



Alterations & Consent

Guide for leaseholders

Overview

Freehold Managers PLC is the property Manager for an investor landlord who holds Freehold Interests across England, Wales, Northern Ireland and the Isle of Man. We are tasked to deal with all matters relating to the landlords responsibilities for all leases under our management and adhere to current legislation, industry best practice and binding case laws.

The aim of producing this document is to aid the understanding of what seems to be the most confusing matter for Warner leaseholders, which is the process for making alterations to their properties.

Please note that as we are engaged as agents for the landlord, we are not in a position to offer official guidance or legal advice to leaseholders on any matter and would always advise that independent legal advice is sought. We will of course always assist and informally guide where appropriate, which is the intention of this document.

For every leasehold property, there exists a lease which details the original named parties who hold title. The lease in essence is a contract of ownership and responsibilities for each party (and on occasion adjoining owners) who currently hold the respective titles and is legally binding on all.

Leases are drafted in such a way to ensure clarity on exactly which parts of the premises are demised to each leaseholder and to ensure that each party is aware of its responsibilities under the contract. This means that leases do not leave any matters subject to interpretation. Experience has shown that this in itself can cause unnecessary confusion for leaseholders who perhaps aren't fully aware of their position regarding the lease.

The first point to make clear in this process is that all leases are different, and the Warner Leases are classic exemplar of this. There are some properties within Warner whereby neighbouring properties, identical in physical appearance have differing lease terms.

A key message we would like to send to all Warner residents is that when beginning the process of applying for a consent, a license or a deed is to obtain a copy of their own lease rather than relying on the circumstances or experience of one of their neighbours which will inevitably cause upset if they have differing lease terms and have assumed the same process and outcome.

This guide is intended to aid any Warner leaseholders who are planning to apply for permission to alter their properties. Procedures may change from time to time therefore we would strongly suggest in all cases that leaseholders contact our consent team on 0207 940 4760 or emailing consents@fmplc.co.uk

Our process for dealing with consent applications – All properties.

Stage 1 - APPLICATION

Upon every application for consent, we ask for an administration fee from the applicant to cover our costs for the process and consent consideration (currently £140 Inc VAT). This fee covers the following tasks;

- Obtaining the lease from offsite archives or Land Registry
- Obtaining the freehold title and plans from Land Registry
- Obtaining the leasehold title and plans from Land Registry
- Retrieving portfolio files
- Liaising with legal advisors, managing agents and other parties to the lease
- Reviewing All documentation
- Administration e.g. Letters, Emails, Postage, Photocopying and Printing

It is not until this process has been completed that we are in a position to advise of the next stages of the consent, nor will we know the terms of the lease and what is demised to whom until this review takes place.

Stage 2 - SURVEYOR

Within most leases, the landlord is responsible for the structure of the building albeit at the lessees cost. Upon any application for consent for alterations which could potentially affect the structure of the building we will request that our surveyor attends to inspect and report on the proposal on our behalf. This report is purely to aid us in deciding whether to consent to the changes, and will give us advice on any conditions to state when offering consent. This report is for the freeholder which is why it is not shared with the applicant. The costs are borne by the applicant as they are the party requesting the changes.

Stage 3 - OFFER OF CONSENT

Upon considering the application, the lease terms, any surveyors report received and current case law, a proposal for offering consent will be produced by the consents team (or rarely, a letter declining consent). This is discussed and signed off by senior management and a subsequent offer letter is issued to the applicant detailing our requirements and conditions. Depending on the lease terms, consent will be offered by way of a certificate, license to alterations or if required a deed of variation.

ALL APPLICATIONS WILL INCLUDE STAGES 1 AND 3. ANY CASE REQUIRING STAGE 2 WILL BE ADVISED AFTER APPLICATIONS ARE RECEIVED AND REVIEWED.

ALTERATIONS AND CONVERSIONS TO LOFT/ROOFS

There are two basic type of scenario for a loft/roof conversion, and these are based on whether the loft/roof is demised in the lease to the tenant or belongs to the Landlord.

If the description of the demise does not mention the loft or roof space it is *not* included in the tenant's ownership nor is it subject to assumption. Below are two examples of this for each scenario:

Included " all that maisonette know as 1 Example Road being the first floor of the building and is hereby declared that one half of the depth of the joists between the floors of the upper maisonette and the ceiling of the lower maisonette and the external walls above this level *and the roof* are included in the demise"

Excluded " all that maisonette know as 1 Example being the first floor of the building now standing upon the piece of land particularly shown on the said plan and thereon hatched red"

Consent is offered on the following basic principles for each scenario, but will always be lease specific.

Roof/Loft included – Alterations by way of Consent or License, depending on the requirements of the lease. Most licenses are issued at circa £300 plus legal costs of £500 + VAT for our lawyer to draft the license. These costs are a guide and can vary case by case.

Roof/Loft excluded – Consent is usually offered by way of deed of variation which will demise the loft space to the leaseholder. This is in essence a sale of the area in question and the cost involved will vary case by case, we are therefore unable to offer guidance on costs for this. In cases were the loft is sold we include the license for alterations as part of the transaction.

FAQ's

Q. Should I apply for planning permission and should this be after Consent has been granted?

A. We consider each application from the perspective of the responsibility of the landlord under each lease. We therefore cannot advise on whether planning permission required or offer any advice in this regard. In all cases we would suggest that independent advice is sought.

Q. What do I pay you ground rent for?

A. Ground Rent is an amount payable to the freeholder for the right to occupy a leasehold property. The lease will specify the amount and payment dates for any Ground Rent payable. This amount is a rent and is not in exchange for any goods or services.

Q. I have been charged thousands of pounds for my consent and my neighbour has only paid £540 – why is this?

A. Each matter is dealt with on a case by case basis. Please review your lease to ascertain the position with regards to loft ownership. We can assume that such a difference in terms of consent offered would mean that there are vastly different lease terms between the neighbours in question.

Q. Why does my builder need to have public liability insurance?

A. Public liability insurance covers the cost of legal action and compensation claims made against a builder if a third party is injured or their property suffers damage whilst they are working at either a business premises or in someone's home. If the builder makes an error which causes damage to the building, the leaseholder would most likely be responsible for the relating costs.

It is customary to request confirmation of this to cover all risks of the works to all areas of the building. Reputable builders carry sufficient cover as standard practice so we do not consider this to be an issue for most leaseholders; who in essence are just as protected by the cover.

Q. What is a Party Wall notice and what do I need to do?

A. The Party Wall etc. Act 1996 requires the owner of the flat carrying out the work ("the Building Owner") to serve a notice under the Act on all adjoining owners who have an interest in the party wall(s) so affected. An "owner" for the purposes of the Act is anyone who has an interest which is more than a yearly tenancy. There may be more than one "owner" of an adjoining property (known as "the Adjoining Owner(s)") for example, a freeholder, long leaseholder, or someone with an agreement to purchase or lease. All such adjoining owners must be served with a notice prior to commencement of the work.

Therefore we ask that leaseholders comply with the provisions of the Party Wall etc. Act 1996 means that the lessee must serve notice on all owners (including us as freeholders) – and provide to you copies of those notices.

We strongly suggest that leaseholders seek independent legal advice on this point.