



A leaseholder's guide to

Extending Your Lease

Statutory lease extensions for flats in England and Wales

Who this guide is for

You own a flat on a long lease. Perhaps a solicitor or an estate agent has told you the lease is getting short. Perhaps a buyer has pulled out, a lender has raised a query, or the ground rent has started to climb. Perhaps you have simply read that the law is changing and want to know where you stand.

This guide explains how the statutory lease extension process works, what it is likely to involve, and the decisions you will need to make along the way. It is written for leaseholders rather than for lawyers — but it does not talk down to you. The detail matters here, and getting it wrong is expensive.

Extending a lease is rarely urgent until it is. The leaseholders who fare best are almost always those who took advice while they still had time to choose when to act.

YOUR LEASE IN NUMBERS

21	years — the term the lease must originally have been granted for to qualify as a long lease
80	years — the threshold below which marriage value becomes payable, and premiums rise sharply
90	years — the additional term added to whatever is left of your existing lease
Nil	your ground rent after a statutory extension, reduced to a peppercorn for the whole term
6–12	months — the typical duration of a straightforward claim, valuation to registration
None	the minimum period you must have owned the flat before you can claim

The two-year ownership requirement was abolished by section 27 of the Leasehold and Freehold Reform Act 2024, which came into force on 31 January 2025.

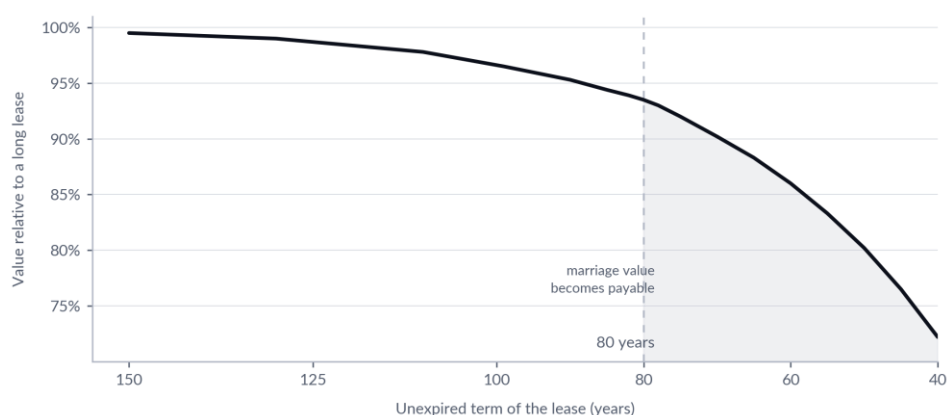
02 • THE COMMERCIAL PICTURE

Why lease length matters

A lease is a wasting asset. Every year that passes, the term shortens and the flat is worth marginally less. For most of the life of a long lease that erosion is slow enough to ignore. It does not stay that way.

The value curve

As the unexpired term falls, the gap between the value of your flat and the value of the same flat held on a very long lease widens — slowly at first, then quickly. By the time a lease reaches the seventies the discount is material. By the time it reaches the sixties it is severe.



Illustrative only. The relationship varies by property, location and market, and is a matter for your valuer.

The 80-year threshold

Under the law as it currently stands, once your lease falls below 80 years unexpired the premium you pay to extend includes an element called **marriage value** — a share of the increase in value created by combining your lease with the freeholder's interest. The freeholder is entitled to half of it.

Marriage value does not creep in gradually. It applies the moment the lease crosses the line, and the threshold is measured at the date your notice is served — not the date you first take advice. If your lease is approaching 80 years, the sequence and timing of each step genuinely matter.

Beyond the premium

- **Mortgageability.** Most lenders want a substantial margin between the end of the mortgage term and the end of the lease. Below around 70 years, many decline outright.
- **Saleability.** Even where finance is available, buyers are wary. Sales fall through late, or complete only after a price reduction that exceeds the cost of extending.
- **Ground rent.** Escalating or doubling ground rents are treated by many lenders as an obstacle in their own right. A statutory extension removes the rent altogether.
- **Timing and control.** A leaseholder who acts early negotiates from a position of choice. A leaseholder acting under the pressure of a sale does not.

03 • ELIGIBILITY

Are you entitled to extend?

The statutory right to a lease extension is contained in the Leasehold Reform, Housing and Urban Development Act 1993. The qualifying conditions are relatively generous, and most leaseholders of flats will satisfy them.

You will usually qualify if

- **Your flat is held on a long lease** — one originally granted for a term of more than 21 years. What matters is the term originally granted, not the term remaining. A 99-year lease with 62 years left still qualifies.
- **You are the registered leaseholder.** You do not need to live in the flat. There is no residence requirement, and buy-to-let and second-home owners have the same rights as owner-occupiers.
- **You have owned the flat for any length of time.** Since 31 January 2025 there is no minimum ownership period, and you can serve notice as soon as you are registered as proprietor — though in practice the Land Registry application will need to have been completed first.
- **A sale or purchase is already under way.** The benefit of a claim can be assigned to a buyer along with the flat, which is often the cleanest solution where a short lease has come to light mid-transaction.

You will not qualify if

- The lease is a **business or commercial lease**, or a lease of premises where the residential use is ancillary to a business use.
- Your landlord is a **charitable housing trust** and the flat forms part of its charitable housing provision.
- The property falls within one of a small number of other statutory exclusions, including certain **National Trust** land and property within a **cathedral precinct**.

Where the position is less obvious

Shared ownership leases, leases granted out of a headlease, flats where the freehold has been sold on since you bought, and flats where the landlord has gone missing or been dissolved all raise additional questions. None of them is a bar to a claim. All of them benefit from being identified at the outset rather than halfway through.

PERSONAL REPRESENTATIVES

Where a leaseholder has died, their personal representatives may exercise the right to extend on behalf of the estate. This is frequently worth doing before a sale, and the timing interacts with the administration of the estate. It is worth taking advice early — particularly where a grant has not yet issued.

What you are entitled to

Under a statutory claim

A 90-year extension. Ninety years are added to whatever remains of your existing lease. If your lease has 75 years left, the new lease will run for 165 years.

A peppercorn ground rent. The ground rent is reduced to nil for the entire term of the new lease — not merely the extended part. Any escalating or doubling rent provision falls away with it.

Otherwise, the same lease. The new lease is granted broadly on the terms of the existing one, subject to limited statutory grounds for modernising or correcting provisions. It is not an opportunity to renegotiate the lease at large, though it is an opportunity to correct defects that would otherwise trouble a future buyer or lender.

Statutory or informal?

Your freeholder may offer to extend the lease by agreement, outside the statutory process. Sometimes that is genuinely the better route. Often it is not.

	Statutory extension	Informal (voluntary) extension
Additional term	90 years, fixed by statute	Whatever the freeholder is prepared to offer — frequently less
Ground rent	Peppercorn for the whole term	Peppercorn for the extended term only; the existing rent continues for the remainder of the original term
Price	Set by a statutory formula, and capable of being fixed by the Tribunal if not agreed	Entirely a matter of negotiation, with no independent check
Lease terms	Substantially preserved, with limited statutory modernisation	Open to variation — sometimes to the leaseholder's disadvantage
If the freeholder refuses	The Tribunal decides. The freeholder cannot simply walk away	Nothing. There is no process to fall back on
Lender's consent	Not required to bring the claim	Required, and lenders scrutinise the terms carefully
Timetable	Governed by statutory deadlines	None. Talks can run indefinitely

An informal extension can look simpler and cheaper at the outset. A shorter term, a ground rent retained for the balance of the original lease, or an unfavourable variation to the lease terms will often cost more over time than the statutory route would have done.

What it costs

The total cost of a statutory lease extension is made up of four elements. Current indicative figures are set out on the Lease Extensions page of our website, which we keep under review; the components themselves are described below.

01

The premium

The sum paid to the freeholder for the new lease. It reflects the ground rent the freeholder gives up, the value of the freeholder's right to recover the flat at the end of the term and — where the unexpired term is below 80 years — marriage value. It is not a fixed figure, and it is negotiable within a range.

02

Your own professional fees

Your solicitor's fees for the legal work, and your valuer's fees for the valuation and the negotiation that follows. Both are ordinarily quoted at the outset, so you know where you stand before the claim begins.

03

The freeholder's recoverable costs

Under the current law you are liable for the freeholder's reasonable legal and valuation costs of dealing with the claim. Reasonable is the operative word: those costs can be challenged, and the Tribunal can determine them. The costs of the negotiation itself, and of any Tribunal proceedings, are not recoverable from you.

04

Disbursements

Land Registry fees, official copies, identity verification and similar third-party costs. Modest by comparison with the rest, but they should be accounted for in your budget from the start.

WHERE THE MONEY GOES

In a straightforward claim on a lease of comfortable length, the premium is usually the smallest of the surprises and the professional costs are predictable. In a claim on a lease approaching or below 80 years the premium dominates — and the difference between a well-argued valuation and a poorly argued one can exceed the entire cost of instructing both a solicitor and a valuer.

How a claim proceeds

A straightforward claim takes six to twelve months from valuation to registration. Missing landlords, intermediate landlords and Tribunal proceedings all extend that.

01

Preparation and valuation

2 TO 4 WEEKS

We review your lease, the title and the freeholder's position at the Land Registry, and confirm your entitlement. In parallel, a RICS-qualified valuer with enfranchisement experience inspects the flat and advises on the premium — both the figure to open at and the range within which the claim should settle.

The opening figure is a tactical decision, not merely an arithmetical one. It must be a realistic proposal, but it sets the floor for the negotiation that follows.

02

Section 42 notice

ON COMPLETION OF THE VALUATION

Your solicitor serves notice on the freeholder, and on any intermediate landlord, setting out your claim and proposing the premium and the terms of the new lease. The notice starts the statutory timetable and fixes the valuation date.

A section 42 notice is a technical document. Defects in it can invalidate the claim, and a claim withdrawn or deemed withdrawn cannot ordinarily be brought again for twelve months. This is the step at which specialist drafting earns its keep.

03

Counter-notice

UP TO 2 MONTHS

The freeholder must respond by the date specified in your notice, which must be at least two months away. The counter-notice will admit the claim and either accept your proposed terms or, far more commonly, propose different ones. The freeholder may also require a deposit and access to the flat for their own valuation.

How a claim proceeds

04

Negotiation

UP TO 6 MONTHS FROM THE COUNTER-NOTICE

The two valuers negotiate the premium; the solicitors negotiate the terms of the new lease. Most claims settle at this stage. The purpose of instructing an experienced valuer is precisely this phase – inflated opening positions from a freeholder's surveyor are routine, and they are answered with evidence rather than argument.

05

Tribunal application

IF REQUIRED – ADDS 3 TO 5 MONTHS

If terms are not agreed, either party may apply to the First-tier Tribunal (Property Chamber) to determine the premium and the terms of the new lease. The application must be made no earlier than two months, and no later than six months, after the counter-notice.

Applying to the Tribunal does not end the negotiation. A high proportion of applications settle before the hearing, often because the discipline of preparing evidence concentrates minds on both sides.

06

Completion and registration

2 TO 4 WEEKS

Once terms are agreed or determined, the new lease is completed, the premium is paid and the lease is registered at the Land Registry. Where the flat is mortgaged, your lender's requirements are dealt with at this stage.

IF THE CLAIM IS NOT AGREED

Most claims never reach a hearing. The statutory timetable, and the prospect of an independent determination, are usually enough to bring an unrealistic opening position back to something defensible. The value of the process lies as much in the deadlines it imposes on the freeholder as in the Tribunal at the end of it.

When things are not straightforward

The freeholder has died

Notice must still be served, but it must be served on the right person. We check the register to establish whether ownership has been transferred, approach any managing agent — who will often know who is dealing with the estate — and serve on the personal representatives where they can be identified. Expect some delay where probate has not yet been granted, and keep a record of every attempt to make contact. Those records matter if an application to the court becomes necessary.

The freeholder cannot be found

Where the freeholder is absent, untraceable or cannot be identified, the claim is not lost. You may apply to the county court for a **vesting order** under the 1993 Act. The court effectively steps into the freeholder's shoes, the First-tier Tribunal determines the premium, and the new lease is granted.

The court will expect evidence of thorough attempts to trace the freeholder, so the groundwork done at the outset directly affects how smoothly the application proceeds. This is a specialist area, and one we deal with regularly.

No counter-notice, or an invalid one

If the freeholder fails to serve a counter-notice by the date specified, or serves one that is defective, you will usually be entitled to the new lease **on the terms proposed in your own notice** — including the premium you offered. In some cases that entitlement is not accepted by the freeholder, and an application to the court under section 49 of the 1993 Act is required in order to secure the new lease on those terms.

The practical point is that a well-judged section 42 notice is not only a procedural requirement. If the freeholder does not engage with it properly, it may become the basis of your new lease.

A sale is already under way

A short lease discovered during a sale is one of the most common reasons leaseholders come to us, and usually the most time-critical. Depending on where the transaction has reached, the options include serving notice and assigning the benefit of the claim to your buyer, agreeing a price adjustment, or completing the extension before exchange. Each has different consequences for timing, price and risk, and the right choice depends on facts we would want to discuss with you directly.

Where things stand

POSITION AS AT 25 JULY 2026

The Leasehold and Freehold Reform Act 2024 received Royal Assent in May 2024 and promises significant change: lease extensions of 990 years rather than 90, the abolition of marriage value, and restrictions on a landlord's ability to recover costs from leaseholders.

Those changes are not yet in force. Every claim brought today proceeds under the 1993 Act as it currently stands, with a 90-year extension and marriage value payable below 80 years.

WHAT HAS HAPPENED SO FAR

- The two-year ownership requirement was abolished with effect from 31 January 2025.
- A challenge brought by freeholder interests to the abolition of marriage value and to the costs provisions was dismissed by the High Court in October 2025; permission to appeal was subsequently sought.
- A Commonhold and Leasehold Reform Bill was announced in the 2026 King's Speech for the 2026–27 session. Further primary legislation is required to correct technical defects in the 2024 Act before its enfranchisement provisions can be brought into force.
- In July 2026 the Government opened consultations on the valuation rates to be prescribed under the new Standard Valuation Method, and on enfranchisement process costs. Both close in September 2026.

WHAT THIS MEANS FOR YOU

Whether to act now or wait is a genuine question, and the answer is not the same for everyone. It turns on the length of your lease, the level of your ground rent, whether you are approaching the 80-year threshold, and whether a sale or a remortgage is in prospect. For some leaseholders, waiting for reform that has no confirmed date carries more risk than proceeding under the law as it stands.

This page reflects the position on the date shown. For current developments see the Insights section at arcadialaw.co.uk.

Why instruct Arcadia Law

Leasehold enfranchisement is a technical field in which procedural error is expensive and difficult to undo. Arcadia Law is a specialist leasehold practice, and this is the work we do every day.

Our solicitors act for leaseholders and for landlords — from individual flat owners to resident management companies, housing associations and institutional freeholders — across the full range of enfranchisement work. That is not incidental. When we advise you on what a freeholder is likely to accept, we are drawing on having sat on the other side of the table.

How we work

- **Senior oversight throughout.** Every matter is supervised by a senior solicitor. Routine procedural elements are handled by our paralegal team, which keeps costs proportionate without diluting the judgement applied to the decisions that matter.
- **Commercially focused.** We are direct about what a claim is likely to cost, what it is likely to achieve and where the genuine points of leverage lie. Where the sensible course is to settle, we will say so. Where a freeholder's position will not withstand scrutiny, we will say that too.
- **Contentious and non-contentious.** We are experienced before the First-tier Tribunal and in the county court, including vesting order applications where a landlord is missing. A claim that requires proceedings does not need to be passed elsewhere.
- **Working alongside your valuer.** We work closely with specialist enfranchisement surveyors throughout, and can introduce you to valuers who do this work daily. Legal and valuation strategy are developed together rather than in sequence.
- **Beyond the extension.** We also advise on collective enfranchisement — the purchase of the freehold by the leaseholders together — which is sometimes the better answer, and on deeds of variation, licences to alter and assign, right to manage and the wider range of leasehold matters.



Arcadia Law is a member of the Association of Leasehold Enfranchisement Practitioners.

Where to start

Most leaseholders come to us with a single question: is it worth extending now? Answering that properly takes a conversation, not a form.

01

Tell us about the lease

A SHORT CALL, AT NO COST

The date the lease was granted, the term originally granted, and the ground rent payable. If you have the lease or the title to hand, so much the better – but we can obtain both if not.

02

We tell you where you stand

USUALLY THE SAME DAY

Whether you qualify, how close you are to the 80-year threshold, what the claim is likely to involve, and whether acting now or waiting is the better course on your particular facts.

03

You decide

IN YOUR OWN TIME

If you instruct us, we will confirm the scope and our fees in writing before any work begins, and introduce you to a valuer who does this work daily.

SPEAK TO US

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This guide is provided for general information only and reflects our understanding of the law of England and Wales as at 25 July 2026. It is not legal advice and should not be relied upon as such. The application of the law to any particular set of circumstances depends on the facts, and you should take advice on your own position before taking or refraining from taking any step. Timescales and processes described are typical rather than guaranteed, and the provisions of the Leasehold and Freehold Reform Act 2024 referred to in this guide were not in force at the date shown.

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