

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

26 NOVEMBER 2019

Title:

**PROPERTY MATTER –
LEASE EXTENSION – 5 THE RIDINGS, CRANLEIGH**

**[Portfolio Holder: Cllr Anne Marie-Rosoman]
[Ward Affected: Cranleigh East]**

Note pursuant to Section 100B(5) of the Local Government Act 1972

Annexe 1 to this report contains information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

The lessee of 5 the Ridings, Cranleigh, has applied to Waverley Borough Council for a lease extension in the form of a Section 42 notice, dated 4 March 2019.

How this report relates to the Council's Corporate Strategy:

This is a legal process that offers long term security of tenure to a resident.

Financial Implications:

A premium plus costs has been agreed.

Legal Implications:

Pursuant to the Leasehold Reform, Housing and Urban Development Act 1993 the lease will be extended for a further 90 years. This is a statutory process and the Council has no grounds on which to object.

Background

1. A Section 42 Notice is a formal request from a leaseholder to extend their lease. It is given pursuant to the Leasehold Reform, Housing and Urban Development Act 1993 and entitles a leaseholder to an additional 90 years on top of their remaining lease term. A Section 42 Notice has been served on the Council requesting an extension to the lease for 5 The Ridings, Cranleigh dated 6 June 2005 for a term of 102.5 years. The unexpired term is 88 years at the date of the Lessee's Section 42 notice.

2. The lease is effectively a Full Repairing and Insuring lease. The lessee is responsible for the cost for the upkeep and maintenance of the parent building via a service charge.
3. A premium will be received for the lease extension. An independent valuation was carried out, the cost of which will be borne by the lessee, which showed what represented a fair and reasonable premium. The agreed figure, which is shown in the Exempt Annexe, is over and above the valuation received.

Recommendation

That the lease to the tenant of 5 The Ridings, Cranleigh is extended by 90 years, for consideration as set out in (Exempt) Annexe 1.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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