

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

## An introduction to Leasing through shared ownership

We aim to provide a professional, customer focussed and informative service to our customers, promoting compliance with the terms of the Lease.

A shared ownership lease is a legally binding contract between the purchaser and Lace Housing Limited and is a very important document as it sets out the leaseholder's obligations and rights and details of what our obligations and rights are, as the Landlord/Freeholder. It is therefore important that you understand the Lease. If you are unclear about anything you must discuss this with your solicitor or a legal representative. Free advice can be obtained from the Citizens Advice Bureau.

To assist you, we have produced this Fact Sheet highlighting a summary of the main areas of a Lease. This is general guidance, and varies from Lease to Lease. Always refer to the original Lease which is the legal contract.

## What does being a leaseholder mean?

When purchasing a leasehold interest, this means you have the right to live in your home for a certain period, and where you have purchased a specified amount of the equity in your home, you will not have to pay rent, or the ground rent will be a nominal sum of a 'peppercorn'. Our leases are usually granted for a Term of 125 years from the original date of purchase, so if you purchase a lease after the initial sale, you will acquire the remainder of that lease Term.

You will be required to pay towards the upkeep and repair and maintenance of communal areas. This amount is set out within a Service Charge breakdown and can vary from year to year.

## The conditions attached to the lease

The Lease sets out specific conditions or responsibilities that you have as a Leaseholder and we have as the Landlord/Freeholder.

**Age Criteria:** The property has been developed for sale to older persons with a minimum age requirement of 55. This means it cannot be sold to any persons under that age.

**Share:** Due to the property being sold as an older persons shared ownership product, you will only be able to purchase up to a maximum equity share, this being dependent upon our own internal funding arrangement for the property you are purchasing. This means that we will retain the remainder of the share, for example: if the Lease on the property you purchase stipulates you can only purchase a 75% share, we would hold the remaining 25%, in perpetuity and therefore the property would not be able to be staircased up to the full 100% equity ownership (outright sale). There are a few leases on a higher percentage, in this case please refer to that Lease.

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

**Local connection:** Some schemes have a local connection criteria set out by the Local Authority which we will endeavour to meet before widening the offer to those outside of that designated area.

**Income and Assets:** Any equity from the sale of a home and assets will be taken into account when assessing whether an applicant for an older persons shared ownership lease is eligible for a particular property within a scheme. This is carried out on an individual basis. Savings are not usually a factor in this, unless they have been acquired from the sale of a property or would enable a buyer to purchase a similar property on the open market in that area.

**Other Property:** Homeowners will be required to sell their existing property in conjunction with purchasing the Lease. It is not possible for a Leaseholder to have two properties at any one time. If there are exceptional circumstances which prevent this, this will be dealt with on a case by case basis and we may require permission from Homes England before the sale can proceed and this permission will be sought by us.

**Resales, Right of First Refusal:** In the event you wish to sell your home, you will need to contact us. We will provide the details of our solicitor for you to pass to your own solicitor.

The terms of the Lease places certain requirements on you with regard to the sale. You are not entitled to sell the property without our consent and we require leaseholders to offer the property initially to qualifying applicants nominated by us. If we are not able to supply a nomination within 8 weeks, we will agree for you to sell the property on the open market with the understanding that the prospective purchaser completes an application with us and undertakes any assessment required for that scheme. We will carry out checks to ensure that the proposed purchaser meets all the criteria for the scheme and terms of the Lease. The sale will be permitted to proceed when all of these checks are completed and we have confirmed the proposed purchaser is eligible for the property.

You must also pay our reasonable administration and legal costs and charges (as determined by us) connected with the proposed sale. This will be no less than a sum equal to 1% of the purchase price or transaction consideration. The buyer will also need to reimburse us for the costs incurred by our solicitors for the registration of the notice that the sale has completed.

**Death of a leaseholder:** In the event of the leaseholder's death, the property will form part of the deceased's estate and is dealt with by their representative who will also deal with the deceased's other assets. This forms part of the probate process. The representative will need to inform Lace Housing Limited what they plan to do with the property. It is important to check the Lease fully to determine that outcome. If the Lease is jointly owned, the remaining tenant will normally succeed but should the Lease be held as 'tenants in common' different rules apply, so legal advice must also be sought from a solicitor. You also need to inform us so we can update our records and any changes to land registry and other documents will need to be amended.

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

**Assignment:** the Lease must not be assigned without our express permission. It must not be assigned to any person under the age of 55 with the exception of a deceased leaseholder's spouse.

**Subletting or Underletting:** Is strictly prohibited within the Lease. The only exception to this is if the leaseholder is experiencing financial hardship as a result of being unable to sell the property on the open market. We would usually expect the property to have been on the market at the open market value for at least 6 months, and where it is recognised that the property market is suppressed before approving any sub-letting. In such circumstances we will instruct our solicitor to approve any proposed tenancy agreement and the legal costs incurred will be charged to you.

**Immigration Act Status:** All leaseholders are required to provide their immigration status prior to purchase to legally establish that they can afford and sustain home ownership in the longer term.

**Temporary Absence:** If you are absent for more than 28 days, this may invalidate the buildings insurance so it is important to let us know if you are going to be away for longer than 28 days

**Repairs and Maintenance:** See 'What you are responsible for' attached.

**Alterations and Improvements:** There are some restrictions on making alterations and improvements within the Lease and additionally there may be further conditions imposed by a planning permission or planning agreement affecting the property. These planning conditions are your responsibility to investigate and comply with. Our permission would need to be sought before any alterations or improvement can be considered. Please see the section on 'Making Alterations and Improvements'. There may be additional local restrictions in place, please refer to the information sheet specific to the scheme for more details.

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

## What is a leaseholder responsible for?

As a Leaseholder you would be responsible for all repairs to your premises but we, as your Landlord, are responsible for maintaining the communal areas and our estate. You pay towards required works to any communal and estate services via the Service Charge.

The exact details of specific repairs and other responsibilities are contained within the Lease. Always refer to the original lease which is the legal contract as these may differ from lease to lease, however in order to help you understand these, please refer to the table below which may help determine responsibility:

Elements of the Building or other responsibilities	LACE HOUSING LIMITED (to arrange)	Leaseholder
Pay the Service Charge		√
Pay Rent (Peppercorn)		√
Pay for any damage you cause in communal areas		√
Buildings Insurance – covered within the Service Charge and therefore reimbursed by you	√	
Contents Insurance – we would strongly advise you to take out contents insurance		√
Pay your share of the cost of communal repairs		√
Pay your share of required works carried out in communal areas – covered within the Service Charge		√
<b>Communal – Estate Services (covered within service charges)</b>		
Car parking areas – repair and maintenance, litter pick	√	
Communal gardens, pathways etc – cut grass, weed, trim/prune shrubs and bushes, tree work	√	
Communal Lift – routine maintenance, repairs and renewal	√	
Communal hallways and areas – internal cleaning, internal decoration	√	

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

Elements of the Building or other responsibilities	LACE HOUSING LIMITED (to arrange)	Leaseholder
Communal TV aerial and or dish – repair and maintenance	√	
<b>Communal - Estate Services (continued)</b>		
Communal doors and intercom - (where provided)	√	
Communal refuse bins - (where provided)	√	
Communal day to day repairs (your share of the costs)	√	
Communal major works (your share of the costs)	√	
<b>Decoration</b>		
Internal decorations to apartment or bungalow		√
Decorations to communal areas – internal and external	√	
<b>Doors (front door to apartment or bungalow)</b>		
External Door frame		√
Front Doors – replacement doors must be fire rated and ideally match the original (you must get written permission)		√
Door handles, door locks, letterbox, lost key		√
Additional security		√
Internal doors and frames		√
Communal doors – covered within Service Charge	√	
<b>Drainage and Pipework</b>		
Blockage to shared drainage pipes – covered within Service Charge	√	
Blockage within apartment or bungalow		√
Internal pipes solely serving the apartment or bungalow		√

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

<b>Elements of the Building or other responsibilities</b>	<b>LACE HOUSING LIMITED (to arrange)</b>	<b>Leaseholder</b>
<b>Electrical</b>		
<b>Faults within the leased apartment or bungalow – e.g. fuses, extractor fans, light fittings, plug sockets</b>		√
<b>Communal lighting – covered within Service Charge</b>	√	
<b>Communal entrance intercom system - covered within Service Charge</b>	√	
<b>Electrical safety checks in communal areas - covered within service charge</b>	√	
<b>Electrical Safety checks (internal to apartment or bungalow)</b>		√
<b>Fire Alarms (where fitted)</b>		
<b>Fire Alarm (communal areas or within apartment where integrated into communal system)</b>	√	
<b>Stand-alone Fire detection within apartment or bungalow</b>		√
<b>Floors within apartment or bungalow</b>		
<b>Floorboards, tiles, concrete screed, other floor coverings</b>		√
<b>Joists - bungalows</b>		√
<b>Joists - apartments</b>	√	
<b>Skirting boards</b>		√
<b>Gas (where provided) in an emergency contact Transco</b>		
<b>Gas escapes within apartment or bungalow</b>		√
<b>Gas appliances</b>		√
<b>Gas servicing</b>		√

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

Elements of the Building or other responsibilities	LACE HOUSING LIMITED (to arrange)	Leaseholder
Annual gas safety check (internal to apartment or bungalow)		√
We recommend that all leaseholders carry out an annual gas safety check as not doing so could invalidate the building insurance if your appliance caused a gas explosion		
<b>Gutters</b>		
Communal gutters to apartments	√	
Gutters to bungalows		√
<b>Heating</b>		
Communal heating - covered within Service Charge	√	
(e.g. boiler, radiators, and pipes connected to a communal heating system)		
Individual Heating systems in apartments or bungalows		√
<b>Plumbing</b>		
Plumbing within the apartment or bungalow		√
(e.g. burst pipes, stopcocks, taps and washers, hot or cold water tanks, nailed pipes, leaking pipe joints)		
Main storage tank (in communal area) - covered within Service Charge	√	
Communal waste pipes - covered within service charge	√	
<b>Roofs</b>		
External and internal roof structures above plasterboard ceiling in bungalows		√
Loft Space to Apartment blocks	√	
Loft Space to Bungalows		√
Solar Panels on apartments – covered within Service Charge	√	
Solar panels on bungalows		√

	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

<b>Elements of the Building or other responsibilities</b>	<b>LACE HOUSING LIMITED (to arrange)</b>	<b>Leaseholder</b>
<b>Walls and Ceilings</b>		
<b>Internal walls and ceilings within apartments and bungalows</b>		√
<b>External Structural walls and internal communal walls and boundary/retaining walls - covered within service charge (apartments only)</b>	√	
<b>External Structural Walls and internal walls within bungalows</b>		√
<b>Windows (split apartments and bungalows)???</b>		
<b>Window Frames</b>		√
<b>Glass in windows</b>		√
<b>Additional security</b>		√
<b>Window cleaning to leaseholders apartment or bungalow</b>		√
<b>Window Cleaning to Apartment block and communal windows- covered within Service Charge</b>	√	



	LH	Leaseholder Fact Sheet	Version No.	Date of last version
	Function: Housing & Support		1.0	April 19

## Alterations and Improvements to your home

Before you carry out any alterations or improvements to your home you must first check any restrictions within the Lease. If you wish to make any alterations or improvements you must first seek permission from us before undertaking any work. There are some restrictions within leases that prohibit any additional building on the land, i.e. extensions and conservatories, or external decoration.

Some examples of alterations or improvements that would require permission are:

- Removing walls
- Replacing windows
- Replacing external doors
- Moving a bathroom or kitchen within the property
- Any pipework connected to other services (e.g. drainage, guttering etc.)
- Installing satellite dishes and TV aerials (additional to those supplied)
- Reducing the height of doors which could affect fire spread and removing door closers on fire doors

You will be supplied with an information sheet relevant to the property you are purchasing which will give more detailed advice on alterations and restrictions within that particular scheme.