

A Leasehold Guide to Alterations for Houses

If you own a leasehold house and wish to make alterations, this guidance note is designed to guide you through the process of obtaining landlord's consent through a series of frequently asked questions ("FAQs").

If the information set out in this guidance note does not answer your questions, you can contact us at the addresses below, where we have a dedicated team to provide assistance.

An Introduction to Homeground and Leasehold House Alterations

Homeground Management Ltd ("Homeground") acts as an agent for a large number of landlords who own freehold and other landlord interests in properties across England and Wales, most of which are let on long leases. Homeground are appointed by the landlords to collect ground rent and deal with cases where landlord's approval to something is required under the leases.

A typical lease will contain restrictions about what the leaseholder can do with their house, including making changes or "alterations" to it. Normally a leaseholder will require landlord's prior written approval or "consent" to make alterations to the exterior of the property (including extensions) and internal structural alterations (for example, which could reduce the support given to neighbouring houses). These restrictions are put in place not only for the benefit of residents within the estate and for estate conformity, but also to make sure that any alterations do not adversely affect the structure of the house.

When a leaseholder needs to ask for the landlord's consent to alterations, Homeground deals with these requests on behalf of the landlord. The Leasehold Management Team within Homeground's Legal Department are responsible for dealing with these requests on a day-to-day basis.

You can get in touch with the Leasehold Management Team in writing either by email to legal@homegroundonline.com or by post at:

**Homeground Management Ltd
PO Box 6433**

In the interests of speed, we highly recommend that you write in by email rather than by post.

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Frequently Asked Questions

Q1: Why do I need landlord's consent?

Answer: As you own a leasehold house, under the terms of most leases, a leaseholder will require landlord's consent before making alterations to the exterior of the property (including extensions) and internal structural alterations (for example, which could reduce the support given to neighbouring houses). Whether consent is required will depend on the alterations you wish to make and the terms of your lease. This is why each application is considered by Homeground on an individual basis.

Q2: What is a Licence to Alter and will I need one?

Answer: A Licence to Alter is written consent from the landlord which allows you to carry out the alterations at your house. This can be given either in a letter (a "Letter Licence") or a formal Licence to Alter (a "Licence Deed"). Both the Letter Licence and the Licence Deed are legal documents which record what is being agreed and any conditions attached to the consent. Any drawings, plans and supporting documents will be reviewed by us (and where applicable, the landlord's surveyor) and these will be attached to the document.

Obtaining a Licence to Alter where one is required under your lease is important because:

- If you carry out the alterations without one, you may be in breach of the terms of your lease and legal action may be taken against you. This legal action could include getting you to put the property back to how it was before you carried out the alterations or compensating the landlord for any loss of value to the landlord's property as a result of the works. It could also result in your lease being forfeited. Whatever outcome, it is likely to have significant cost consequences for you.
- You will find that it may be difficult to sell your property as the buyer's solicitors will ask to see evidence that you have complied with the terms in your lease.
- It will be more expensive to get retrospective consent to the alterations.
- You may be in breach of your mortgage conditions.

Q3: How do I obtain landlord's consent to alterations?

Answer: You will need to complete our Request for Alterations Form. The Form can be found on our website or alternatively you can write in to request one at the email or postal address given above. This Form will ask you to provide a more detailed summary of the proposed alterations including the following details:

- The full property address and tenant reference number;
- A clear description of the alterations you wish to carry out;
- Any plans or drawings you may have/supporting documents (such as a method statement);
- A copy of the existing layout plan and a copy of the proposed layout plan as altered by the proposed works.

We charge a non-refundable fee of £50 (the “Initial Assessment Fee”) to review your Request for Alterations Form. We will need this fee paid in full at the same time that you submit the Form to us.

As part of our review, we will look at the details of the proposed works (including any plans and drawings), the terms of your lease, the title to your house and also the title to the landlord’s property. If the landlord owns a headlease, we will also need to review this to see what the alterations terms are. This is explained further at Q6 below.

This initial assessment is vital in order to determine whether the landlord can grant consent to the alterations, and if it can, what conditions are attached to the consent, including whether it will give you a Letter Licence or a Licence Deed.

Q4: What happens after the Request for Alterations Form has been reviewed by Homeground?

Answer: Once we have reviewed the Request for Alterations Form, we will contact you with the findings of our assessment.

At this stage, we will confirm any of the following:

- That the landlord agrees in principle with the alterations that you have proposed and is able to give you a Licence to Alter;
- Whether the landlord will give you a Letter Licence or a Licence Deed (see Q5 below for further details);
- Whether a management company and/or superior landlord (see Q6 below) also needs to give consent;
- What further documents we might need in order to give you the Licence to Alter;
- The estimated costs for giving you the Licence to Alter;
- That the landlord is unable to give you consent to the alterations and the reasons why we have reached this decision. At this stage no further sums will be due and we will be unable to proceed further with your request.
- That landlord’s consent is not required for the proposed alterations.*

***Please note that the Initial Assessment Fee is non-refundable.**

Q5: What is the difference between a Letter Licence and a Licence Deed?

Answer:

Letter Licence:

In the majority of cases, we will issue a Letter Licence for consent to the alterations.

The Letter Licence will be drafted by Homeground on behalf of the landlord and will include all the conditions that are required to be met in order for you to carry out the alterations. The Letter Licence will need to be signed by you and returned to Homeground before you can begin your alterations.

Licence Deed:

A Licence Deed is required for more complex works or where a variation might be required to the terms of the lease. We might also need to use a Licence Deed where there are other parties involved, such as a superior landlord (see Q6). The Licence Deed is drafted by the landlord's solicitors and it will need to be executed as a legal deed by you and the other parties.

The landlord may also instruct a surveyor who will review your proposed works and prepare a report to the landlord, which will confirm that the surveyor has carried out all the necessary checks to ensure that the intended works do not create a risk to the structure of the house.

Homeground do not act as surveyors and are therefore not qualified to advise the landlord on the plans and drawings for the proposed works. It is essential that these are professionally reviewed to ensure the safety of the building and those who live in it.

The surveyors will provide their recommendations and these will be incorporated into the Licence Deed.

In some cases the surveyor may need to attend your property to discuss the proposed alterations with you and/or your representatives. We will inform you if this is the case.

Each request for alterations is treated on a case-by-case basis and Homeground and the landlord reserve their rights to decide which Licence is the most appropriate for the particular alterations you would like to carry out.

Q6: Will I need to get consent from anybody else?

Answer: This will depend on the terms of your lease, any estate regulations, planning or schemes of management in place for the estate of which your house forms part, and also the landlord's interest in the property. For example, there may be a management company who is required under the terms of your lease to join the landlord with granting any consent.

In the majority of circumstances the landlord will own the freehold interest in your house, however sometimes the landlord may own a superior leasehold interest. In this case we would also need to review the terms of the landlord's lease to see if it can grant you consent to alterations without breaching its own lease terms.

In circumstances where consent from a management company or superior landlord is required, you will also need to comply with their requirements for obtaining consent and you will be responsible for their associated costs, which could include legal and surveyors fees.

Depending on the type of alterations you wish to carry out, you may also need to get building control approval and/or planning permission.

Neither Homeground nor the landlord are qualified to advise you on this and you will need to seek specific advice either from the local authority or your architect/builder/surveyor.

Q7: How much will it cost me to obtain landlord's consent to alterations?

Answer: The cost of obtaining consent will depend on a number of factors, including:-

- Whether a Letter Licence or Licence Deed is required (and therefore whether solicitors and surveyors fees will be payable);
- Whether a site visit/on-going monitoring to the alterations is required by the landlord's surveyors;
- Whether there are any other parties who need to be involved with granting consent (i.e. management company or superior landlord);
- The complexity of the works.

In order to give you an estimate of the likely costs involved, we have set these out in the table below.

Please note that these only relate to the costs of Homeground, the landlord and their appointed surveyors and solicitors. Further, if the matter is complex or if a surveyor's site visit or on-going monitoring is required, Homeground and the landlord reserve their right to provide a bespoke fee quote.

Form of Licence	Homeground Administration Fee	Surveyor's Costs	Solicitor's Costs	Total
Letter Licence	£50 Initial Assessment fee £300 Administration fee	N/A	N/A	£350
Licence Deed	£50 Initial Assessment fee £360 Administration fee	£600 (inclusive of VAT)	£480 (inclusive of VAT)	£1,490* *£890 if surveyors are not required

As stated above, any third party costs will need to be paid by you separately.

Q8: How long does it take for consent to be granted?

Answer: The process can take 10-14 weeks to complete provided that we receive all of the relevant information requested and payment of fees promptly. This is a guideline only and will depend on the complexity and individual features of each application.

Q9: Will I need to obtain legal advice?

[*HomeGround reserves the right to update this Procedure from time to time, and will seek to ensure the most up to date version is available to its customers and service users]

Answer: We recommend that you take legal advice as the Licence, whether Letter Licence or Licence Deed, is a legally binding document. Neither Homeground nor the landlord can advise you on the implications of entering into such a document and there may also be other factors that you will need to consider, for example, your lenders consent where the property is mortgaged.

Q10: What if I have already carried out alterations to my property without landlord's consent?

Answer: It is extremely important that you get any consent to alterations required by your lease before you start works. If you carry out alterations without getting prior consent, where this is a requirement under your lease, you will be contravening the terms of your lease, which is known as being "in breach". This can have serious consequences for you, as explained at Q2 above.

If you have carried out unauthorised alterations, you will need to contact us with information on the works and we will then investigate the matter and report back to you on our client's position.

Q11: What if I haven't yet purchased the property or have a potential buyer wishing to carry out the alterations?

Answer: Homeground and the landlord are only able to grant consent to the owner of the Property.

Q12: How to pay fees and costs for applications

By Cheque

Make your cheque payable to 'Homeground'. Please write the address of the property payment refers to and your unique 12-digit Customer Reference Number on the back of the cheque, and send it by post to: Homeground Management Ltd, PO Box 6433, London, W1A 2UZ

Via our Website – Tenant Portal

Using the tenant portal to log-in to your online account, it is easy to send a payment straight to us. For this you need to have registered your account first, using your 12-digit Customer Reference Number and Security Key (originally provided to you with your Homeground Welcome Pack). Once logged-in you'll find the link to the form in the navigation panel on the left-hand side of the page. Please include your unique 12-digit Customer Reference Number with your payment.

By Electronic Bank Transfer

Account Name: Homeground Management Limited
Account Number: 04046315
Sort Code: 18-00-02
Bank Address: Coutts & Co, 440 Strand, London WC2R 0QS
Reference to quote: "LH/ (your unique 12- digit Customer Reference Number)"

Administration Charges - Summary of Tenants' Rights and Obligations

- (1) This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.
- (2) An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly –
- for or in connection with the grant of an approval under your lease, or an application for such approval;
 - for or in connection with the provision of information or documents;
 - in respect of your failure to make any payment due under your lease; or
 - in connection with a breach of a covenant or condition of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

- (3) Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.
- (4) You have the right to ask a First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine
- who should pay the administration charge and who it should be paid to;
 - the amount;
 - the date it should be paid by; and
 - how it should be paid.

However, you do not have this right where –

- a matter has been agreed to or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

- (5) You have the right to apply to a First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.
- (6) Where you seek a determination or order from a First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable to the tribunal will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may have to pay.
- (7) A First-tier Tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where –
- it dismisses a matter because it is frivolous, vexatious or an abuse of process; or
 - it considers that a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

The Upper Tribunal (Lands Chamber) has similar powers when hearing an appeal against a decision of a First-tier Tribunal.

- (8) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.