



Cymoedd i'r Arfordir
Valleys to Coast

Leaseholder Guide

My Legals



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What is a leasehold?

Leasehold interest in a property can be purchased on the open market from another leaseholder. If you purchase a flat or maisonette, you acquire the right to occupy the property for a set period of time. You do not own the land the flat is built on or the building that the flat is situated in. There may also be areas of the building and structure that are commonly shared with other residents in the block.

Valleys to Coast owns the freehold of the property and is therefore referred to as the landlord (or lessor). It is our responsibility to repair and maintain the structure, exterior and any shared parts of the building.

As the owner of a flat, you are referred to as the leaseholder (or lessee). It is your responsibility to repair and maintain items within your flat, including items such as floorboards and plaster.

Your lease agreement

Your lease is a legally binding document between you (the leaseholder) and *Valleys to Coast* (your landlord). It sets out your rights and duties and those of your landlord. You should keep a copy of your lease in a safe place. We can give you a copy if you lose it (a charge may apply), but you should always have your own copy.

Before you purchased your property your solicitor should have explained your lease in full so you understand both your responsibilities and Valleys to Coast's.

As a leaseholder you have a legal right to stay in your home for the period of the lease, as long as you comply with the conditions set out within it. Most leaseholders have long leases, usually for 125 years, and in most cases they date from the first time a property was sold in the building.

If you buy your home from another leaseholder, you will have the right to live there for the number of years left on the original lease.



The purpose of a lease agreement is to identify the responsibilities and obligations of the leaseholder and the landlord. It contains legal clauses that define what services you can expect to receive, and sets out property boundaries and any areas of garden/common space you are entitled to.

All parties who sign the lease have an equal responsibility for making sure they meet the conditions set by the lease. Failure to do so can have serious consequences. Your lease is the main determining factor in relation to how your property is managed and maintained and it cannot be amended without mutual agreement.

If you do not have a copy of your lease, you can obtain a copy from:

- Your mortgage company (if applicable)
- The solicitor who handled your purchase
- The Land Registry

Where Valleys to Coast is responsible for repairs and maintenance, your lease requires you to contribute towards the cost of the work, as well as any costs incurred for services provided to the building or estate.

Make sure you read and understand your lease because you will be bound by its terms once the lease is assigned to you (you purchase the property).



Your rights as a leaseholder

The law

There are several laws and Acts of Parliament protecting your rights as a leasehold tenant. If you are not sure of your rights, a solicitor can advise you or you can contact the Citizens Advice Bureau (contact details are at the front of the handbook). The main Acts of Parliament covering leasehold tenancies are:

- Housing Act 1985
- Landlord and Tenant Acts 1985 and 1987
- Housing and Planning Act 1986
- Leasehold Reform, Housing and Urban Development Act 1993
- Housing Act 1996
- Commonhold and Leasehold Reform Act 2002

Consultation

Why must we consult with you?

Under the terms of your lease, you must pay towards the cost of any services or work to the building your home is in or the estate it is on. You do this by paying a service charge to Valleys to Coast; via a one-off invoice for major works; or through monies held in a sinking fund (if you have one). However, under section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002), we must consult you about some of the work and services that you must pay for.

What must we consult you about?

We must consult you before we do any of the following:

- Carry out work which will cost any one leaseholder more than £250. This includes repairs, maintenance and improvements to your building and estate.



- Enter into a long-term agreement (for more than 12 months) with outside contractors for work, supplies or services which will cost any one leaseholder more than £100 a year. Examples include cleaning, grounds maintenance or lift servicing.
- Carry out work under a long-term agreement where the work will cost any one leaseholder more than £250.

What is a Section 20 Notice?

A section 20 notice (S20) is a notice to tell you that we intend to carry out work or provide a service that leaseholders will have to pay towards. We must serve a S20 on any leaseholder who will be affected by the work or receive the service. We must also send a copy of the S20 notice to any registered tenants' association (RTA) that is associated with the building your home is in or the estate it is on. The S20 will include information about what we plan to do and how much it is estimated to cost. It will give you the opportunity to take part in the consultation process and comment on what is being planned.

How will we consult with you?

The S20 process is set out in law and is made up of four schedules, each dealing with a different situation. The schedules are explained on pages 2 & 3 of this guide.

The content of the S20 notice and the procedure we must follow will vary depending on the type of contract and what it is we are planning to do. It also depends on whether we need to give a public notice. (See 'What is a public notice' on page 2 of this guide).

Generally, you will get three separate notices under the S20 process, one at each of the following three stages.

- Pre-tender stage: before we invite contractors to tender for the work we advise you of what we are intending to do
- Tender stage: after we have received the tenders (estimates)



- Award of contract stage: when we award the contract to the successful tender

How can you take part in the consultation?

You have the right to give us your views and comments on the plans during a consultation period. Each 'observation period' lasts for a minimum of 30 days. Valleys to Coast must take note of any comments it receives and carefully consider the comments and suggestions about the work or the long-term agreement.

In some circumstances, you will have the right to suggest a person, firm or contractor who you would like to tender for the work or long-term agreement. This does not apply in those schedules where we have to give public notice.

What is public notice?

A public notice allows firms and contractors from other EU (European Union) countries to tender for work or long-term agreements. This is set out in the EU procurement rules ('procurement' means arranging and paying for work or services). These rules cover all large contracts offered by public and government organisations.

In Wales we have to give a public notice for any work that is worth over certain monetary thresholds. These values vary depending on the value of the pound (£) against the Euro (€). We must publish the public notice in the Official Journal of the European Union (OJEU).

Where we have to give a public notice, you will not have the right to suggest a contractor to tender for the work or long-term agreement. We must however still carefully consider any comment you make about the work or services we are planning.



What happens if we don't consult with you?

If we do not follow the regulations, we are limited to how much we can charge you for the work or service. Currently, the limits are £250 per item of repair work and £100 for services that we provide under a long term agreement.

In certain circumstances, we can apply to the First Tier Tribunal (FTT) for 'dispensation'. If the FTT gave us dispensation, we would not have to follow the rules fully. However, we would have to satisfy the FTT that we had taken all reasonable steps to make leaseholders aware of our plans and that the situation was an emergency. Examples of emergency works might be repairing a lift in a tower block, or repairing a roof where there is a major leak.



Explaining the different Schedules

There are 4 different schedules under which we have to consult with you. The schedules are shown in the table below.

Schedule Consultation procedure for: Do we need to give a public notice?

Schedule	Description	Public notice required
1	Long term agreement	No
2	Long term agreement	Yes
3	Work under long term agreement	No
4-Part 1	Work	Yes
4-Part 2	Work	No

Schedules 1 & 2

These schedules cover long-term contracts (over 12 months) that are entered into by Valleys to Coast in order to provide a service, such as grounds maintenance, lift servicing, door entry servicing and communal cleaning etc.

If it is likely that the service will cost you over £100.00 per year for your share of a service, we must comply with the consultation regulations.

During the first stage, Valleys to Coast must write to you to advise you of the service to be provided. You are then given a minimum of 30 days to raise observations about the service to be provided.

If you have been served a Schedule 1 Notice, you will be able to suggest (nominate) a contractor.

If you have been served a Schedule 2 Notice, you will not be permitted to nominate a contractor as the works will be advertised on Sell2Wales.



Once estimates are received then Valleys to Coast must send you a second notice called the 'Notice of Proposal'.

This Notice provides details of the contractor(s) and estimated costs (if we know them). You are given a minimum of 30 days to raise any observations.

Under Schedule 1, Valleys to Coast must write to you to advise you who we intend to appoint as the contractor and why. This is not necessary in cases where the contract has been awarded to a nominated contractor or the contractor who supplied the lowest estimate.

Under Schedule 2, the Notice of Proposal will advise who we intend to appoint as the contractor. We do not have to serve a third Notice under Schedule 2 as the contractor tendered through Public Notice.

Schedule 3

Consulting you about work we will do under a long-term agreement

We may need to carry out work that is covered under a long-term agreement with a contractor, for example, day-to-day repairs, or cyclical decorations.

We will have consulted you about the original agreement, perhaps some years before, but we must consult you again if we are going to do work under a long-term agreement and the charge is likely to cost you more than £250.00.

You will be able to comment on the planned work but you will not be able to nominate a contractor because we will have already chosen one. We must advise you of the works we are planning to carry out, describe why the works are needed; and give you the estimated costs. You will be given a minimum of 30 days in which to make any comments, and as with the other Notices, we must consider any comments we receive and respond to them within 21 days.



Schedule 4 (Part 1) and 4 (Part 2)

Schedule 4 (1) covers works where Public Notice IS required

Schedule 4 (2) covers works where Public Notice is NOT required

Valleys to Coast must write to you to advise you of the works to be undertaken and advise why they are required. You are then given a minimum of 30 days to raise observations about the works to be carried out.

If you have been served a Schedule 4 (Part 1) Notice you will not be permitted to nominate a contractor as the works will be advertised in the Official Journal of the European Union.

If you have been served a Schedule 4 (Part 2) Notice, you will be able to suggest (nominate) a contractor.

Once estimates are received then Valleys to Coast must send you a second Notice called the 'Statement of Estimates'. This Notice provides details of the contractor and their estimated costs. You are given a minimum of 30 days to raise any observations.

Under Schedule 4 (Part 1) the Notice of Proposal will advise who we intend to appoint as the contractor. We do not have to serve a third Notice as the contractor tendered through Public Notice.

Under Schedule 4 (Part 2), Valleys to Coast must write to you to advise you who we intend to appoint as contractor and why. This is not necessary in cases where the contract has been awarded to a nominated contractor or the contractor who supplied the lowest estimate.



Nominating a Contractor

If you are invited to suggest (nominate) a contractor

If there is a contractor you would like us to invite to tender for work, you should give us their details in writing and send the details to the address given on the first S20 notice within the consultation period.

There are certain conditions that contractors will have to meet in order to tender for the works. These conditions are given in the S20 Notice but in general terms, the nominated contractor must hold public liability insurance, be a member of Constructionline and be able to provide references showing they have carried out similar works before.

The Contractor must also agree to abide by Valleys to Coast's 'Code of Conduct for Maintenance Contractors'.

What happens if you nominate a contractor?

We will consider your nomination together with any others we receive. We will tell you the result of the tender process in the second S20 notice.

What happens if more than one contractor is nominated?

If we receive more than one nomination, we must choose the contractor who had the most nominations.

Further Information

If you require any further information regarding the Section 20 procedures you can contact the Homeownership Team at Valleys to Coast by calling our Customer Service Hub on 0300 123 2100.

For free and impartial Legal advice information regarding your rights and obligations as a Leaseholder you can contact the Leasehold Advisory Service by visiting their website at www.lease-advice.org



What to do if a leaseholder dies?

No matter the situation or your relationship to the person who has died, Valleys to Coast will need certain official documents from you to be able to help. Legally, we can't do anything without these documents. Please send us:

- A death certificate or a coroner's interim certificate
- We also need one or all of the following:
 - A signed copy of the will
 - Letters of administration / grant of probate
 - A letter from the solicitor or legal representative of the person acting on behalf of the person who has died

Unfortunately we can't accept a power of attorney instead of the documents on this list. You can apply for a grant of probate on the gov.uk website.

Once we've got these, we can then give you a statement of the leaseholder's account with us. Then we'll work with you to arrange the transfer of the leasehold into someone else's name.

It will either need to be transferred to:

- The beneficiary named in the will
- The person who buys the property, or
- The joint owner

If you're the joint owner of your home, it will be transferred to you automatically, but you will still need to issue a notice of transfer.

We recommend you get someone to help with the legal side of things. Any cost for this should be covered by the deceased person's estate. Contact your local Citizen's Advice. They can tell you who you could speak to locally. Find your nearest Citizen's Advice office, or call them on 03444 111 444.



Buying your freehold

Leasehold Reform Housing and Urban Development Act 1993 (as amended) gives the right for leaseholders of a building, or part of a building, to join together and buy the freehold of that building from Valleys to Coast.

Qualifying as a leaseholder;

To qualify a leaseholder must have a long lease, which is defined as a lease with at least 21 years when first granted.

A leaseholder will not be a qualifying leaseholder if they own more than two flats in the building. They would not be qualifying leaseholders of any of the flats.

The Building

- Building must be a self-contained building, or part of a building. If part of a building it must constitute a vertical division of the building, with services either independent to that part, or could be provided without significant interruption to the remaining part.
- There must be at least two flats in the building and at least two-thirds of the flats must be owned by qualifying leaseholders.
- No more than 25% of the internal floor area, excluding common areas, to be in non-residential use, e.g. shops or offices
- At least half the flats in the building must participate and those flat owners must be qualifying leaseholders.

Exception;

- a conversion into four or fewer flats and
- It is not a purpose-built block and the same person has owned the freehold since before the conversion took place and they, or an adult member of their family, has lived there for the past 12 months.



Buying or Selling a Leasehold Flat

If you are selling or buying a Valleys to Coast leasehold property, we will need to be involved in the sales process.

Solicitors are responsible for ensuring that both the seller and buyer comply with the terms of the lease. Valleys to Coast will be responsible for issuing the following documents as a part of the management pack, providing there has been no breach of lease;

- Insurance summary
- Major Works Notices
- LEPI form

If there is a breach of lease, this must be resolved before Valleys to Coast will provide consent to the assignment or sale of the flat. If you are unsure please contact Valleys to Coast to discuss your lease.

Here are some questions to think about;

If you are selling

- Are your accounts up to date, Service charge or Major Works?
- Are there any repair issues?
- Have you breached any terms of the lease?
- Have you had any major works or S20 notices issued to you?
- How long is your lease?

If you are buying

-
- Do you intend to live in the property?
- Have you had a survey completed
- Have your solicitors gone over the lease and service charge?
- Do you understand what is included in the service charge
- Do you understand your responsibilities under the lease agreement?



- Have you been advised of any pending major works by your solicitors which will be your responsibility in relation to the contribution towards these works?

The solicitors are responsible for ensuring that all accounts are clear before completion takes place and to ensure that a Notice of Transfer or Assignment is issued directly to Valleys to Coast within 7 days of the sale completing. They are also required to ensure the new ownership of the property is registered at the land registry.

The new owner must provide the following information prior to the sale completing;

- Name
- Contact details
- Subletting form if not living in the property
- Valleys to Coast will create new accounts upon receipt of the Notice of Transfer. The new owner will be responsible for all associated costs from the date of completion.



Buildings Insurance

All properties are insured on a comprehensive master block insurance policy and are insured to the full reinstatement value of all properties, communal areas and block structure. The policy covers fire and all the usual perils including terrorism (up to the total value of all properties in the block, for any one occasion) and includes temporary alternative accommodation.

The policy also provides £10 million public liability for the common areas of the development. The reinstatement value is index-linked on a monthly basis and cumulatively adjusted for premium purposes upon renewal of the policy each year.

The insurance policy is subject to an excess of £50.00 for storm, flood and water damage on each and every claim, £1,000.00 excess on subsidence claims.

[All information relating to our block policy can be found on Valleys to Coast website.](#)

Please note you are responsible for your own contents insurance. The block policy only covers accidents to the building.



Your key legal obligations

Subletting

You are allowed to sublet your property but must supply us with certain information before you do so. You will need to write to us with details of:

- The names of your prospective tenants
- The term of the sub-letting
- The address where we can contact you and serve statutory notices.
- Provide an emergency contact number for you.

An administration fee is payable for each sub-let.

Assigning your Lease or selling your home

If you want to sell your home, or change the name on the Lease, from Sole to Joint names, or Joint to Sole name, this is known as a Lease Assignment.

This is a legal process and you will need to instruct a Solicitor or conveyancer to deal with this for you. If you are selling your home, your Solicitor will request a resale pack from SHP. This contains information regarding your Service Charges and likely Major Works expenses in the near future. The Home Ownership team will deal with these and any other enquiries relating to your lease Assignment.

Buying a copy of your lease

If you want a copy of your lease – here's how to get one from us. Make your request in writing and send it to us with a cheque for £25 +VAT – a total of £30 – for the cost. Your cheque should be made payable to Valleys to Coast Housing.

Your request must include the signatures of all leaseholders for your property.



We will send you an invoice and your statement of rights while we process your request.

Send your request and cheque to Customer Services, Valleys to Coast, Tremains Business Park, Tremains Road, Bridgend CF31 1TZ.

We will email or post a copy of your lease to you.

You have certain rights when we charge you administrative fees like this.

Length of lease

A lease with Valleys to Coast starts at 125 years and it gets shorter as the years pass. If your lease has around 80 years left to run, you may have difficulty finding a buyer if you want to sell; it's very hard to get a mortgage on a short lease.

What you own under your lease

Your lease includes a description of what you own as well as having a plan attached.

You have responsibility for the internal area and fittings in your flat – the plaster, floor coverings, wiring, plumbing, internal doors, skirtings, door frames, decoration, etc.

You do not own the windows. This rule has been set by case law: *Sheffield City Council v Oliver* [2008] EWLands LRX/146/2007. The Lands Tribunal ruled that windows form part of the structure of the block as they are necessary for keeping the whole block wind and watertight.

We are responsible for carrying out all repairs and maintenance to the structure of the block your flat is in, including the windows. Your lease says you must make a contribution to the cost of that.

If you want to carry out any work to your flat that involves the structure of the building, including any supporting walls, you must ask our permission.



Money

When the lease is first sold under the Right to Buy or Right to Acquire, the purchaser effectively pays all their rent up front for many years. At that time we cannot know what services we will provide in the future or how much they will cost, so each year we make service charges for whatever services that property receives.

At Valleys to Coast, we don't charge a financial ground rent – your lease says you will pay a 'peppercorn'.

From time to time we may do repairs or maintenance works to the building your flat is in and your lease says you will contribute towards the cost of that. We work out the contribution you will pay by dividing the cost by the number of flats in the block. So if there are 4 flats, you will pay a quarter of the costs.



Glossary of terms

The following gives an explanation of some of the legal terms that are used in the lease:

- The **tenant** is the owner of the leasehold interest of the flat or maisonette (also referred to as the leaseholder or lessee).
- Valleys to Coast's **financial year** runs from 1st April to 31st March.
- The **flat** is the name and address of the property purchased.
- The **demised premises** refers to the part of the lease that describes the extent (or area) of your property. The lease may include a plan as well as a description of your property e.g. if your property includes a garden, this will be described in the demise. The demise will also show you which areas you share with other properties e.g. in some buildings there may be a shared entrance and stairwell or drying area and gardens.
- The **communal areas** are parts of the building, which are outside your flat, but may also be inside or outside your building and are not let to individual tenants. They can include:
 - Communal staircases or corridors
 - Lifts
 - The foundations of the building
 - External walls or walls dividing your flat from another
- The term **rent** refers to ground rent payable. Most of Valleys to Coast's leasehold properties have a "peppercorn rent" meaning that no annual charge is applied.
- Under the terms of the lease, leaseholders have **rights of way over common parts** – this includes:
 - Rights of drainage and the running of electricity, gas, water etc through pipes, cables passing through the landlords building or land.
 - Rights of support for the flat from the remainder of the building.
 - Rights of access to other parts of the building to carry out repairs needed to their own flat (including pipes and wires serving the flat).
- **Leaseholders covenants.** Covenant is another word for responsibilities. This part of the lease sets out your responsibilities.



Failure to comply with these covenants will be a breach of the terms of the lease and could lead to the property being repossessed.

- **Landlords covenants.** The lease also sets out the obligations of the landlord (Valleys to Coast). The landlord covenants to:
 - Repair and maintain the structure and shared areas.
 - Insure the property (but not the contents).
 - Ensure that leaseholders carry out lease covenants.