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# 1 Recent developments

In **England** and **Wales**

In addition to the purchase price, if you buy retirement housing with an existing lease, you may pay '*ground rent*' to the freeholder (the landlord) each year. Ground rent may be as low as £50 per year but can be £300 or more. It can increase over time – make sure you understand what is charged initially and whether and how often this increases before making any financial commitment. Ground rent on newly created leases in retirement housing was reduced to zero from 1 April 2023.

Leaseholders usually pay a regular service charge to cover the cost of services provided by, or on behalf of, the freeholder. This can be a significant expense, particularly in retirement housing where additional services are often provided.

As a leaseholder, you have different rights to a freeholder. You have a landlord who retains some control over your property and how you use it. This may make your life easier, but could be a big adjustment if you are used to living in a freehold property and making all your own decisions. It is possible to purchase freehold retirement properties, see section 12.

Retirement properties can be bought through shared ownership, which involves buying a share of a property. Depending on the size of your share, you may be charged rent on the remainder. It is important to seek advice before buying on this basis, as your rights and responsibilities are different to a full leaseholder. See section 13 for more information.

Facilities and services in retirement housing vary between schemes so check what is available before buying. Check the potential re-sale value as some retirement properties dec(ore info)5.32 841.92 reW\*nBT/F1 15.96 Tf1 0 0 12

### 3 Scheme management

Most retirement housing schemes are managed by the landlord or a third-party manager (a '*managing agent*') appointed by the landlord. Some schemes are managed by the residents themselves. All these options are called the '

You must usually pay a service charge to cover the cost of these services. The management organisation should bill you regularly and collect the money. See section 5 for information on service charges.

You can ask the



When considering retirement properties, it is a good idea to ask for details of the service charges payable in the last few financial years, so you can see whether these have increased over time.

### What are my rights around service charges?

You have rights around service charges that are '*variable*', which means not fixed as part of your rent. You have a legal right to request a summary of the service charge account from your landlord.

This should detail costs incurred over the last accounting period, show how costs relate to charges you are being asked to pay, and say if any costs relate to works which have, or will be, funded by a grant. In this context, '*landlord*' means '*any person who has a right to enforce payment of a service charge*', so it is a good idea to approach your management organisation initially.

If you obtain a summary, you have six months to ask to inspect the full accounts, receipts and other documents, and make copies. You should be given a summary of your rights and obligations with each demand for payment. By law, costs can only be recovered from leaseholders '*to the extent that they are reasonably incurred*' and '*if the services or works are of a reasonable standard*'.

You have a right to challenge the reasonableness of your service charge at Tribunal. In addition, you can ask the Tribunal to determine whether you are liable to pay a charge, for example if your landlord asks you to pay for a service not set out in your lease. You can do this whether or not the charge has already been paid – it may be a condition of your lease that you pay a charge which has already been paid to your right to challenge it later, as





## 7 Financial help

### Service charges and ground rent

You may be able to get help with some of your service charges by claiming Pension Credit (PC) Guarantee Credit, or Housing Benefit or Universal Credit if you have a shared ownership lease. Reasonable charges for the following services are eligible:

provision of adequate accommodation including some warden and caretaker services, gardens, lifts, entry phones, portering, rubbish removal, TV and radio relay charges

laundry facilities like a communal laundry room, but not personal laundry services

cleaning of communal areas and windows

minor repairs and maintenance

home insurance if it must be paid under the terms of the lease.

You may also be able to get help with ground rent. See factsheet 48, *Pension Credit*, factsheet 17, *Housing Benefit*, and factsheet 92 *Universal Credit*, for more information.

### Support services

Your local authority may help with support charges that cannot be met through PC, for example charges for individual support provided by the scheme manager or the emergency alarm system.

In **England**, this may be available under the '*Supporting People*' programme, but coverage is very variable. Ask your local authority whether Supporting People funding is available

## Council Tax and other bills

If you are on a low income, you may be able to get help with your Council Tax payments. For more information, in **England** see factsheet 21, *Council Tax*, or in **Wales** factsheet 21w, *Council Tax in Wales*.

There are ways you can reduce or get help with energy bills. In **England**, see factsheet 1, *Help with heating costs*. In **Wales**, see Age Cymru factsheet 1w, *Help with heating costs in Wales*.

If you struggle to pay your bills, ask an advice service like a local Age UK or local Age Cymru to carry out a full benefits check to ensure you claim everything you are entitled to, or use the Age UK online benefit calculator.

## 8 Terminating leases

As a leaseholder, you have many basic statutory rights. Additional rights depend on the terms of your lease. Seek independent legal advice on your rights and responsibilities before signing a lease.

An important part of the lease relates to the landlord's ability to terminate it early, known as '*forfeiture*'. If a property is occupied, the landlord cannot forfeit the lease without first obtaining a court order. There are significant restrictions on la

## 9 The right to manage

If your lease was originally granted for a term of more than 21 years, you can form a company with other '*qualifying*' leaseholders and take over responsibility for the management of the building.



### 10.1.3 Service provision and cost

Details of services you will be charged for, including buildings insurance, with a '*full, clear and complete*' breakdown of all the charges you will be expected to pay.

### 10.1.4 The scheme manager service

A description of the duties of the scheme manager, including hours of service and out-of-hours provision, together with details of the emergency alarm system and how it works.

### 10.1.5 Repairs

Information on how repairs should be reported and target timescales for their completion.

### 10.1.6 Legal and contractual rights

A summary of leaseholders' legal rights, including the rights set out above on lease extension, challenging unreasonable service charges, and exercising the '*right to manage*'.

A plain English explanation of the main terms of the lease, including the landlord's obligations and your liabilities as a leaseholder.

### 10.1.7 Re-sale arrangements

Any specific re-sale arrangements applying at a scheme should be made clear in the Handbook. Some rg0.741 0 0.404 RG[



You must be given information on any fees payable if, for example, you sell or sublet the property or the occupancy changes (*transfer fees*), with realistic worked examples of the financial impact. It should be clear from the provider's marketing materials and website if transfer fees are payable.

You must be told the current size of the reserve fund, if there is one, and what happens if the fund is unable to cover the full costs of major works.

You are provided with a contract setting out your rights and responsibilities and those of the landlord or management organisation. These can include age restrictions for residents, arrangements for repairs and maintenance, and rules around the keeping of pets. Any personal care services





**Note**

The Law Commission, an independent body that keeps the law under review and makes recommendations to Parliament, published









## Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

### Age UK Advice

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

### In Wales contact

#### Age Cymru Advice

[www.agecymru.org.uk](http://www.agecymru.org.uk)

0300 303 44 98

### In Northern Ireland contact

#### Age NI

[www.ageni.org](http://www.ageni.org)

0808 808 7575

### In Scotland contact

#### Age Scotland

[www.agescotland.org.uk](http://www.agescotland.org.uk)

0800 124 4222

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