

➤ **What is the difference between leasehold and freehold?**

If you purchase a freehold property in England or Wales, you will own the home and the land it is built on. There may however be a Freehold company who owns the estate areas, such as communal car parking or garden areas.

Some developments of freehold houses have the benefits of shared facilities or areas which have to be managed and the associated costs of this paid for by the house owners. There will generally be less maintenance required compared to a typical block of apartments, however, maintenance costs may include electronic gates, shared grounds, areas of open space and private roads and drainage that are not adopted by the local authority or utility companies. This is why some find themselves still having to pay a service charge, even though they own a freehold house.

Where there are shared areas Property Owners Liability (Public Liability) insurance will need to be arranged.

Where a development is mixed and comprises of houses and apartments and in some cases commercial properties, the costs are apportioned fairly between the various elements and this is reflected in the service charge.

If you buy a leasehold property you are actually buying the rights to live in a property for a set period of time. You will not own the structure or the grounds it is situated on.