



# LEASE OPTION

Dynasty Homes Ltd is committed to working with you as a homeowner who is looking to sell his or her property in the future to achieve a smooth and painless sale at the end of a pre agreed number of years, based on negotiations and terms agreed on the Heads Of Terms (HOT) which will be formalised on a legal contract. We aim at reaching a reasonable conclusion after discussions which will present a win-win situation to you the homeowner (seller) and to Dynasty Homes Ltd (Buyer).

Simply put, lease means we will come into a legal arrangement with you the homeowner to rent your property for a pre agreed period or term say 10 years during which we will pay you a pre agreed rent each month and at the end of the agreed term, we the buyer 'Dynasty Homes Ltd' will exercise the option to either buy the property for the pre agreed price or not to buy the property at all.

The legal agreement with you the homeowner could have various clauses such as break clauses (Rolling break or Fixed break), exits, assignable clause, clauses regarding maintenance and repairs etc which will all be based on negotiations and will be initially drawn up on the Heads Of Term to facilitate discussions between both parties before being transferred to the legal contract once agreed and concluded upon with legal representatives of both parties.



The rent agreed will typically be a little over the monthly mortgage payment on the property if any. Hence, leaving you the homeowner with surplus after your monthly mortgage repayment is made. We 'Dynasty Homes Ltd' on the other hand can in turn rent out the property under a lease option.

Also, based on agreement, the buyer in this case Dynasty Homes Ltd has to do a down payment of at least £1 as part payment for the property.

## EXIT OPTIONS

- EXERCISE THE OPTION TO BUY

Here we the buyer 'Dynasty Homes Ltd' can choose to exercise the option to buy the property at the end of the agreed term using either a mortgage or other sources of funds. For a mortgage, we will put a Loan To Value (LTV) mortgage of 75% - 90% on the property from which you the seller/homeowner is paid the balance left of the pre agreed amount for the property.

- EXERCISE THE OPTION NOT TO BUY

Here, the buyer in this case Dynasty Homes Ltd can choose not to go through with the purchase of the property for any reasons best known to us. This can be exercised by invoking either the break clause (6 months fixed break or 6 months rolling break) or the Assignable clause in the contract:

## 1. BREAK CLAUSES.

- **6 Months Fixed Break:** The buyer 'Dynasty Homes Ltd can exercise the option not to buy and exit the contract after the first 6 months into the contract by invoking the 6 months fixed break clause.
- **6 Months Rolling Break:** The buyer 'Dynasty Homes Ltd can exercise the option not to buy and exit the contract at any point within the agreed term giving a prior notice of 6 months to the homeowner (seller)

## 2. ASSIGNABLE CLAUSE.

Where the buyer (Dynasty Homes Ltd) chooses not to buy at any point in time within the agreed term or period, Dynasty Homes Ltd can activate the Assignable clause stated in the contract. As stated within the assignable clause, Dynasty Homes Ltd has the liberty to sell off the lease option agreement (assign) to an interested party for an agreed price different from that which was agreed with the homeowner (seller) and based on the current value of the property. From out of the proceeds of the sale of the lease option agreement, Dynasty Homes Ltd will pay the homeowner (seller) the pre agreed price of the property.

## BENEFITS OF DOING A PROPERTY LEASE OPTION WITH DYNASTY HOMES LTD

- A property lease option with Dynasty Homes Ltd offers a good and advantageous option for sale of your property in the future if you currently have a negative equity on the property. As you the homeowner (seller) stand a good chance of having to sell your property for profit on a pre-determined future date.



- You the homeowner (seller) is guaranteed a consistent cash flow each month throughout the agreed term as long as we 'Dynasty Homes Ltd' (buyer) does not at any point in time within the agreed term exercise any of the break clauses as stated in the contract.