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# LEASEHOLDERS HANDBOOK



# ABOUT THIS BOOKLET

This booklet has been developed to help explain the legal nature of ownership of your property along with your associated rights and responsibilities. The booklet aims to help you:

- **Understand residential leasehold**
- **Be clear on your rights**
- **Appreciate what your responsibilities are.**

The booklet is intended as a general guide and is not a substitute for legal advice.

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# WHAT IS LEASEHOLD?

Leasehold ownership of a property is simply a long tenancy, the right to occupation and use of the property for a long period – the ‘term’ of the lease (typically either 99 or 125, years). The term is fixed at the beginning and so decreases in length year by year. Thus, if it were not for inflation, the value of the flat would diminish over time until the eventual expiry of the lease, when the flat reverts to the landlord (although an assured tenancy would then become a possibility).

The ownership of the property usually relates to everything within the four walls of the property, including floorboards and plaster to walls and ceiling, but does not usually include the external or structural walls. The structure and common parts of the building and the land it stands on are owned by us. We are responsible for the maintenance and repair of the building.

# WHAT IS A LEASE?

Your lease is a contract between you and us, giving conditional ownership for a fixed period of time. It is an important document and you must ensure that you have a copy and that you understand it. The wording of leases is usually in legal language and can vary from property to property. If you find it difficult to understand your lease, you can contact us for advice.

Your obligations will include payment of the ground rent (if any) and contribution to the costs of maintaining and managing the building. The lease will probably also place certain conditions on the use and occupation of the property. We are required to manage and maintain the structure, exterior and common areas of the property, to collect contributions from all the leaseholders and keep the accounts.

You are not necessarily entirely free to do whatever you want in or with the flat – the lease comes with conditions, to protect the rights of other residents.

# YOUR RIGHTS

As a leaseholder you have the right to:

- Live in your home for the length of your lease.
- Quiet enjoyment of your home. This means to live peacefully without unnecessary interference from your neighbours or Hafod as long as you keep to the terms and conditions of your lease.
- Expect us to repair and maintain common parts.
- Use any common areas included in your lease.
- Be consulted about major repairs for which you will have to pay a share of the cost.
- Decorate and maintain the inside of your home. However, if you wish to make any alterations or improvements you must first obtain our written consent and in some cases you may also need to obtain planning and/or building approval from your Local Council.
- Sell the lease on your home (for the remaining years) to anyone you want to, or leave it to someone in your will or give it to someone as a gift. Please consider asking a solicitor to help you with this to make sure it is done legally. You must also inform us if you sell your lease or transfer it. If you purchased the property under the Preserved Right to Buy or Right to Acquire schemes, you may need to repay some or all of the discount you received.
- Take in lodgers or rent the property to someone else (please note some leases expressly prohibit this right). You will need to make sure the property is not overcrowded and your lodger or sub-tenant does not breach the terms of your lease. Please advise us so our records are up to date and we send important information to you, not to your lodger or tenant. Please also advise your mortgage lender if you rent your property.



# YOUR RESPONSIBILITIES

As a leaseholder you are responsible for:

- Paying any ground rent due.
- Paying service charges due. We have a legal duty to charge you for your share of the costs of managing and maintaining your block and you have a legal duty to pay them.
- Only using your property as a private home.
- Keeping the interior of your home in good repair, decoration and condition, including servicing appliances and installations in line with current regulations.
- Allowing us access to your property to carry out any necessary inspection or work.
- Obtaining written permission from us before starting any alterations or improvements to your home or the landlord's fixtures and fittings or common parts.
- Obtaining written permission from us before erecting any aerials, signs or notices outside the property.
- Obtaining written permission from us before keeping any dogs or other animals at the property.
- Not causing any nuisance or annoyance to neighbours.
- Not causing any damage to the building, any communal areas or neighbouring properties.
- Sending us legal notice of any change in ownership.
- Informing us in writing of your correspondence address if you are not living at the property.
- Insuring all contents and possessions contained in your home.

# OUR RESPONSIBILITIES

Our main responsibilities are to:

- Maintain and repair the main structure of the building and exterior of your home
- Maintain the communal parts of the building
- Consult you about any extensive works
- Insure the building, for which you are required to pay your contribution
- Provide you with an annual statement about your service charges.

**Please note that the above information does not cover all rights and responsibilities and you must always refer to your lease.**

# BREACH OF LEASE

If you break a condition of the lease we may take action against you. This can include taking action through the courts and in very serious situations we can ask the courts to make an order for forfeiture, which means your lease could be terminated.

# VARYING THE LEASE

The lease can only be varied by a written legal agreement signed by you and the Association, or by an order issued by the Leasehold Valuation Tribunal. This will normally only be granted if the lease is proved to be defective.

# BUYING THE FREEHOLD

In certain situations leaseholders of flats may have the right to buy the freehold of the building as a group. The group of leaseholders can then decide how to manage their building. This is known as enfranchisement.

# FURTHER RIGHTS FOR LEASEHOLDERS FOLLOWING COMMONHOLD AND LEASEHOLD REFORM ACT 2002

- The right to extend your lease.
- The Right to Manage. This means that you can take over the management of the building from us. However, certain conditions must first be met:
  - The building must be self-contained.
  - It must include at least two flats.
  - At least two thirds of the flats must be owned by 100% leaseholders.
  - The 100% leaseholders must have a remaining term on their leases in excess of 21 years, at least 50% of leaseholders must participate, and a Right to Manage Company must be set up.

# LEASEHOLD SERVICE CHARGES

Leasehold service charges are levied by us to recover the costs we incur in providing services to a dwelling and/or common parts. The way in which the service charge is organised is set out in your lease. The charge normally covers the cost of such matters as general maintenance and repairs, insurance of the building and, where the services are provided, central heating, lifts, lighting and cleaning of common areas etc. The charges also include the costs of management by us or by a professional managing agent and for contributions to a reserve fund.

Details of what can and cannot be charged by us and the proportion of the charge to be paid by the individual leaseholder will be set out in the lease.

We generally make no financial contribution for the services, but sometimes we have to pay for the services before we can recover their costs.

Sometimes we levy charges for consents to make alterations or provide information when a property is being sold. These are administration charges and are dealt with separately.

## LIMITS ON LEASEHOLD SERVICE CHARGES

Leasehold service charges can go up or down without any limit, but the landlord can only recover those costs which are reasonable. Leaseholders have rights to challenge service charges that they feel are unreasonable at the Leasehold Valuation Tribunal.

When considering the purchase of a leasehold flat, it is important to find out, for personal budgetary purposes, what the current and future service charges are likely to be.

# APPORTIONMENT

Service charges are equally divided amongst all Leaseholders. You will not be paying any more or less than any other resident living in your complex. However, the methodology for apportionment does vary between Tenants and Leaseholders.

## THE POWER TO RECOVER LEASEHOLD SERVICE CHARGES

It is important to understand that the landlord's power to levy a leasehold service charge and a leaseholder's obligation to pay it are governed by the provisions of the lease. The lease is a contract between the leaseholder and the landlord and there is no obligation to pay anything other than what is provided for in the lease.

The lease may contain specific terms obliging us to carry out certain works or provide certain services and, if a service charge is to be payable, the lease must contain a power for us to recover the cost of those works or services from you. It must specify whether the charge is recoverable in advance or in arrears of the provision of works or services, and whether it is to be collected on a regular basis, perhaps annually or on a specified quarter-day, or whether it is to be levied as costs arise. The lease may be very specific in its wording, setting out quite precisely the works or services to be chargeable.

Alternatively, the clauses may be very general, simply referring to costs of the repair and maintenance of the structure of building. It can generally be assumed that a service charge will be payable and will cover the repair and maintenance of the fabric of the building and the fittings, the lift or the boilers etc, as well as cleaning, lighting and maintenance of common areas. Other obligations depend on the scope of services provided. In some cases this is done simply by referring to our costs in meeting our obligations, as set out in one of the schedules to the lease.

# WHAT HAPPENS IF YOU DON'T PAY?

It is your responsibility to pay the service charges promptly under the terms of the lease. The Association will if necessary take legal action which could lead to the loss of your home.

We may also seek a county court judgment for payment, or approach your mortgagee (if applicable) for payment.

# WHAT ARE RESERVE FUNDS?

All leases provide for us to collect sums in advance to create one or more reserve or 'sinking' funds. The purpose of such funds is to build up a sum of money to cover the cost of irregular and expensive works such as external decorations, structural repairs or lift replacement etc.

There are usually two reasons for maintaining such a fund. The first is to ensure that all occupiers contribute to major works, not just those who are in occupation at the time they are carried out. The second is to even out the annual charges, avoiding large one-off bills, and to assist with leaseholders' budgeting.

# CONSULTATION

The law requires that you must be consulted before we carry out works above a certain value or enter into a long-term agreement for the provision of services.

# CONSULTATION ON MAJOR (QUALIFYING) WORKS

We cannot carry out major works to the building where it costs an individual leaseholder more than £250 without first consulting with you. If we fail to do this, we may not be able to recover all the costs.

# CONSULTATION ON LONG-TERM AGREEMENTS

We cannot enter into certain agreements or contracts for any service over 12 months where the cost to any leaseholder is more than £100 per year without first consulting you.

Further information concerning your service changes can be found in our information booklet – ‘Leaseholder Service Charges Explained’

## HOW TO PAY YOUR SERVICE CHARGES

You can pay:

### BY DIRECT DEBIT



You can set up a direct debit from your bank or building society account weekly, fortnightly or monthly. You can have any payment day or date that suits you. Visit our website or contact our Head office for more information

### AT THE POST OFFICE



You can use your **ALLPAY** payment card at **any** Post Office. You can pay by cash, cheque or debit card. Replacement cards can be obtained from Head Office

### BY POST



You can send cheques (**not cash**) by post. Payments should be made payable to “Hafod Housing Association” and can be sent to our head office (see contact details)

## PAYPOINT



You can pay in any outlet that displays the PayPoint sign. Details of all PayPoint outlets in South Wales can be found on our web-site [www.hafod.org.uk](http://www.hafod.org.uk) or contact us at our Head Office and we can send you a list for your area.

## ON-LINE



You can make payments on-line by going to [www.allpayments.net](http://www.allpayments.net)

## IN PERSON



You can pay by cash, cheque or debit card at our Head Office between 8.00 am and 5.00 pm Monday to Friday.  
St Hilary Court, Copthorne Way,  
Culverhouse Cross, Cardiff, CF5 6ES  
Tel **029 2067 5800**  
Or at our St Mellons Office, between the hours of  
8.30 am – 12.00pm Monday, Wednesday and Fridays

## BY TELEPHONE



You can pay by credit or debit card by calling us on **0844 557 8321 out of hours**, 24 hours a day, 365 days per year. Or contact us on 029 2067 5800 during office hours



# RESIDENT INVOLVEMENT

Our newsletter “Homeowners News” is produced twice yearly to keep residents informed about what the Association and our communities are doing. We also hold an Homeowners annual conference where you have the opportunity to be consulted on the services you receive from us.

We carry out both monthly and annual site visits to discuss the services provided with residents, you are encouraged to provide your opinions. Some ‘active’ Homeowners have joined our Homeowner Forum to help us improve our services. If you would like further information about opportunities to get involved, please contact our Leasehold Management Officer on:  
tel: **029 2067 5800** or e-mail: **homeownership@hafod.org.uk**

# COMPLAINTS

Hafod Housing Association aims to be open and accountable at all times. Our complaints policy is designed to make sure any complaints are dealt with fairly and impartially. We define a complaint as “an expression of dissatisfaction, however made, about the standard of service, actions or lack of actions by the Association, it’s staff or agents, which affects any individual or group of service users”.

Further information about complaints can be found in our information booklet – ‘Making a Complaint’

# ANTI-SOCIAL BEHAVIOUR

Anti-social behaviour and ‘neighbour nuisance’ are general terms used to describe a range of actions that can affect and upset other people. A common definition of anti-social behaviour is:

‘behaviour that causes or is likely to cause harassment, alarm or distress to one or more people’

Further information on how we can support you if you are suffering from anti-social behaviour can be found in our information booklet – Stamping Out Anti-Social Behaviour.

# REPORTING REPAIRS TO THE MAINTENANCE DEPARTMENT

If you have a repair you can contact our Maintenance Team on **029 2067 5800** between the hours of 8.00am and 5.00pm. You can also email us on **enquiries@hafod.org.uk**.

Alternatively you can write to us at:

## **Hafod Housing Association**

1st Floor St Hilary Court, Copthorne Way, Cardiff CF5 6ES

For Emergencies outside of office hours, you can call **01633 381 111**.

When reporting a repair please have the following information to help our Customer Service Advisers deal with your repair effectively.

- Your name, address and current telephone number
- As much detail about the repair as possible
- Times when someone will be able to allow us access
- That you are the leaseholder and the repair is therefore only to be of a communal nature

Our experienced team of advisors will provide you with a reference number for your repair and if you are likely to be recharged for the work should the repair be caused by you or your visitors.

You will be offered an appointment over the phone by our Customer Service Advisers or our Contractors.

Written confirmation of the repairs will be sent to you detailing the works required, the date the job should be completed by and the name of the contractor who will carry out the work.

You will also be sent a satisfaction slip to be returned in a freepost envelope this will enable us to monitor how we and our contractors are performing. And you will be entered into a free prize draw.

It may be necessary for one of our Maintenance Officers to visit your home and assess the full extent of the repairs required. We will arrange a mutually convenient time and date with you and we will endeavour to complete the repair within the specified time scales.

# REPAIR TIME SCALES

After you have reported your repair you should receive confirmation of all non-urgent works orders by post, confirming:

- A. The name of the contractor undertaking the work.
- B. The target completion date.
- C. Description of works.

## REPAIR TYPES AND PRIORITY TIMESCALES:

All repairs are categorised into priority timescales depending on the nature of the problem and the urgency of work required. Below are a few frequent maintenance problems and their priority timescales.

### EMERGENCY JOBS – 24 HOURS

- Window/ door locks (totally un-lockable or insecure)
- Unstable brickwork
- Serious water leak
- Severe roof leak
- Roof collapse
- Blocked foul drain

### URGENT JOBS – 7 DAYS

- Faulty door lock/ keys (if only 1 out of the 2 is functioning)
- Faulty electrical fittings (communal)
- Minor roof damage
- Jammed windows and doors

### NON-URGENT JOBS – 28 DAYS

- Leaking and damage gutters
- Floor tiling and wall tiles
- Replacement fencing
- Water penetration through doors and windows
- Blocked surface drains

### CRIME AND VANDALISM

Any break-in or vandalism must be reported to the police immediately. A relevant crime number must be obtained and passed on to us before any repair work will be undertaken. However we will temporarily secure the property in instances where a crime number cannot be obtained the same day.

# SUMMARY OF REPAIR RESPONSIBILITY

Please note that all repairs listed as Landlord responsibility are charged back to each schemes sinking fund or maintenance budget which is built up from service charges (this mainly applies to flats).

AREA	LANDLORD	LEASEHOLDER
<b>DOORS</b>		
External Door*	✓	
External Door Handle*	✓	
External Door Locks*	✓	
Lost Keys		✓
Internal Doors and Frames		✓
<b>WINDOWS TO FLATS</b>		
Window Frame*	✓	
Glazing		✓
Breakdown of Glazing sealed unit*	✓	
<b>HEATING</b>		
Room Heaters / Boilers		✓
Sweeping Chimneys		✓
Fireplaces		✓
<b>ELECTRICAL</b>		
Faults within the property		✓
No supply		✓
Communal Lighting*	✓	
Immersion Heater		✓
Fuses		✓
Extractor Fans		✓

AREA	LANDLORD	LEASEHOLDER
<b>PLUMBING</b>		
Burst pipe within the property		✓
Taps and tap washers		✓
Stopcocks, ball valves		✓
Bath, basin and sink		✓
Blocked waste pipes		✓
Hot or cold water tanks		✓
Unshared pipes		✓
Water supply to flat		✓
Water supply to site*	✓	
Communal Pipes*	✓	
Main storage tank in communal loft only*	✓	
<b>DRAINS</b>		
Blockage to site drainage*		✓
Blockage within property		✓
<b>GAS</b>		
Gas escapes within the flat		✓
Cookers		✓
Gas fires		✓
Gas servicing		✓
Annual safety check		✓
<b>ROOF</b>		
Gutters*	✓	
<b>WALLS AND CEILINGS</b>		
Internal flat ceilings		✓
Communal flat ceilings*	✓	
Walls to communal areas*	✓	
Walls to internal flats		✓
Structure of party wall*	✓	
<b>FLOORS WITHIN FLATS</b>		
Floorboards		✓
Joists*	✓	
Skirting Boards		✓
Floor Tiles		✓

AREA	LANDLORD	LEASEHOLDER
<b>COMMUNAL FACILITIES</b>		
Communal car parking*	✓	
Car space within cartilage of property*	✓	
Communal gardens including grassed areas*	✓	
Communal T.V. aerial*	✓	
Entry phone system*	✓	
Telecare system*	✓	
Communal paths and gates*	✓	
Communal sheds (Not personal sheds in gardens)*	✓	
<b>PESTS</b>		
Insects / rodent infestation		✓

\* All residents will pay an equal proportion of cost incurred for works on Communal Areas. Your individual lease may vary from the previous table. For more clarity please refer to your own lease.

## EXTENDING YOUR LEASE

Should you wish to extend your Lease it is advisable where there is more than 80 years remaining on the Term of your Lease. You would be responsible for reasonable legal and Surveyor costs, and a Premium would be payable for extending the Lease.

If processed correctly, your Lease would be extended for a period of 90 years from the end of your current Lease Term.

Extending your Lease is complicated where Hafod does not own the Freehold.

There are two ways of extending your Lease, either by agreement, or serving the appropriate Notice upon the Freeholder. You are advised either to contact us, or seek independent legal advice.

## WHAT HAPPENS WHEN MY LEASE RUNS OUT?

You would have the right to remain in the property as an Assured Periodic Tenant – without any ownership rights. Your Landlord may seek possession of the property although this would require a Court Order to be obtained.

# INSURANCE

We strongly advise you to take out adequate home contents insurance cover against damage, whether through accident, fire, theft, vandalism, burst pipes or other household risks. Although we provide cover for the structure and main fabric of your home, we do not provide cover for your home contents.

We also recommend that your contents insurance includes cover for damage to the following items:

- glazing of windows and doors
- sanitary fittings, for example, washbasins, toilets and baths
- wood, wood effect laminate or other sheet floor coverings
- sheds and fencing.

You should also seek to include the cost of re-laying and making good. These items are not automatically included in all contents insurance policies, so please check your policy carefully. Insurance cover should only cost you a small amount each month, and it gives you peace of mind.

If you expect to be away from the property for a long time – 120 days or more – please contact the Leasehold Management Officer as we may need to notify our buildings insurance company. You may also need to check your contents insurance policy or contact your contents insurance company, as cover will be reduced.

Part of your Service Charges covers Buildings Insurance. In the event you need to make a claim please contact:

Zurich Insurance on – **08700 241 8050**

Quoting Policy reference – **JHA-22S082-0013**

**Policy Holder:** Hendre Group and Subsidiary Companies

Please ensure you inform Zurich you are a homeowner with Hafod Housing Association, and request a Claim Form. Submitting a Claim and it's progress is a matter between you and Zurich Insurance

# WHERE CAN YOU GET ADVICE?

For initial advice contact us on:

Tel: **029 20 675800**

E-mail: **enquiries@hafod.org.uk**

For further advice and information you can contact:

**LEASE** – The Leasehold Advisory Service

31 Worship Street, London EC2A 2DX

Tel: **0845 345 1993** or **020 7374 5380** Fax: **020 7374 5373**

Email: **info@lease-advice.org** Website: **www.lease-advice.org**

**LEASE** provides free advice and guidance to leaseholders and landlords on all aspects of leasehold law, including problems with service charges, the right to manage, possession proceedings and rights to lease extension and freehold acquisition. **LEASE** is funded by the Department for Communities and Local Government and the Welsh Assembly Government.

**ARMA** – The Association of Residential Managing Agents

178 Battersea Park Road, London SW11 4ND

Tel: **020 7978 2607** Fax: **020 7498 6153**

Email: **info@arma.org.uk** Website: **www.arma.org.uk**

**ARMA** is the leading trade body in England and Wales that focuses exclusively on matters relating to the block management of residential property, whether for landlords or resident management companies. Members agree to adopt and comply with the principal objectives of the Association and undertake to follow the codes of practice issued by **ARMA** and the Royal Institution of Chartered Surveyors.

**ARHM** – the Association of Retirement Housing Managers

Southbank House, Black Prince Road, London SE1 7SJ

Tel: **020 7463 0660** Fax: **020 7463 0661**

Email: **enquirers@arhm.org** Website: **www.arhm.org**

**ARHM** is the leading trade body for managers and landlords of leasehold schemes purpose-built for retired people, whether for landlords or resident management companies. Its members agree to comply with its code of practice for private retirement schemes and to offer leaseholders access to an independent ombudsman scheme.

This document is available in other languages  
as well as in alternative formats on request



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## CONTACT DETAILS

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Tel: 029 2067 5800 Fax: 029 2067 2499 Email: [enquiries@hafod.org.uk](mailto:enquiries@hafod.org.uk) Web: [www.hafod.org.uk](http://www.hafod.org.uk)

Hafod Housing Association

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