

Lease Extension Policy

Document ID/Version:	V1 new integrated policy			
Executive Lead (Owner):	Executive Director of Customer			
Policy Author/s:	Homeowner Services Manager & Homeownership Manager			
Strategic alignment:	Supports resident-focused homeownership services, legal compliance, and value for money.			
Review frequency:	Every 3 years	☒	Other (state period)	
Previous review date:	Paradigm May 2023 & Settle N/A			
Date policy approved:	23 July 2026			
Policy approved by:	Executive Board			
Next policy review date:	July 2029			
IMPACT ASSESSMENTS				
Equality Impact Assessment				
Completed?	No	☐	Yes	☒
	If not required, state reason:			
Resident Impact Assessment				
1) Is this one of the agreed policies requiring resident consultation? Please refer to:	Yes	☒	No	☐
2) If yes, please confirm resident consultation has taken place	☒	Briefly detail changes arising from resident feedback:		
APPROVAL - To show transparency and accountability, specify whether policies have been approved by the Board/Executive/Committee. Clear approval lines strengthen governance, ensuring assurance and accountability.				
Approval journey:	Executive Team	Committee		Board
		Yes	Committee name(s)	
	☒	☐	Add name, otherwise state N/A	☐
Which Regulatory Standard does this Policy support?	Economic			
	Governance & Viability	Rent		Value for Money
	☒	☐		☒
	Consumer			
	Neighbourhood & Community	Safety & Quality	Tenancy	Transparency, Influence & Accountability
	☐	☐	☐	☒
Associated legislation	Leasehold Reform, Housing and Urban Development Act 1993 (as amended) Commonhold and Leasehold Reform Act 2002			

Lease Extension Policy

	Leasehold Reform (Ground Rent) Act 2022		
Associated procedures	Lease Extension Guide & Procedure		
Where is this policy to be published?	Website	Intranet	Both
	☐	☐	☒

Lease Extension Policy

1. Policy Statement

SettleParadigm is committed to providing leaseholders and shared owners with a clear, accessible and consistent approach to lease extensions. This policy explains the routes available, the principles that guide our decision-making and how we will meet our legal and regulatory obligations.

2. Objectives, desired outcomes and strategic alignment

The objective of this policy is:

- Provide clear routes for leaseholders and shared owners to extend their leases.
- Meet statutory obligations under leasehold legislation.
- Ensure consistency, transparency and value for money.
- Support long-term sustainability for leaseholders and shared owners.

3. Scope

This policy applies to:

- All leaseholders of residential leasehold properties where SettleParadigm has a freehold or leasehold interest.
- Shared owners and leaseholders' applications made through the informal route.
- Lease extension applications made under the statutory provisions of the Leasehold Reform, Housing and Urban Development Act 1993.

This policy does **not** apply to:

- Residents occupying properties under assured, tenancy agreements.
- Freehold homeowners who do not hold a leasehold interest with SettleParadigm.
- Commercial leaseholders.

This policy must be complied with by:

- All colleagues involved in the administration, approval, valuation, legal management or oversight of lease extensions.
- Any third-party agents, valuers or solicitors acting on behalf of SettleParadigm in connection with lease extension activity.

This policy applies from the point a leaseholder or shared owner makes an enquiry or application regarding a lease extension. It remains applicable until the application is concluded, withdrawn or completed.

4. Policy Principles

Lease Extension Routes

We will provide lease extension routes in accordance with statutory requirements and our discretionary arrangements.

Qualifying leaseholders are entitled to a statutory lease extension under the Leasehold Reform, Housing and Urban Development Act 1993 (as amended).

Shared owners do not have a statutory right to a lease extension. We will however consider a lease extension under our discretionary arrangements.

Formal Lease Extensions

We will support qualifying 100% leaseholders to exercise their statutory right to extend their leases, in line with relevant legislation and required timescales.

Informal Lease Extensions

We may offer an informal lease extension to shared owners and leaseholders where:

- The lease was originally granted for a lease term of more than 21 years.
- There are no rent or service charge arrears.
- The leaseholder is not in breach of any lease covenants.
- Any information required to assess the application has been provided.

We will obtain an independent valuation to determine the premium payable for an informal lease extension. Where the premium is not accepted, the informal lease extension process will not proceed.

Eligible leaseholders will be asked to pursue a statutory lease extension where available.

Lease Terms and Ground Rent

Ground rent under an extended lease will be reduced to a peppercorn rent.

Where SettleParadigm is the freeholder, informal lease extensions will be granted for a term of 990 years.

Costs and Fees

Applicants are responsible for all costs associated with a lease extension application, including administration fees, valuation fees, legal fees incurred by SettleParadigm and any professional costs incurred by the applicant.

Administration Fees

SettleParadigm will charge administration fees where permitted by the lease, legislation or regulatory requirements. Administration fees may apply in connection with:

- Applications for approvals or consents required under a lease.

- The provision of information or documentation.
- Lease extensions and other transactions.

Administration fees will be reviewed periodically to ensure they remain reasonable, transparent and reflective of the service provided. All administration charges will be accompanied by information regarding leaseholders' rights and obligations.

Leaseholders have the right to challenge the reasonableness and payability of administration charges through the appropriate legal process, including application to the First-tier Tribunal (Property Chamber).

Schemes Where SettleParadigm is not the Freeholder

Where SettleParadigm is not the freeholder, lease extension decisions must take account of the terms and duration of any superior leasehold interest.

We will only consider an informal lease extension where the resulting lease term can be aligned with the term of our headlease.

Where SettleParadigm is not the freeholder, leaseholders may need to pursue any statutory lease extension rights directly with the freeholder. Shared owners may choose to staircase to 100% ownership and then pursue a statutory lease extension, where they are eligible to do so. In some circumstances, SettleParadigm may consider extending its own leasehold interest before offering an informal lease extension.

Valuation Principles

We will obtain independent professional valuation advice when determining lease extension premiums and will appoint suitably qualified valuers to act on our behalf.

5. Equality, Diversity & Inclusion

This Lease Extensions Policy is committed to promoting equality, diversity and inclusion and to ensuring that all leaseholders or shared owners are treated fairly, with dignity and respect throughout the lease extension process.

The policy has been developed in accordance with the principles of the Equality Act 2010 and aims to ensure that no individual is disadvantaged, excluded, or treated less favourably because of a protected characteristic.

Reasonable adjustments will be made to ensure that disabled leaseholders or shared owners are able to access information, services and processes associated with lease extensions. This may include providing information in alternative formats, offering additional support during the application process, or making reasonable adjustments to communication methods

This policy will be applied fairly and consistently. Decisions will be based on lease terms, statutory eligibility, and relevant evidence.

6. Roles and responsibilities

Homeownership Management (SettleParadigm)

The manager responsible for homeownership services has overall responsibility for the oversight of lease extension activity on behalf of SettleParadigm and is responsible for:

- Approving lease extension valuations prior to issue to leaseholders.
- Providing oversight and assurance of lease extension decision-making.
- Monitoring the lease extension tracker to ensure cases are progressed appropriately.
- Providing monthly performance reporting to the Customer Leadership Team.

Homeownership Officer (SettleParadigm)

The Homeownership Officer is responsible for the day-to-day management and delivery of lease extension cases on behalf of SettleParadigm, including:

- Managing lease extension applications from initial enquiry through to completion.
- Monitoring case progress and ensuring key milestones are met.
- Confirming valuation fees and instructing appointed valuers on behalf of SettleParadigm.
- Instructing solicitors via the approved legal framework and confirming associated fees.
- Issuing premium quotations and managing acceptance from leaseholders.
- Coordinating execution (signing and sealing) of new leases.
- Ensuring lease records are updated, including lease term and expiry data.
- Notifying internal teams to cease ground rent invoicing where applicable.
- Ensuring service charge teams are informed of completed lease extensions.
- Maintaining accurate records on internal systems and frameworks.

Income Team (SettleParadigm)

The Income Team is responsible for the financial administration of lease extension activity, including:

- Monitoring receipt of administration fees and notifying the Homeownership team where payments are outstanding.
- Raising invoices for administration fees and valuation fees.
- Providing confirmation of outstanding arrears where relevant to eligibility.

External Solicitors (Appointed by SettleParadigm)

External solicitors, appointed via SettleParadigm's approved legal framework, are responsible for:

- Acting on behalf of SettleParadigm in the legal completion of lease extensions.
- Drafting, issuing and completing all legal documentation.

- Ensuring compliance with statutory requirements and conveyancing standards.

External Valuers (Appointed by SettleParadigm)

External valuers, appointed from SettleParadigm's approved panel, are responsible for:

- Providing independent valuation advice in respect of lease extension premiums.
- Producing formal valuation reports to support lease extension offers and statutory processes.

7. Compliance/Key Performance Measures

- a. Lease extension activity will be monitored and managed through the lease extension tracker to ensure timely progression of cases.
- b. Performance against lease extension targets and service standards will be reported monthly through the relevant leadership reporting framework.
- c. Compliance with statutory requirements, internal procedures, and service standards will be monitored on an ongoing basis.

8. Related Policies, Procedures and Key Documents

- Lease Extension Guide and Procedure
- Homeownership Policy

9. Version Control

Version control			
Date	Version	Approved By	Details of Amendments
23 July 2026	V1	Executive Board	New integrated policy for the Group