

Understanding Your Lease: A Practical Guide

How to read your lease, spot the key clauses, and know your rights and responsibilities

A lease is a legal contract. It sets out what you own (or have exclusive use of), what the landlord/freeholder owns, what you must pay, and the rules you must follow. This guide turns typical lease wording into plain-English steps so you can understand what your lease means in day-to-day life.

Important: Plain-English explanations are helpful, but if there's a dispute, the **legal wording in your signed lease** is what will be relied on. Leases also vary by building and landlord, so treat examples as a template and always check your own document.

1) Start with the basics: the parties, the property, and the term

Most leases begin by naming the **landlord/freeholder** (sometimes a council or housing association) and the **leaseholder** (you). They also state the **start date** of the lease and the **length of the lease term** (for example, 99 or 125 years). These details affect your home's value, mortgage options, and what happens when the term runs down.

Key takeaway (Basics): Note the lease **start date**, **term length**, and **years remaining**—these three details drive many practical issues (resale value, mortgage-ability, and when you may need to consider a lease extension).

2) Decode key lease words (a quick glossary)

- **Lessee / Leaseholder:** You (the person who owns the lease).
- **Lessor / Landlord / Freeholder:** The person or organisation that owns the building and grants the lease.
- **Demised premises:** The part that is included in your lease (usually the inside of the flat, and sometimes a garden, shed, or parking rights if stated).
- **Common parts:** Shared areas (for example, roof, external walls, stairs, hallways, shared gardens, bin stores, services like drains).
- **Covenants:** Promises in the lease that you (and/or the landlord) must keep. They are legally binding.
- **Easements / Rights:** Rights of access or use (for example, rights to use shared paths, parking areas, or for pipes and cables to run through the building).
- **Ground rent:** A rent you may pay to the landlord simply for holding the lease (often a small fixed amount in older council leases).
- **Service charge:** Your share of the landlord's costs for maintaining, repairing, insuring, cleaning, lighting, and managing the building.
- **Forfeiture:** A legal process that can (in serious cases) end the lease if you breach it (usually requires formal steps and a court/tribunal process).

Key takeaway (Language): When you see words like “**demised**”, “**covenant**”, or “**common parts**”, pause and find the definition in the lease—most misunderstandings come from assuming these terms mean what they do in everyday speech.

3) What exactly is included in your flat (and what isn't)?

One of the most important parts of any lease is the description of the **demised premises**—the part you are responsible for. Many flat leases include the internal surfaces of the walls, floors and ceilings, but **exclude the main structural parts** (such as structural floors/joists, the roof, and external walls). The lease may also include items for your exclusive use (for example, a garden area or storage shed) if they are specifically listed and shown on the plan.

- **Check the plan:** Your lease should have a plan showing what is included (often shaded/hatched in a colour). If it isn't clear, ask for clarification in writing.
- **Windows:** Some leases make you responsible for the glass and the inside of frames; others include full replacement within service charges. Find the exact clause.
- **Floors/ceilings:** Leases often distinguish between the surface you see and the structural parts beneath/above.
- **Gardens/sheds:** Only assume they are yours if the lease says so and the plan shows them as part of the demised premises.

Key takeaway (Boundaries): If there's any doubt about whether something is "yours" (a garden strip, shed, loft space, parking, or even window responsibility), rely on the **plan and the exact clause wording**—not what's been historically done.

Watch out (Boundaries): Many of the most expensive disputes come from assuming something is "yours" when it isn't. Don't assume you can use **loft space**, attach items to **external walls**, fence off **communal garden** areas, or treat a space as "your" **parking bay** unless the **lease plan** and the wording clearly grant it. **Risk:** permission can be withdrawn, you may be told to reinstate, and it can cause **DELAYS** or a price reduction when you sell. **What to do:** check the plan, find the exact clause, and if it's unclear ask the landlord/freeholder for written clarification.

4) Understand the money: ground rent, service charges, and other costs

Ground rent is the rent stated in the lease (for example, a fixed £10 per year in some older leases). The lease will say **when it is due** (often annually and in advance) and whether it can change.

Service charges are usually your share of the landlord's spending on the building—commonly including structural repairs, shared services (drains, pipes, cables), cleaning and lighting of common parts, exterior decoration, insurance, and management costs. Leases often allow the landlord to request **interim payments** (payments on account) during the year and then issue a **year-end certificate or statement** showing the actual costs, how they were apportioned, and any balance due or credit owed.

- **What exactly is covered?** Look for a schedule listing services/costs (repairs, cleaning, lighting, insurance, grounds maintenance, etc.).
- **How is your share calculated?** It might be an equal share (e.g., 1 of 10 flats) or based on floor area or another formula.
- **Reserve/sinking funds:** Some leases allow charging in advance for future major works; others don't. Check the wording.
- **Major works:** Big items like roof replacement or external redecoration can create large bills—know what the lease allows and what consultation rules apply.
- **If you disagree:** The lease may say the landlord decides, but in practice you may have statutory rights to challenge reasonableness through the appropriate tribunal process.

Key takeaway (Costs): Keep the latest service charge statement and the clause showing how your share is calculated. If a bill looks high, ask for the breakdown—major works can be the biggest source of unexpected cost.

Watch out (Service charges): Service charges can spike suddenly—most commonly due to **major works** like roof replacement, external redecoration, structural repairs, fire safety works, lift repairs, or communal heating costs. Even if you didn't request the work, you may still have to pay if the lease allows it and the costs are recoverable. **Risk:** unexpected **COSTS**, missed consultation deadlines, and arrears fees if you delay dealing with letters. **What to do:** keep copies of consultation notices and statements, ask for the breakdown and apportionment method, and budget for “lumpy” years.

5) Repairs and maintenance: who fixes what?

Leases usually split responsibility between (1) **your flat** and (2) the **building as a whole**. A common approach is:

- **You are often responsible for:** keeping the inside of the flat in good repair and decoration (including internal walls, ceilings, floor surfaces, internal plumbing/electrics serving only your flat, and sometimes the interior of window frames and glazing—your lease will specify).
- **The landlord is often responsible for:** the main structure (foundations, structural floors, roof, external walls), shared services (main drains, gutters, shared pipes/cables), shared areas (stairs, hallways), and exterior decoration—costs are then recovered through service charges.

Many leases give the landlord rights to **enter your flat on reasonable notice** to inspect, maintain shared services, or carry out the landlord's obligations. They may also say that if you fail to do repairs that are your responsibility after being notified, the landlord can do the work and **charge you the cost**.

Key takeaway (Repairs): The fastest way to avoid disputes is to identify whether an item is “inside your flat” or part of the “structure/common parts”. When in doubt, check the plan and the repairs clauses before arranging works.

Watch out (Repairs): If you delay repairs that are your responsibility, the lease may allow the landlord to step in, do the works, and **recharge the full cost**—sometimes including administration fees and contractor costs. Examples that commonly cause disputes include leaks from your flat affecting a neighbour, failed sealant around baths/showers, damaged internal pipework, or issues with windows where responsibility is split between internal parts and external frames. **Risk:** escalating **COSTS**, neighbour claims, and being invoiced for works you didn't control. **What to do:** report defects early, confirm responsibility in writing, and keep invoices/photos if you carry out repairs.

6) Rules you must follow (and why they matter)

Most flat leases include rules designed to protect neighbours and the building. These are usually set out in a “schedule” of restrictions. Common examples include:

- **Residential use only:** you can't use the flat for non-residential purposes if the lease restricts it.
- **Nuisance and noise:** you must not cause a nuisance; some leases specify quiet hours (for example, limits on loud music late at night).
- **Waste and drainage:** rules against blocking drains and disposing of unsuitable items in sinks/toilets.
- **Keeping common parts clear:** no storing bikes, buggies, or other items in hallways/stairs if it creates an obstruction or safety risk.
- **Pets:** pets may be banned outright or allowed only if they don't cause annoyance (and sometimes with permission).
- **Signs and external appearance:** limits on window signs, satellite dishes, or anything attached externally—often requiring written consent.
- **Alterations:** structural changes (and sometimes even non-structural works affecting plumbing/heating) usually require written consent and may need building regulation/planning approval.

Key takeaway (Rules): If you plan changes (even something that affects plumbing, heating, windows, or the outside appearance), check whether the lease requires **written consent** before you start.

Watch out (Alterations): Alterations are a frequent cause of breach notices and sale delays. Many leases require **WRITTEN CONSENT** before you start—sometimes even for works that feel “minor”. Typical triggers include installing **hard flooring** (noise transmission), moving or replacing **radiators**, altering **plumbing**, changing the **front door**, replacing **windows**, removing/altering walls, adding vents/extractors, or fixing anything to the outside of the building. **Risk:** you may be required to reinstate, pay legal/administration fees, or obtain retrospective consent—causing **DELAYS** and reduced buyer confidence. **What to do:** before works, read the alterations clause, request consent/licence in writing, and keep approvals (consent letter, building regs, planning, contractor certificates).

7) Your rights as a leaseholder

Your lease should also protect you by granting rights over shared areas and services.

Typical rights include:

- **Access rights:** to use shared entrances, paths, stairs and landings to reach your flat.
- **Use of shared facilities:** such as bin stores/refuse chutes and drying areas (where provided).
- **Services:** rights for water, drainage, electricity (and gas where available) to pass through the building to your flat.
- **Support and shelter:** the building must continue to support and protect your flat (for example, roof and structural elements).
- **Parking rights (if granted):** some leases grant a right to use a shared parking area, often “subject to availability” rather than a numbered space.
- **Enforcement:** in some blocks, leaseholders can require other leaseholders to follow the same restrictions, because similar covenants are built into each lease.

Key takeaway (Your rights): If you have problems accessing your flat, using shared areas, or getting utilities, the solution is often in the lease’s **rights/easements** section—quote the clause when raising issues.

Watch out (Parking & shared areas): “Parking rights” often mean a right to use a communal area **if space is available**—not a guaranteed bay. The landlord may also introduce permits, allocate spaces, change layouts, or enforce no-parking zones for fire access. Shared areas can also have strict rules: storing items in corridors, keeping doormats/plant pots outside, or leaving bikes/buggies can breach fire safety rules and trigger removal. **Risk:** neighbour **DISPUTES**, tickets/clamping (where applicable), and enforcement action. **What to do:** check the lease wording (allocated space vs shared use), ask for current parking rules, and keep common parts clear.

8) Rights the landlord (and neighbours) may have over your flat

Even though your flat is your home, the lease may reserve rights to the landlord and other leaseholders. Common examples are rights to enter (with notice, except emergencies) to inspect or repair, and rights for pipes, drains, wires, and sometimes communal TV aerials/cables to pass through parts of your property. These clauses help the whole building function, but they should also include obligations to **make good any damage** caused by access works.

Key takeaway (Access): Check what notice the landlord must give before entering (and any emergency exception). If access works cause damage, look for “make good” wording and report issues promptly in writing.

Watch out (Access): If contractors need access through your flat for communal pipes/cables, don't rely on verbal assurances. Agree the **scope of works**, dates/times, dust protection, and who will **make good** plaster/decoration/flooring afterwards. If you refuse access unreasonably, you could be accused of breaching the lease; if access is poorly managed, you could be left with damage and disruption. **What to do:** request written notice (unless emergency), ask for a named contact, take photos before/after, and report damage immediately in writing.

9) What happens if you break the lease?

If you breach a covenant (for example, by not paying charges, carrying out unauthorised alterations, or causing a nuisance), the lease usually allows the landlord to take enforcement action. That can include formal notices and, in serious cases, steps that could ultimately lead to the lease being brought to an end (forfeiture). In practice, forfeiture is tightly controlled by law and process—but **you should treat any breach letter or notice as urgent**.

- Read the clause being relied on and keep a copy of all letters/emails.
- If the issue is payment, ask for a clear statement of account showing how the amount is calculated.
- If the issue is alterations, gather permissions (landlord consent, building regulations, planning) and any contractor documents.
- Respond in writing and propose a realistic plan/timescale to put things right.
- If you think charges or requirements are unreasonable, get independent advice early.

Key takeaway (Breach letters): Don't ignore a breach notice. Respond calmly, refer to the clause, and keep everything in writing. Early engagement usually prevents costs escalating.

Watch out (Arrears): Ground rent and service charge arrears can escalate quickly once admin fees, interest (if allowed), and recovery costs are added. If you ignore letters, the issue can move from a simple query to formal action. Disputes also arise where interim payments don't match the year-end statement, or where leaseholders aren't sure what they're being charged for. **What to do:** ask for a clear statement of account and breakdown, put your concerns in writing, and if you dispute an amount consider paying the undisputed part to reduce risk while it's resolved.

10) Selling, transferring, or mortgaging: clauses to watch

If your lease was originally granted under the Right to Buy, the lease may include a clause requiring repayment of some or all of the discount if you sell within a set period (historically often three years, though rules have changed over time—check your specific paperwork). Leases also commonly require you (or your solicitor) to **notify the landlord** when the lease is assigned (sold/transferred), mortgaged, or inherited, and to pay a reasonable registration fee.

Key takeaway (Selling/transfer): When you sell or remortgage, delays often come from missing landlord information (service charge statements, building insurance details, or notice/registration fees). Flag these lease requirements early to your solicitor.

Watch out (Selling/remortgaging): Leasehold sales commonly stall because the paperwork trail is incomplete. Missing items often include evidence of **landlord CONSENT** for past alterations, guarantees for windows/doors/heating, the latest service charge accounts and budgets, buildings insurance details, and confirmation of any planned major works. Some leases also require formal **notices** to the landlord on sale/mortgage and payment of registration fees—these can take time to process. **What to do:** before marketing, gather consent letters/licences, completion certificates, and the latest statements; ask your solicitor early what the buyer's enquiries will require.

11) A quick “understand my lease” checklist

- **Term:** What is the lease start date and how many years remain?
- **What's included:** Exactly what is “demised” to you (check the plan)?
- **Payments:** What are the ground rent and service charges, when are they due, and how are they calculated?
- **Repairs:** What must you repair, and what does the landlord repair (and recharge through service charge)?
- **Alterations:** What needs written consent? Are there extra conditions (licences, approvals, insurance)?
- **Use and conduct:** What are the nuisance/noise/pets/common-parts rules?
- **Insurance:** Who insures the building, and what are you expected to insure yourself?
- **Rights:** What access, service, and parking rights do you have?
- **Enforcement:** What happens if there's a breach or a dispute, and what processes apply?

Key takeaway (Your next step): If you only do one thing, locate and mark these pages in your lease: (1) the **plan**, (2) the **repairs** clauses, (3) the **service charge** schedule, and (4) the **alterations/consent** clause.