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LEASE EXTENSION GUIDANCE REPORT

14 Alder House
27 Brook Lane
London SE15 4QJ

GUIDANCE CALCULATION DATE	REPORT REFERENCE
3 September 2026	DEMO-LHG-2026-0001

DEMONSTRATION REPORT - SAMPLE INFORMATION ONLY

This document uses a fictional property, fictional lease details and illustrative market evidence. It is provided only to demonstrate the structure and level of detail of the automated report.

IMPORTANT - AUTOMATED GUIDANCE ONLY

No valuation has been undertaken. This is not a formal or RICS valuation, survey, legal advice, professional opinion or recommended Section 42 notice figure. Obtain qualified valuation and legal advice before acting.

01

Important notice

AUTOMATED GUIDANCE - NOT A VALUATION

This report was generated automatically from sample information and sample evidence. No property inspection, professional valuation or legal review has taken place. No chartered surveyor, RICS Registered Valuer, solicitor or other professional has reviewed, approved or signed it.

The estimated premium range and central automated estimate are calculation guidance only. They may differ materially from a figure determined after inspection, professional investigation, negotiation, Tribunal proceedings, or changes in law, evidence or market conditions.

The report is not suitable for secured lending and does not recommend a settlement figure or a figure for insertion into a Section 42 notice.

You may choose to use report information for any lawful purpose, including as one input when deciding what premium to propose. Any such use is your responsibility and risk. A Section 42 notice must contain a genuine opening offer and should be prepared with advice from a solicitor and qualified valuer.

An automated explanation of a lease-extension calculation using stated inputs and assumptions.	A formal valuation, survey, inspection, legal opinion or professional recommendation.
A transparent estimated range with sensitivities.	A guarantee of the premium, settlement or Tribunal outcome.
A starting point for informed discussions with advisers.	A substitute for a solicitor or qualified valuer.

02

Executive summary

This demonstration models the statutory extension of a fictional two-bedroom flat under the leasehold regime treated as operative on the Guidance Calculation Date. The model assumes a 90-year extension and a peppercorn ground rent. The legal position must be checked again for every live report.

ESTIMATED PREMIUM RANGE	CENTRAL AUTOMATED ESTIMATE
£38,000 - £47,000	**£42,000**
Automated confidence	**Moderate**

Item	Sample report position
Property	Purpose-built two-bedroom flat, approximately 68 sq m, second floor, balcony and allocated parking.
Unexpired term	65.33 years as at 3 September 2026.
Current ground rent	£300 per year, increasing to £600 from 1 January 2059.
Long-lease market assumption	£385,000 central assumption; automated range £370,000 to £400,000.
Relativity	83.5% central assumption; sensitivity 82.5% to 84.5%.
Principal limitations	No inspection; fictional comparable evidence; lease provisions not solicitor-verified; reform may change the method.

Why confidence is Moderate

The lease dates and rent schedule are treated as clear, and three broadly relevant completed-sale comparables are available. Confidence is reduced because no inspection took place, floor area is user supplied, and relativity materially affects the premium.

03

Information used

Major inputs are labelled by source. A live report would pause where material sources conflict rather than silently selecting one.

Property address	14 Alder House, 27 Brook Lane, London SE15 4QJ	User supplied	Sample
Lease term	99 years from 1 January 1993	Document extracted	Sample lease
Ground rent	£150 / £300 / £600 stepped schedule	Document extracted	Sample lease
Floor area	68 sq m	User supplied	Not measured
Long-lease value assumption	£385,000	User supplied	Illustrative assumption
Comparable sales	Three completed transactions	Public data	Fictional demonstration
Condition	Generally good; kitchen updated 2021	User supplied	Not inspected
Tenant improvements	No material enhancement claimed	User supplied	Not verified

Unavailable or assumed: full title review, verified gross internal area, inspection evidence, service-charge accounts, evidence of tenant-funded improvements, superior-title interests and professional comparable adjustments.

04

Property information

The sample property is described as a second-floor flat in a purpose-built four-storey block completed around 1990. It has two bedrooms, one bathroom, an open-plan living and dining room, separate kitchen, balcony and one allocated parking space. The stated internal area is approximately 68 sq m.

The condition is reported by the fictional user as generally good, with a kitchen replacement in 2021 and routine decorative wear. This information has not been inspected or independently verified.

Type	Purpose-built flat	User supplied
Floor	Second floor	User supplied
Accommodation	2 bedrooms, 1 bathroom	User supplied
Area	Approximately 68 sq m	User supplied; not measured
Outside space	Private balcony	User supplied
Parking	One allocated space	Lease sample and user supplied
EPC	Band C (illustrative)	Sample public data

05

Lease information

Commencement	1 January 1993
Original term	99 years
Contractual expiry	31 December 2091
Unexpired term	65.33 years at the Guidance Calculation Date
Demise	The internal envelope of Flat 14; illustrative wording only
Rights	Allocated parking space 14 and shared access; illustrative
Variations	None provided in this demonstration

The unexpired term was calculated deterministically from the stated commencement, original term and Guidance Calculation Date. A live report would show the extracted wording to the customer for confirmation before calculation.

06

Market evidence

The following fictional transactions demonstrate how completed-sale evidence would be presented. They are not real Land Registry records and must not be relied upon.

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Flat 9 Alder House	£392,500	18 Jun 2026	2 bed; 70 sq m; long lease; parking; similar floor	Same building; strongest	Sample PPD
Flat 22 Rowan Court	£378,000	29 Jan 2026	2 bed; 66 sq m; long lease; balcony; no parking confirmed	Same development	Sample PPD
8 Cedar Mews	£401,000	11 Oct 2025	2 bed; 71 sq m; share of freehold; terrace; parking	Nearby; superior outside space	Sample PPD

The same-building sale receives greatest qualitative weight. The other two sales provide context for size, outside space and tenure. No unsupported numerical adjustment has been applied for parking, floor, condition or balcony differences.

Evidence limitation

The addresses, prices and dates on this page are invented demonstration data. A live report would cite the actual public sources and retrieval date for every comparable.

07

Long-lease value assumption

The fictional customer supplies a long-lease value assumption of £385,000. The calculation uses that assumption; no valuation has been undertaken. Fictional sale prices provide context only and do not independently establish long-lease value.

Customer assumption	£385,000	Controls this illustrative calculation
Illustrative value range	£370,000 - £400,000	Sensitivity illustration; not a valuation range
Central assumption	£385,000	Not independently verified

Why £385,000?

This is an illustrative customer-supplied input. Public sale prices do not establish condition, floor area, rights or remaining lease length. No automated median or qualitative adjustment replaces the supplied assumption. Ask a qualified adviser about an uncertain input.

08

Lease relativity

Relativity expresses the assumed value of the existing short lease as a percentage of the corresponding long-lease value, disregarding the tenant's statutory right where required by the applicable method.

Lower sensitivity	82.5%	£317,625
Central	83.5%	£321,475
Upper sensitivity	84.5%	£325,325

The 83.5% central assumption is illustrative and is not attributed to a single curve. A live report must research and explain the evidence appropriate on its Guidance Calculation Date.

09

Ground rent and term

The landlord's term interest represents the present value of ground rent that would otherwise be received during the existing lease. Each rent tranche is calculated separately.

1 Jan 1993 - 31 Dec 2025	£150	33	Expired at guidance date	£0
1 Jan 2026 - 31 Dec 2058	£300	33	32.33	£3,805
1 Jan 2059 - 31 Dec 2091	£600	33	33.00	£859
Total term				£4,663

Central capitalisation rate: 7.00% per year. This is a sample assumption, not a permanently fixed rate. The appropriate rate must be checked against current legal and market evidence for each report.

Term calculation: £3,805 for the £300 tranche plus £859 for the deferred £600 tranche = £4,663.

10

Reversion

The reversion represents the present value of the landlord's right to vacant possession at the end of the existing lease. The central model discounts the £385,000 long-lease value over 65.33 years at 5.00% per year.

Existing reversion	£385,000 deferred 65.33 years at 5.00%	£15,891
Reversion after 90-year extension	£385,000 deferred 155.33 years at 5.00%	£197
Diminution in reversion	Existing less extended	£15,695

The 5.00% deferment rate is an illustrative central assumption. A live calculation must check the legally and evidentially appropriate rate rather than treating it as fixed.

11

Marriage value

Under the regime modelled for this demonstration, marriage value is included because the unexpired term is below 80 years. In broad terms, it shares the increase in combined value produced by the extension after accounting for the interests given up.

Extended lease value assumption	£385,000
Plus extended landlord reversion	£197
Less existing lease value at 83.5%	(£321,475)
Less landlord term	(£4,663)
Less existing landlord reversion	(£15,891)
Increase in combined value	£43,167
Landlord's 50% share	£21,583

12

Detailed calculation

Capitalised ground rent / term	£4,663
Existing reversion	£15,891
Less extended reversion	(£197)
Marriage value	£21,583
Unrounded total	£41,942
Central automated estimate	£42,000

13

Estimated premium

ESTIMATED PREMIUM RANGE	CENTRAL AUTOMATED ESTIMATE
£38,000 - £47,000	**£42,000**
Automated confidence	**Moderate**

The range reflects plausible movement in the market-value and relativity assumptions around the central case. It does not represent a quoted price, professional valuation, recommended settlement or recommended notice figure.

The premium excludes the leaseholder's and landlord's professional costs, Land Registry fees, any tax, financing costs, disbursements and costs arising from a dispute or proceeding.

14

Sensitivities and key risks

Lower premium sensitivity	£370,000	84.5%	£38,000	Higher relativity reduces marriage value
Central	£385,000	83.5%	£42,000	Central sample assumptions
Higher premium sensitivity	£400,000	82.5%	£47,000	Lower relativity increases marriage value

Professional inspection differs from the sample description	May change the long-lease market assumption and comparable weighting.
Lease wording or rent schedule is interpreted differently	May change the term calculation or require legal advice before calculation.
Relativity evidence supports a different percentage	Can materially change marriage value.
Tenant improvements must be disregarded	May alter the relevant property-value assumption.
Law or prescribed methodology changes	May change extension length, rent treatment, rates or marriage value.
Superior or intermediate interests exist	May introduce additional interests or calculation components.

15

Current leasehold position

This demonstration applies the existing Leasehold Reform, Housing and Urban Development Act 1993-style valuation framework treated as operative on 3 September 2026. It models a 90-year addition to the existing term, peppercorn ground rent, landlord's term and reversion, and marriage value because the lease is below 80 years.

The Leasehold and Freehold Reform Act 2024 received Royal Assent, but major valuation changes must not be used merely because they were enacted or announced. Commencement regulations and current official guidance must be checked at the time of every live calculation.

Current-law control

A live report must record the Guidance Calculation Date, the legal-methodology version and the authoritative sources checked. If the operative law cannot be established with sufficient confidence, report release must pause.

16

Recommended next steps

Ask a qualified lease-extension valuer to inspect and advise	Professional judgment may change the market value, relativity, rates, range and negotiation strategy.
Ask a solicitor to verify the lease and eligibility	The notice, competent landlord, dates, title, rights and procedural deadlines require legal review.
Obtain advice before serving a Section 42 notice	The notice must contain a genuine opening offer. This report does not recommend or validate that figure.
Budget for costs beyond the premium	The landlord's reasonable statutory costs and your own professional fees may be payable.
Recheck law and evidence immediately before acting	Leasehold reform and market evidence can change after the Guidance Calculation Date.

17

Sources

1. Leasehold Reform, Housing and Urban Development Act 1993, legislation.gov.uk (operative framework modelled for this demonstration).
2. Leasehold and Freehold Reform Act 2024 and commencement materials, legislation.gov.uk.
3. GOV.UK, Extending, changing or ending a lease; and July 2026 leasehold reform update.
4. Leasehold Advisory Service, statutory lease-extension process, valuation and tenant's notice guidance.
5. First-tier Tribunal (Property Chamber) costs guidance, GOV.UK.
6. HM Land Registry Price Paid Data would normally be a primary achieved-sale source. All comparable entries in this demonstration are fictional.
7. Sample user inputs and sample lease extract created solely for this demonstration.

18

Full disclaimer and limitations

IMPORTANT - AUTOMATED GUIDANCE ONLY

This report has been generated automatically by Leaseholderguide.com from information supplied by the user, uploaded documents and publicly available information identified by the system.

No valuation has been undertaken.

This report is not a formal valuation, RICS valuation, Red Book valuation, survey, legal advice or professional opinion.

The report has not been reviewed, approved or signed by a chartered surveyor, RICS Registered Valuer, solicitor or other professional.

The figures provided are automated estimates for general guidance only and may differ materially from figures determined following professional investigation, negotiation, Tribunal proceedings or changes in law or market conditions.

You should obtain appropriate professional valuation and legal advice before relying upon this information for a statutory notice, negotiation, transaction or other financial or legal decision.

You may use the information lawfully, including as one input when considering a Section 42 notice. We do not approve or validate a notice figure. Obtain a solicitor and qualified valuer before serving a notice. Statutory landlord costs and tribunal or court costs may arise, including for unreasonable conduct.

No inspection has taken place. Property facts, documents and public sources may be incomplete, outdated or incorrect. Not every title issue, lease provision, transaction or legal development will necessarily be identified. Check material assumptions with a qualified adviser.

The report is prepared only for the purchasing customer. It does not create a surveyor-client, solicitor-client or other professional-client relationship. No third party should rely on it. It must not be used for secured lending and should not be represented as a professional valuation.

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END OF DEMONSTRATION REPORT