

A Guide for Leasehold Customers Who Own Shared Ownership Houses



Guide for Leasehold Customers

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1. Welcome

We wish you a warm welcome to Muir Group Housing. We are very pleased that you have chosen to buy a home from us. We hope that you will be satisfied with your home and the services that we will be providing to you whilst you are with us. It is our aim to provide you with the services that you require and allow you to live happily in your new home.

This handbook explains most of what you need to know about being a leaseholder and living in your home. If you have any queries please do not hesitate to contact us on 01928 728000. It would be helpful if you have your tenant reference number when you call.

Whilst this document is meant to be a helpful clear summary of the information we believe you need it is not a substitute for the lease which sets out the formal legal agreement between you and Muir Group Housing.

2. About us

We were set up in 1968 and are registered with the Financial Services Authority and the Tenant Services Authority. We are also members of the National Housing Federation.

We are an exempt charity. This means we are a charity for tax purposes but not registered with the Charities Commission because of our registration with the Tenant Services Authority who act as our official regulator.

As a housing association, we are a non-profit making organisation run by a non executive board of members. We provide housing and related services to a range of people of varying needs including those who need help to get on the housing ladder.

Our head office is in Chester. We also have offices in Blackpool, Burnley, Helsby, Huntingdon and Winsford.

We manage approximately 4,500 homes in 34 council districts. Our housing is mostly for rent, with some shared ownership housing.

3. Data Protection Act

We agree that we will follow the Data Protection Act 1998, as amended from time to time. We will allow you to inspect information about you, which we hold on file or computer, if you give us reasonable notice. We are allowed to charge a fee to cover the costs of this service.



4. Fairness and Equal Treatment

We are committed to treating everyone equally and fairly. This includes our residents and people who apply to us for housing. We aim to make sure that no one receives less favourable treatment for any reason. If you feel you have been treated unfairly, or if you feel we have treated you differently to someone else, please raise the matter with our Customer Services Team.

5. Leasehold explained

You have purchased the leasehold rights to your home. This means that you have the right to occupy and live in the property for a set number of years. The rights you have purchased are set out in the lease you have signed, as are the responsibilities of Muir Group Housing.

The lease is the contract that exists between you (the 'lessee' or 'leaseholder') and us the landlord (the 'lessor') and sets out the rights and responsibilities of both of us.

6. Shared ownership explained

Shared ownership has been available since the early 1980's and is designed to help more people to become homeowners. As the title suggests, it involves people buying a share in a property, usually 50%, and paying rent on the 50% still owned by the lessor, in this case Muir Group Housing. The basic principle is that the cost to the shared owner who purchases by this method should be lower than the cost to buy 100% of the equivalent property on the open market. In practice it is our aim for the combined cost of rent and mortgage for a shared ownership property to be approximately 70-75% of the equivalent full purchase cost.

To make the scheme work, some kind of subsidy is usually needed and this comes in either the form of a grant from the Homes & Communities Agency (or other funding agency) or through an indirect subsidy via the planning system.

As a result of this subsidy, we impose qualifying criteria for people to be able to benefit from the scheme. These criteria include minimum and maximum income limits, occupancy levels and housing circumstances including local connections.

Muir Group must approve your mortgage, including any re-mortgage.

Once a 50% share has been purchased in a property, and after a qualifying period (this may vary), it is usually possible to buy further shares. It is also possible to sell your interest in the property.



Thus, in summary, the scheme provides an opportunity for people to get a foothold on the housing ladder at a lower cost than otherwise would be the case.

7. Obligations under the lease - yours and ours

In order to purchase a property through shared ownership it is necessary to enter a lease agreement. This lease is a formal legal document that gives you the right to occupy the property and sets out the rights and obligations of you as the leaseholder (or lessee) and us the landlord (or lessor). The terms of the lease cannot be changed without the agreement of both of us or by an Act of Parliament.

The lease you have purchased is likely to be for 99 or 125 years.

Under the terms of the lease you are required:

- To pay the rent
- To pay the service charge
- To pay all outgoings on the property such as council tax, water gas and electricity charges
- To keep the the property in good repair and decoration
- Not to carry out alterations without prior written consent
- To allow our staff and contractors access to the property following reasonable notice (unless in a genuine emergency)
- To observe any rules we may set for the proper running of the scheme
- Not to sub-let the property or part of it

If you or we do not keep to the terms of the lease then this is considered to be a 'breach of the lease'. Legal action can be taken against the party that has breached the lease to compel them to comply with the legal obligations.

Ultimately, if you were to continue to breach the terms of your lease we could apply to the County Court to have your lease 'forfeited' or cancelled. This would mean you would have to leave your home. We would take possession and you would not be entitled to compensation. This is something that we would seek to avoid but could happen in an extreme case.

8. Rents and service charges

The amount of rent that you pay to us is usually determined by the percentage of the property we still own. The smaller our share, the lower your rent will be.



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In addition to the rent, you may pay a service charge to cover the cost of things like estate maintenance or communal lighting, and insurance where these costs are applicable to your scheme. Details of services on your development will be provided in your Welcome Pack. If you need further information, please contact the Customer Services Team.

In nearly all cases you will be required to continue paying the service charges levied in full, irrespective of the amount of the property you own. This is because these costs do not reduce as a result in your increase in ownership.

The rent and service charge is due and payable in advance on the first of each month by standing order or direct debit. You may also pay your rent and service charge by payment card which will be sent to you when you first move in or on request.

We conduct our rent reviews each year to take effect from the first of April and will give you at least one month's notice of any increase. Under the terms of the lease we are allowed to review and increase your rent every twelve months apart from in the first year when the period may be less.

If rent is paid late, we have the right under the terms of the lease to charge interest on the outstanding balance until your account is clear or in credit. Where we have to issue any legal notices to you for non-payment of rent and service charge, we will levy an administration fee for doing so together with any additional costs we incur.

Failure to pay your rent and service charge or mortgage repayments could result in you losing your home. If at any time you have problems paying any of these, please contact us immediately. Depending on your circumstances, you may be able to claim housing benefit and we may be able to help you with such a claim.

9. Service Charges - further details

Your contribution to the service charge will be determined by your lease and in most cases this will be the total service charge divided by the number of units on the development.

The following is a list of the types of cost likely to be incurred:

- Buildings insurance
- Maintenance of communal landscaping or other communal facilities
- Our management charges and administration of services

10. Repairs and maintenance

You are responsible for all repairs or maintenance to your home.



GAS - You are strongly advised to get all gas heating appliances serviced by a Gas Safe Register qualified (previously CORGI) engineer at least once a year for your own safety and that of your neighbours.

11. Buildings Insurance

Under the terms of the lease we are responsible for insuring your home with regards to the building (i.e. bricks and mortar). We are not obliged to provide insurance to cover your contents. We would strongly advise you to consider taking out insurance to cover your contents and personal belonging such as carpets, furniture, electrical goods and clothes etc.

The buildings policy that we arrange covers damage that may occur to the property due to storm or accidental damage. It also covers the cost of rebuilding the property should there be a fire or other catastrophe. If as a result of this, your home becomes uninhabitable, the insurance policy will cover the cost of comparable temporary accommodation.

Under the terms of the policy we arrange, there may be an excess premium to be paid.

If you make a claim under our policy for damage to fixed internal fixtures and fittings, e.g. sanitary fittings or kitchen units then you may have to pay the excess.

Each year we will send to you a summary of Insurance Cover. Details of who to contact should you need to make a claim will be included with this summary, together with what the current excess premiums are.

12. Consultation

We encourage the formation of residents' associations and are happy to help with setting one up. You have the right to form a residents' association along with others living on the same development. Residents' associations provide a useful forum to discuss matters where there is an interest in common. The law gives greater consultation rights to recognised residents' associations than to individual residents on certain issues. For further information please contact the Customer Services Team.

13. Compliments, comments and complaints

We strive to provide you with a good service and in order to do that we value your comments and feedback so that we may properly assess what



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it is you want and value. We therefore welcome compliments, comments and feedback on the services we provide so that we may maintain those services you value, and are happy with, and improve those with which you are unhappy.

Despite our best efforts there may be occasions when you wish to complain about the standard of service. We have a formal complaints procedure, a copy of which is available on request. Details of our complaints procedure can be found in a factsheet available from any of our offices or from the Association's website. We try to resolve any complaint as quickly as possible.

14. Making improvements

If you wish to make improvements or changes to your home, you should contact us first to see whether you need our consent. We would not normally refuse any reasonable request. You should note that if you sell your home at a later date you are not guaranteed to recover the cost of the work you have had done.

We will not give permission to you to extend your home or make improvements that will affect the communal grounds.

15. Selling your home

If you wish to sell your home, you must follow the procedures laid down in your lease.

The procedures are broadly as follows:

Write to us to notify us of your intention to sell. Some leases stipulate that the Association must be given the first option to re-purchase the property. We may be able to find a purchaser from our record of interested applicants and we reserve the right to use the nomination period (detailed in your lease) to contact them. You will also need to obtain an open market valuation for the whole of your property from an independent qualified valuer (the valuer should be a member of the Royal Institute of Chartered Surveyors). The cost of the survey is your responsibility.

Provide a copy of the valuation report to us so we can agree the valuation and confirm the price you can ask for your share of the property. So, for instance, if the property has been valued at £100,000 and you own 50%, you can sell your share for £50,000. You cannot sell it for more than this, but you can accept less should you wish to.

When we have agreed the asking price with you, and we have confirmed in writing that we do not wish to re-purchase the property or nominate any suitable applicant, you will be free to advertise your share in the property with an estate agent or market it yourself. At this stage you



may be required to provide a Home Information Pack and must seek your own advice in respect to this. You must only advertise the proportion of the house that is yours to sell. Any estate agents fees will be your own responsibility. At this point we will also remind you of the eligibility criteria that must be met in order for us to give our consent to someone buying your share in the property.

When you have found a buyer then you need to obtain our consent to them buying your share of the property. We will need your buyer to complete an application form. Please note that you and the buyer are responsible for your own legal fees.

It is advisable to contact us immediately if you wish to sell your home so that we can go through the requirements with you, as the above is only intended to be a brief guide.

16. Buying more of your home or ‘Staircasing’

In most cases shared owners have the ability to buy further shares in their home. The detailed terms will be set out in your lease. Depending on the terms of your lease you may be able to purchase 100% of your property, however in some cases there are limits imposed.

The process of increasing your ownership in the property is known as ‘Staircasing’.

If you wish to buy extra shares in your home then the procedure is broadly as follows:

Write to us to notify us of your intention to staircase. We need to obtain an open market valuation of your property, disregarding any improvements you have made, from an independent valuer. Before we instruct a valuer we will agree with you who is to be instructed and we will also require you to pay us the valuer’s fee. The fee is not returnable if you ultimately decide not to proceed with purchasing extra shares in your property.

Once we have received the valuation we will provide you with a copy within 7 days and tell you how much it will cost to buy any extra shares in your property. We will also tell you what the revised rent and service charge payments will be following purchase of the extra shares. The valuation report is usually valid for three months so the ‘Staircasing’ process needs to be completed within this timescale, otherwise it may be necessary to have an updated valuation.

If, after you have received details of the valuation, you wish to proceed, you will need to arrange for the funds to be made available to pay us for your further shares. If you already have a mortgage then it may be advisable to contact your mortgage provider in the first instance.



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You will need to give us the details of the solicitor who is acting for you. We will then contact them with the details of the purchase price etc. You will be responsible for your own legal fees as will we.

From this point on, the purchase will normally take four to six weeks to complete. When a completion date is known we will inform your solicitor of any outstanding rent or service charge up to the date of completion so your account may be finalised.

Following completion we will inform you of the rent (if you have not purchased 100% of your property) and service charge that is now payable.

17. Contacting us

You can contact us between the hours of 9:00 a.m. and 5:00 p.m. Monday to Friday through the Customer Services Team on 01928 728000 (Textphone - 01928 728066).

By letter or person at:

Muir Group Housing Association Ltd
Oakmere House,
Mere's Edge
Chester Road,
Helsby
Cheshire
WA6 0DJ

Facsimile: 01244 404026

Email: info@muir.org.uk

Website: www.muir.org.uk



18. Other useful contacts

It may be useful for you to know that you can get information about your rights from other bodies that are independent from us. Below is a list of those bodies that we consider may be of interest to you:

Department for Communities and Local Government

Communities and Local Government
Leasehold and Park Homes Team
Zone 2/H10
Eland House
Bressenden Place
London
SW1E 5DU

Tel: 020 7944 4287
E-mail: leasehold.reform@communities.gov.uk
Website : www.communities.gov.uk/housing

The Leasehold Advisory Service (LEASE)

LEASE is an executive non-departmental public body which is funded by the government to give free initial advice on landlord and tenant law affecting residential properties. It is staffed by officers with legal training.

The Leasehold Advisory Service
2nd Floor
31 Worship Street
London
EC2A 2DX

Tel: 020 7374 5380 (Lo-call: 0845 345 1993)
Fax: 020 7374 5373
E-mail: info@lease-advice.org
Website: www.lease-advice.org

The Tenant Services Authority

The Tenant Services Authority is the national Government agency that and regulates housing associations in England.

The Tenant Services Authority (Enquiries Team)
1 Park Lane
Leeds
LS3 1EP

Tel: 0845 230 7000
Email: enquiries@tsa.gsx.gov.uk
Website: www.tenantservicesauthority.org



Do you need help to read this? Please contact us
Tel: 0300 123 1222 or Textphone (Minicom): 0300 123 3005



Arabic

هل تحتاج إلى مساعدة لقراءة هذا؟ يرجى منك الاتصال بنا

Somali

Ma u baahan tahay in lagaa kaalmeeoyo akhrinta feylkan? Fadlan nala soo xiriir.

Turkish

Bunu okumak için yardima ihtiyaciniz var mi? Lütfen bizimle kontak kurunuz

Portuguese

Necessita de ajuda para ler isto?
Entre em contacto conosco

Punjabi

ਕੀ ਇਹਨੂੰ ਸਮਝਣ ਲਈ ਤੁਹਾਨੂੰ ਮਦਦ ਦੀ ਲੋੜ ਹੈ? ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੇ ਨਾਲ ਗੱਲ ਕਰੋ।

Polish

Potrzebujesz pomocy, aby to przeczytać?
Skontaktuj się z nami.

This document is also available in alternative formats, large print, audio or any other language upon request.

Muir Group Housing Association Limited

You can contact us by:

- By Telephoning our Customer Services Team on: **0300 123 1222**
- By Textphone (Minicom) on: **0300 123 3005** or by using the Text Relay service and calling **18001 0300 123 1222**
- Via our website at www.muir.org.uk
- By sending a text message to: **07537 404678**
- By email to info@muir.org.uk
- In person by speaking to any member of staff
- Or by requesting a home visit
- **By writing to us:**
PO BOX 136, Frodsham, WA6 1AW
- In person at any of our offices listed below

Registered Head Office:

Old Government House, Dee Hills Park, Chester, Cheshire CH3 5AR

Area Offices

Blackpool:

67 Chepstow Road, Blackpool, Lancashire FY3 7PH

Burnley:

Second Floor, Lodge House, Lodge Square, Cow Lane, Burnley, Lancashire BB11 1NN

Glebe Green:

28 Vauxhall Way, Glebe Green, Winsford CW7 1NG

Helsby:

Oakmere House, Mere's Edge, Chester Road, Helsby, Cheshire WA6 0DJ

Huntingdon:

Stable Court, Ferrars Road, Huntingdon, Cambridgeshire PE29 3DH



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