building safety measures through service charges (S.30D LTA 1985).
- Provides a legal requirement for building owners to explore alternative ways to meet remediation costs before passing these onto leaseholders, along with evidence that this has been done.
- Doubling the amount of time, from 6 to 15 years, that residents can seek compensation for substandard construction work. This will apply retrospectively.
- Legislating to change culture across the industry to enable design and construction of high-quality, safe homes in the years to come.
- Establishes New Homes Ombudsman.

Building safety

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- Changes introduced on 1 Oct.2023 to requirements for high rise buildings (18m/7storeys high with at least 2 residential units)
- Introduction of the Building Safety Regulator as the building control authority for higher-risk buildings.
- The BSR will be responsible for overseeing the safety and performance systems of all buildings
- Introduction of the Accountable Person (AP)
- AP is the landlord/freeholder etc. responsible for building repairs
- AP to collect and manage data to satisfy the requirement to have a Golden Thread of Information
- Golden Thread of Information –information about a building that allows someone to understand a building and keep it safe now and in the future
- Information must be accurate, kept up to date and easily accessible.
- The AP to prepare a Safety Case Report; document that demonstrates building safety risks have been assessed and all reasonable steps are being taken to prevent risk

Questions