



# Administration charges

Information for leaseholders



building  
communities

# Orbit Leasehold and Commercial Services administration charges

If you have purchased your home with the aid of a HomeBuy loan or a shared ownership lease, we need to approve any changes you would like to make to either:

- A** your property – e.g. improvements or alterations
- B** your mortgage provider – e.g. to obtain a better rate of interest.

To cover our administrative costs in providing these services, charges will apply. This leaflet outlines what those charges are and what they cover:

## Redemption of equity loan: £120

This applies when you decide to repay your equity loan. This fee will cover our administration costs while we agree the valuation, instruct our solicitors and release our legal charge by signing, sealing and returning the legal charge certificate. The fee is payable in two parts; £70 at the start of the process and £50 upon completion.



## **Purchase of further shares**

### **Partial staircasing: £120**

This applies when you decide to purchase more shares in your property, thus reducing the amount of rent you pay. This fee will cover our administration costs while we agree the valuation, approve the mortgage offer and complete the memorandum of staircasing. The fee is payable in two parts; £70 at the start of the process and £50 upon completion.

## **Purchase of remaining shares**

### **Final staircasing: £120**

This applies when you decide to purchase the remaining shares in your property. This fee will cover our administration costs while we agree the valuation and complete the memorandum of staircasing. It will also cover the costs of signing and sealing the transfer documents if the freehold in your home is being transferred. The fee is payable in two parts; £70 at the start of the process and £50 upon completion.

## **Assignments**

### **Payable by shared ownership vendors at the start: £70**

### **Payable by the purchaser upon completion in shared ownership and 100% ownership: £50**

If you are a shared owner, you must let us know if you wish to sell your share in the property. The fee of £70 is payable at the start of the assignment process to cover our administration costs while we agree the valuation, attempt to nominate a purchaser, approve the purchaser's mortgage offer and consent to the sale.



Upon completion of the sale, the purchaser pays an additional fee of £50 to cover the costs of registering the transfer. This fee also applies to freeholders and 100% leaseholders.

### **Lease extensions or variation: £250**

This fee applies when you need us to make and approve changes to leases such as altering the terms or if you apply to extend the term of the lease.

You will also be responsible for additional charges, such as our legal fees depending on the nature of the variation.

Note, if you are extending your lease, there will also be a premium to pay. Please contact your Leasehold Service Officer for further details.

### **Consent to minor improvements: £50**

You are allowed to make minor alterations to your home, but first you need to check your proposals are agreeable to us and receive our written permission.

The fee is to cover the administration of the approval of minor improvements.



## **Consent to major improvements: £120**

This is similar to 'Consent to minor improvements', but with larger, more complicated improvements such as extensions or loft conversions, we may need to arrange for our surveyor to visit you. We may request a copy of your building plans to ensure that they keep to current building regulations. You will also need to obtain the local authority's planning permission, where applicable. Please be advised it is your responsibility to check if planning permission is required.

## **Consent to a re-mortgage: £50**

If you are in a shared ownership property or a home funded with the aid of a HomeBuy loan, you must receive our consent if you wish to change your mortgage. We must approve your mortgage offer and the fee is to cover the administration costs associated with this.

## **Consent to a further advance: £50**

If you are in a shared ownership property or a home funded with the aid of a HomeBuy loan, you must receive our consent if you wish to apply for a further advance on your mortgage. We will only consent to further advances under certain circumstances, as set out in your lease or loan agreement. We require details of the amount you are applying for, the reason for the further advance and confirmation of the value of your property in order to consider your case. The fee is to cover the administration costs associated with this.



## **Sub-letting request: £250**

Payable in two parts; £50 on initial application for consideration and then £200 to issue a licence following consent. If you have purchased your home with the aid of a HomeBuy loan or under a shared ownership lease, you will not be allowed to sub-let your home without our consent. We will only consent to sub-letting under certain circumstances and for limited periods of time. The charge applies for consideration of a sub-letting request and, if approved, the issuing of the necessary licences. You will also need to obtain approval from your mortgage lender.

## **Copy of lease: £75**

The charge applies if you request a copy of your lease and we do not have a copy in-house. This fee covers the administration costs of applying for a copy of the lease and photocopying it for you. Your mortgage lender or solicitor may hold a copy of your lease or you may also obtain a copy direct from the Land Registry.

## **Copy of lease from our files: £50**

The charge applies if you request a copy of your lease and we have retained a copy on our files.



## **Leasehold enquiries**

### **One page: £100**

During the selling or purchasing process we are often required to provide information regarding your property e.g. time remaining on the lease, details of landlord, address for service of the notice and providing copies of service charge accounts (if applicable).

## **Leasehold enquiries**

### **Two pages plus: £200**

As above, but when we receive a request for information that is two pages or longer.

## **Copy of Annual Service Charge account per annum: £11.75**

The charge applies if you request a copy of your Annual Service Charge account. Please note that a free copy of the Service Charge account is sent to all service charge payers each year and we recommend that you retain these for further reference.

## **Copy of audit certificate per annum: £11.75**

The charge applies if you request a copy of the annual audit certificate. Please note that a free copy of the annual audit certificate (where applicable) is sent to all service charge payers each year and we recommend that you retain these for further reference.



## **Freehold enquiries**

### **One page: £50**

During the selling or purchasing process we are often required to provide information regarding your freehold property; for example, if you pay a service charge for a communal area.

## **Freehold enquiries**

### **Two pages plus: £94**

As detailed above, but when we receive a request for information that is two pages long or longer.

## **Land Registry certificates: £50**

For freehold properties where we have to consent to disposals, a certificate will be required for Land Registry. We charge this administration fee to cover the costs associated with approving the disposal and the preparation and signing of the certificate.

## **Deed of Covenants: £50**

For properties where the title requires the purchaser to enter into a Deed of Covenant, there is a charge of £50 to cover the costs of registering the deed and signing and sealing, where necessary.





# 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 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 Residential Property 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:
  - to charge a sum for consent or approval, is void.
  - 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 Residential Property 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 Residential Property 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 a 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 Residential Property 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 Land Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation 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 your lease. However, to exercise this right, the landlord must meet all 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.



# Contact us

For further information on administration fees please contact us on **0345 850 2050** or email us at **[info@orbit.org.uk](mailto:info@orbit.org.uk)**

Orbit South  
Second Floor  
Horizon House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
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Orbit Heart of England  
10 Greenhill Street  
Stratford Upon Avon  
Warwickshire  
CV37 6LG

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If you would like this information in Braille, large print, audio or a different language please contact the Customer Service Centre on 0800 678 1221



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