

# The difference between freehold & leasehold properties

## Leasehold and freehold – two very different types of property.

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At first, the difference seems pretty obvious – freeholders own the land and property outright, while leaseholders are buying property on someone else's land.

Freehold properties are usually houses, while leasehold properties are usually flats or maisonettes. So what else is there to know? Well, leasehold properties can come with a few extra costs (and a bit of extra hassle), so it's worth knowing exactly what to expect.

### Freehold

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Freehold means you own everything to do with the property: the building and the land it stands on. If you're a prospective home-buyer, this means:

- Full control over the property
- No service charges or ground rent
- Maintaining the entire property
- Freedom to build fancy extensions (with planning permission, of course)

### Leasehold

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Leasehold means you're buying a property on someone else's land, usually called the landlord or the freeholder. Buying a leasehold property means you:

- Own the property for the length of the lease
- Have to pay to extend your lease
- Pay ground rent (rent for the land that the building stands on) and maintenance fees to the landlord (sometimes called the freeholder)
- May be restricted on what you can do with the property, e.g. no sub-letting

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## Renewing your leasehold

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After you've lived in a leasehold property for two years, you're able to extend your lease or buy the freehold, though both are expensive. You can extend a lease by:

- 90 years for flats
- 50 years for houses

Leases usually last around 90 to 120 years. If you're looking at a property with a shorter lease, (less than 90 years) consider asking for the lease to be extended as part of the purchase.

**If you're trying to renew your lease and your landlord is being unreasonable, contact the Leasehold Enquiry Service.**

## Property management

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You and the landlord need to look after a leasehold property, but you're each responsible for different things. You're expected to:

- Look after everything in your own property
- Let your landlord take care of building and communal areas, like halls and stairwells
- This also includes heating and electricity for these communal areas

To cover this, all the properties in your building share a service charge. It can be as little as £20 a month and as much as £200 or more. It all depends on the size and the quality of the building.

If the service charge seems especially high, ask your landlord for a cost breakdown so you can see exactly what your service charge is being spent on.

## Leasehold disputes

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If you're not happy with the way a leasehold property is being maintained, you can either:

- Go to a tribunal to have the manager replaced or
- Apply (with the other leaseholders in your building) for the 'right to manage', which will mean jointly taking on responsibility for the building's maintenance.

**If you have any other questions about leasehold properties, visit [gov.uk](http://gov.uk) for more information.**

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