

STATEMENT OF INTENT

The Saffron Group (referred to hereafter as 'Saffron') is committed to meeting its responsibilities to its Homeowners who wish to extend the term of their lease.

1.0 Purpose

- 1.1 This policy is designed to support Homeowners who hold a lease with Saffron and covers Shared Ownership, Shared Equity and 100% Leasehold properties.
- 1.2 This policy will outline Saffron's approach to statutory and informal lease extension requests.
- 1.3 Each request will be based on its own merits and where applicable, in line with legislation to support the decision.

2.0 Important Information about lease extensions

- 2.1 Whether you are extending your lease through the statutory or informal route, there are a few things you will need to consider:
 - You will be responsible for paying a premium (price payable) to extend your lease. There is a formula used to determine this value, and a valuation will be needed from a specialist surveyor.
 - You will need to meet various costs, which may include Saffron's administration fee, valuation fee, your own and Saffron's legal costs. If the freehold is owned by someone other than Saffron, you may also be responsible for paying their costs and fees.
 - In some cases, Saffron may not own the freehold to your lease. If that is the case, then you may still be able to use the statutory route to obtain a lease extension, but there may be additional costs to pay.
 - The terms of your new lease under the Statutory route must be on the same terms as your existing lease. Minor modifications and exclusions made by law can be made however we will discuss this with you, where possible.

3.0 Statutory lease extension

- 3.1 Statutory lease extensions will only apply where you are a full leaseholder and own 100% of the property. You are unable to request a statutory lease extension for a shared ownership or shared equity property and must follow the informal route (unless you have staircased to 100% and remain a leaseholder).

- 3.2 To extend your lease through the statutory lease extension route, you must serve on Saffron a statutory notice. Once a notice has been served, this starts the statutory process. As you are only able to issue one request every year, it is advisable that you seek legal advice and carefully consider your options.
- 3.3 Statutory lease extensions to extend a lease of a house differs from that for a flat. Lease extensions are complicated, and Saffron would advise that you seek legal advice before starting any claim. You can also find more information from the Lease Advice website – www.lease-advice.org.
- 3.4 Following receipt of a statutory notice, Saffron may require a deposit of 10% of the premium (price payable).

4.0 Informal lease extension

- 4.1 Informal lease extensions can be used by full leaseholders who own 100% of their property and those with a shared ownership or shared equity lease (regardless of whether staircasing to 100% has occurred).
- 4.2 This route is usually quicker and may cost less. You will not be required to serve a statutory notice.
- 4.3 When requesting an informal lease extension, you will need to pay our administration and surveyor fees in advance before we will review this. If you decide to proceed, you will also be required to pay our legal fees.
- 4.4 You must not have any outstanding breaches of your lease or outstanding debt. If you do, we may refuse your request for an informal lease extension.
- 4.5 Once Saffron have received all the information required, we will confirm if it is possible to extend your lease, the premium and the length of the extension, within 28 days.
- 4.6 For Shared Ownership units there is an assumption that there is little difference between a 90 year lease extension and a 990 year lease extension, so we would also look to offer 990 years as the extension term. The premium payable for this would be based on the share percentage you own and not 100% of the premium. If you are in the position which you can staircase and acquire the freehold, Saffron would recommend you seek legal advice as to which option is the most suitable for you.

5.0 Withdrawing application to extend the lease

- 5.1 If you decide you wish to withdraw your request for a lease extension, Saffron will honour this at any point during the process.
- 5.2 If Saffron have incurred any legal and/or valuations fees, you will still be responsible to cover these, along with our administration fees associated. You will also be responsible for any fees which you have incurred throughout the process.

6.0 Policy Compliance

- 6.1 This policy complies with the Capital Funding Guide, Leasehold Reform Act 1967 and the Leasehold Reform, Housing and Urban Development Act 1993 at the time of writing. Any amendments will be reflected in this policy, as and when they arise.

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Board/Committee	SLT
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Officer	Home Ownership Manager
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