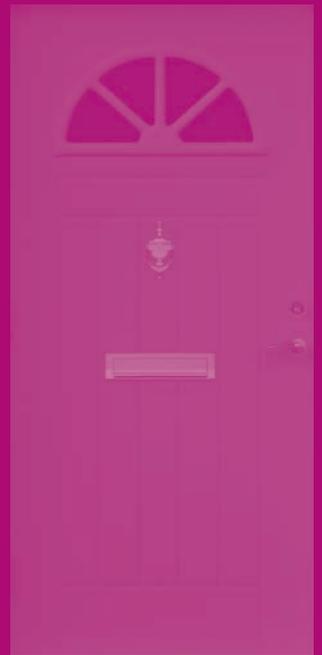


**SHARED  
OWNERSHIP  
HANDBOOK**



# Welcome.

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We have put together this handbook as a guide for our shared owners. It describes your rights and responsibilities as a shared owner of a Hastoe property. It also provides information on our responsibilities and the service you can expect to receive from us.

This handbook is for information and guidance only. It is not legally binding and does not replace your lease agreement, which sets out in full the legal terms and conditions of your lease with Hastoe.

## Contents

1. What is shared ownership?
2. The lease
3. Your rights and responsibilities
4. Rents and service charges
5. Repairs and improvements
6. Staircasing (buying further shares)
7. Selling your home (assigning your lease)
8. Insurance
9. The housing market
10. What you can expect from Hastoe
11. Useful contacts

# 1.

## What is shared ownership?

Shared ownership is a scheme designed to help those who cannot afford to buy a home outright. This may be because they cannot afford the full mortgage repayments, or the deposit, or both.

With shared ownership you buy a share in a property and then pay a subsidised rent on the remaining share. You would normally fund the purchase by means of a deposit and a mortgage. Your initial share may be as little as 30% or as much as 75%.

You may be able to buy a greater share when your finances allow, until you own your home outright. This is not possible with some Hastoe homes. This is explained in more detail in section 6, below or in your lease.

# 2.

## The lease

The lease is the legal document between you and Hastoe. It sets out the rights and responsibilities of Hastoe (as landlord) and the owner of the flat or house (as shared owner and leaseholder). The lease gives you a long term interest in your home, but we own the freehold and the land on which the house or flat is built.

When you bought your home your solicitor should have

explained the terms of the lease and the responsibilities you were taking on. You should also have received a copy of the lease. If you have never received one then you should ask your solicitor to forward you a copy. If you have mislaid your lease we can provide a copy, but there will be an administrative charge for this as set out in Appendix 1. You should keep your lease in a safe place; as we have said, it is a legally binding document. If you bought your property from new then the lease will probably be for a period of 125 years and it will have your name on it. If you bought the property from someone else then you should have received a Notice of Assignment from your solicitor confirming that you have purchased the lease for the remainder of the term. Please note that the original owner's name will remain on the lease itself.

You can get further advice on leases from the Leasehold Advisory Service at [www.lease-advice.org](http://www.lease-advice.org) or by phone at 020 7383 9800.

### Types of shared ownership lease

Hastoe uses the standard shared ownership lease issued by the Homes & Communities Agency (HCA) and these are known as the protected areas lease with an 80% staircasing restriction and the standard non restricted shared ownership lease. The protected

areas lease is used when the development that has a section 106 planning agreement on it that restrict the usage of the land. The common restrictions are that you must be able to demonstrate a local connection to the village. The lease is restricted to a maximum of 80% ownership. This means that the housing association retains 20% so that when the purchaser wishes to sell, we can ensure that the property goes to an eligible person in line with the section 106 criteria. You would usually find that this lease is used on developments in small rural villages with a population under 3000.

For any other development in a city or market town with a population over 3000 you will find the non restricted lease being used this allows the purchaser to staircase to 100% and own the freehold. If you purchased your shared ownership property over 10 years ago you may hold a different lease from the ones mentioned above. Some leases prior to 1995 did not allow staircasing at any time and you can only own the initial purchase share. Please check the terms of your lease to confirm your rights. To find out more about this you can also contact the Hastoe sales team.

# 3.

## Your rights and responsibilities

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### Living in the property

You are expected to occupy your property and this should be your only home. Your lease does not allow you to part with possession of the property except through an approved assignment. This means that you cannot sublet the property permanently to somebody else. If your circumstances change and for any reason you can no longer live in the property, you need to get in touch with us to discuss your options.

### Re-mortgaging

You may at some stage wish to re-mortgage your property. Hastoe will need to give permission for this, but we will never refuse unreasonably. We may require a formal valuation to be carried out before agreeing to the re-mortgage. Please note that we can never approve a mortgage which is greater than the value of the share you hold in the property.

### Leaving your property to someone else

Because you own a share in your home you can pass that on to someone else to inherit when you die. The best way to ensure that this happens is by making a will. We strongly recommend that you seek legal advice about this to save any complications in the future.

### Relationship breakdown

If you own your home jointly with a partner and your relationship breaks down, Hastoe has no role in deciding who continues to live in the property. If you cannot reach an agreement between you then it may have to be resolved in court. It is absolutely essential that you get legal advice if this happens. You will need a solicitor to arrange for the lease to be changed from joint to single names and we will need to agree the change.

### Use of the premises

Your lease states that you can only use the property as a private home for you and your family. You must ensure that you do not use the property in a way that could cause a nuisance to your neighbours. This includes making sure that members of your family and your pets are not a nuisance to others.

### Anti social behaviour and nuisance

You have the right to quiet enjoyment of your home. If you have problems with noise or other nuisance, first speak to the person who is causing the problem. It may be that they do not realise they are causing a nuisance. You may be able to reach a compromise without involving anyone else. If nuisance persists, contact us. We may be able to give advice on what you can do next. For example:

- Noise. Your local Environmental Health Department has legal powers to deal with noise nuisance. Many councils now operate a 24 hour call out service to investigate and deal with complaints.
- Dogs. Dangerous dogs should be reported to the Police. Your local authority dog warden should be alerted to stray dogs.
- Vandalism and graffiti. You should contact the local police where there is evidence of criminal damage.

# 4.

## Rents and service charges

### What is rent?

The rent is the amount you need to pay on the share of your home which remains in our ownership. So, for example, if you have bought a 40% share, you will pay rent on the remaining 60%.

Although we call the payment rent, only a small proportion forms the management fee, which covers the cost of administering the services we provide. The remainder goes towards financing the cost to us of building the property. The management service which we are able to provide is outlined below in the section "What you can expect from Hastoe".

### What is service charge?

The rent you pay is in addition to a service charge. This covers the costs of various services provided by Hastoe. It always includes buildings insurance for the property (note that this is not the same as contents insurance). It may also include a proportion of the actual costs of maintaining communal areas and roofs and windows etc in schemes of flats. We can provide you with a breakdown of the service charge on request.

### When rent is due and how to pay

Direct Debit is the preferred and easier way to pay your rent and service charge. When completing a direct debit form you will be given the option to pay on the 1<sup>st</sup> or the 15<sup>th</sup> of the month. You can download a direct debit form from our website: [www.hastoe.com](http://www.hastoe.com) under 'pay my rent' then 'direct debit' or get one sent to you by contacting Hastoe Direct.

### Rent reviews

The amount of rent and service charge you pay is reviewed annually. We calculate the changes as set out in your lease. We will always give you at least four weeks' notice of changes to your rent and service charges.

### What happens if you don't pay?

Non payment of rent or service charge is a very serious matter and could lead to you losing your home. If you get into financial difficulties and can't pay, you must contact us straight away. If you fall into arrears we may contact your lender to advise them of the situation. They may clear the arrears on your behalf and add the debt to your mortgage. However, they may also decide to take action to

repossess your home, particularly if there are also arrears on the mortgage payments.

If this happens you are likely to lose not only your home, but also any equity which you may have built up.

### Forfeiture

Even if the mortgage lender doesn't take action, we can still apply to court for a possession order and money judgement if you fail to keep up rent payments. This again could lead to you losing your home.

### Claiming Housing Benefit

If you fall into arrears because you lose your job or your income reduces you may be eligible to claim housing benefit towards the rent. You should contact your local authority straight away to make a claim as payments cannot usually be backdated. Please remember that neither Hastoe nor your lender wish to see you lose your home. If you are getting into debt you must contact us immediately.

# 5.

## Repairs and improvements

### Property maintenance

Your lease is a fully repairing lease. This means that you are responsible for all the maintenance within your home. This includes:

- servicing, repair and replacement of gas boilers and heat pumps
- repair or renewal of windows and doors, gutters, drains and fencing
- exterior maintenance, including painting the windows and doors regularly and keeping any external render in good repair
- roof repairs and replacement
- electrical supply.

You will find further details of your responsibilities in your lease.

### Gardens

You also need to keep any gardens well maintained.

### Defects period

If you have bought your home from new, for the first twelve months it will be within the defects period. This means that if any urgent repairs are necessary the builders will come back and carry them out at no cost to you. Please note that this does not apply to accidental damage caused

by you or your family – this will be your responsibility to repair. At the end of the defects period we will arrange to visit your home with the builder and will list any outstanding defects such as shrinkage cracks, which are common in new build properties. These repairs will then be carried out and, when you and Hastoe are satisfied that all the outstanding issues have been sorted out, the property will be signed off and the builder will have no further responsibility.

### Latent defects

On rare occasions, after the end of the defects period, a defect may arise which is clearly a fault in the building. This is called a latent defect. Examples of such defects would be failure of a central heating boiler within the guarantee period, or failure of double glazing, again within the guarantee period. If this happens in your property you need to contact us and we will investigate. If necessary we will take it up with the builder on your behalf.

All of our newly built properties carry a 10 year buildings guarantee which covers major structural faults. Again, if you think that there is a major problem with the structure of your home you should contact us for advice.

### Improvements

As an owner occupier you have the right to carry out improvements within your home. If you live in a house, this includes the replacement of windows and doors, kitchens and bathrooms, and building conservatories or extensions. If you live in a flat in one of our blocks there will be restrictions on the external improvements you can carry out. Since we remain the freeholder of the property we need to give permission for any structural alterations, or work which may affect the integrity of the property, before you start any work. We will not ever refuse permission unreasonably. You are responsible for obtaining any necessary planning permissions or Building Regulations consent for structural works. All improvement works must be carried out at no cost to us. We may charge an administration fee for inspecting your plans and the finished works.

### Solar pv panels and other environmental measures

Generally we will not object to you having solar panels fitted to the roof of your house, at your own expense, in order to benefit from the government Feed In Tariff (FIT). However, we will NOT grant permission for "rent a roof" schemes whereby

## 6.

### Staircasing: buying further shares

Some leases do allow staircasing but you should always refer to the lease to clarify if this is possible. This may be in extra shares of 10%, 17.5% or 25%. Your lease will tell you which percentage is applicable. In some schemes – usually the ones in towns - you can 'staircase' all the way up to 100%. If you do this we will arrange to transfer the freehold to you and you take full ownership of the property. In rural areas you cannot usually 'staircase' beyond 80%. The reason for this is that homes in rural areas often have conditions attached to them requiring the occupants to have strong local connections. Staircasing to 100%, and the transfer of the freehold, would allow owners to sell without restriction and the homes could be lost to local people. Your lease will tell you whether or not you can staircase automatically. If you want to staircase you need to contact us. We will arrange for an independent valuation of the property and will tell you how much increasing your share will cost. If you want to go ahead we will make all the necessary arrangements. You will have to pay the valuation fee in advance and you will also be responsible for paying any other costs incurred, including all the legal fees and any mortgage rearrangement fees.

companies fit solar pv panels at their expense and claim the FIT, whilst you benefit from the lower fuel costs. This permission does not extend to shared owners in flats. Further details on guidance are available on the Homeowner's page of our website – [www.hastoe.com](http://www.hastoe.com) – or you can get a copy of the policy statement by ringing Hastoe Direct.

#### Value of improvements

When you carry out improvements to your home, the value of the property might not increase by the amount of money you have spent. This is particularly the case when bathrooms and kitchens are replaced.

If you carry out any home improvements with permission from Hastoe you solely will benefit from any property price increase from this improvement. At the time of valuation we will instruct the valuer to give two prices with and without the improvement. For example without, £170,000 with and if you own a 30% share, your share is now worth £45,000 + £20,000 as a result of your improvements.

#### Hastoe's repairing responsibilities

Hastoe is responsible for the maintenance of any communal areas on your estate. If you live in a block of flats we are also responsible for maintaining the roof, windows, external doors and common drains and water supplies. You will pay a share of the costs of this within the service charge (see page 4).

# 7.

## Selling your home: assigning your lease

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If you decide you want to sell up and move on (known as assigning your lease) you will need to get in touch with us. The first stage in the sales process is to obtain an up to date valuation. We will arrange this but you have to pay for it.

We will liaise with you on the valuer we use, who must be a properly RICS qualified surveyor. When the valuation is received, it is binding in that you cannot sell your share in the property for more than the valuation states, so you need this information before making your final decision to sell. If, however, you are not able to find a buyer at the valuation price it may be possible for you to sell for less than the valuation. When you want to sell you may find that an estate agent quotes a higher value for the property. However, estate agents do not generally provide RICS assured valuations but simply a market estimate of value, which may not take account of the shared ownership aspect of the sale.

In most leases Hastoe has the opportunity to help you find a buyer for your home. The lease normally allows us eight to twelve weeks to do this. It is important that you keep this in mind as it may affect the timescale for purchasing another property. We have access to the HomeBuy Agent list, which estate agents do not, and can find potential buyers in the same way we found you. The advantage of us finding a buyer for you is that you do not have to pay estate agent fees. There is, however, an administration charge detailed in your lease. Other fees are also payable on completion, and these are set out in Appendix 1. However, these fees will normally be paid by the buyer.

If we are unable to find a buyer you are free to market the property yourself, which will usually be through an estate agent. Your estate agent must take account of any restrictions relating to the property – for example, in most rural areas buyers must have a local connection. We also have to formally approve your purchaser.

If you need to move urgently we will not object to you marketing the property yourself at the same time as us. However, this may mean you incur additional fees.

Once you have an approved buyer your respective solicitors will make all the legal arrangements to assign your share.

We can provide a sales pack which contains details of the following:

- Landlord/Managing Agent
- Notices of Assignment/Charge
- Property Rent
- Service Charges - current & previous 3 years
- Repairs
- Buildings insurance
- Additional regulations
- Other relevant information.

The current charge for the sales pack is as detailed in Appendix 1.

Not every lease contains a clause giving us the right to nominate a purchaser, so again you do need to check the terms of your own lease if you decide you want to sell.

## 8.

### Buildings insurance

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The cost of this is included in your service charge. We will insure the property for the full reinstatement value under a comprehensive policy. On request we can provide you with a certificate from the insurers stating the sum for which the property is insured. This means you do not have to arrange your own buildings insurance.

If you need to make a claim for damage to the building we will provide you with a claim form and advise you where you need to send it. We will not take any other part in the claims process or the resolution of the claim unless rented property is directly affected or we have a public liability responsibility. There may be an excess to pay, and this varies from year to year. We regularly review the buildings insurance policy to make sure we get the best value for both the association and our shared owners.

### Home Contents Insurance

We do not insure the contents of your home. For your own peace of mind we strongly recommend that you take out adequate insurance. We cannot deal with claims for compensation for damage to your belongings if you are not insured.

The National Housing Federation has an insurance service that offers discounted rates to housing association tenants and shared owners. For more information on this, visit the NHF website: [www.housing.org.uk](http://www.housing.org.uk) or ring them direct on 0113 203 5817.

## 9.

### The Housing market

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When you buy a shared ownership property you run the same risks as any other owner occupier. Naturally we hope that the value of your property will go up over time, and that you will have some capital appreciation. However, there have been quite extreme fluctuations in property values over the last few years. You need to be aware that the value of your property may go down following purchase.

# 10.

## What you can expect from Hastoe

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### Administration

Our management service to you includes the following:

- Information on selling your share in your home and administering the process
- Information on buying further shares in your home and administering the process
- Advice on what you should do if you can't pay your rent on time
- Information on service charge payments and what they cover
- Dealing with requests to alter/improve your property

### Complaints

We aim to give an excellent service to our customers. We recognise, however, that from time to time things go wrong, and when this happens we want to try to put them right.

You can find out more about our Complaints Policy by visiting our website or by contacting Hastoe Direct.

### Service standards

When you do need to contact us we always aim to respond in a reasonable timescale. To find out more about our standards visit our website or contact Hastoe Direct for a leaflet.

### Contact details

We hope that you find this information helpful and that it answers any questions you have. If you do have any further queries our Customer Service team – Hastoe Direct - is here to help. You can contact them by phone on **0800 783 3097**, or by email at **sales@hastoe.com** You can also find out more about us on our website: **www.hastoe.com**

# 11.

## Other useful contacts

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### Age UK

Useful for: support for all older people in the UK

Contact: 0800 169 6565 or visit: [www.ageuk.org.uk](http://www.ageuk.org.uk)

### Benefits Advice

General Benefits advice: 0800 882200

Disability Living Allowance: 08457 123456

Incapacity Benefit: 0800 055 6688

Pensions: 08456 060265

Tax Credits: 0845 300 3900

You can also get advice from the Department of Work and Pensions website at: [www.dwp.gov.uk](http://www.dwp.gov.uk)

### Citizens Advice Bureau

Contact: 08444 111 444

or visit: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

### Job Centre Plus

Useful for: lone parent advice, guidance on benefits, job seekers allowance, tax credits and support to help you find a job.

Contact Helpline: 08456 060234

Benefit claims: 0800 055 6688

Or visit: [www.jobseekers.direct.gov.uk](http://www.jobseekers.direct.gov.uk)

**Housing Ombudsman Service**

81 Aldwych, London WC2B 4HN  
 Contact 020 7421 3800 or visit  
[www.ihos.org.uk](http://www.ihos.org.uk)

**Leasehold Advisory Service**

Useful for general leasehold advice. The website also includes information about Leasehold Valuation Tribunals, which are used to judge on disputes between leaseholders and landlords.

Contact: 020 7383 9800  
 or visit [www.lease-advice.org](http://www.lease-advice.org)

**Your Local Council**

Useful for information on: council tax, street lighting and roads, refuse collection, housing benefit, homeless information, community safety and environmental health enquiries.

**National Debtline**

Useful for free confidential advice to help you solve money problems

Contact: 0808 808 4000  
 or visit:  
[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

**National Domestic Violence helpline**

Contact: 0808 2000247  
 (open 24 hours)

**Shelter**

Useful for housing advice.  
 Contact: 0808 800 4444

# Appendix 1.

**List of fees applicable at April 2012, subject to variation over time**

Item	Cost (all costs include VAT at 20%)
Providing you with a copy of the lease	£24.00
Providing a valuation	Varies, but generally around £180 +
Providing your solicitor with a sales pack	£50.00
Additional items not included in standard Sales Pack	£15.00 per item
Administration fee on completion of sale	Variable. Amounts to 0.25% of the market value of the property
Registering the assignment and notice of mortgage *	£50.00
Administration fee for improvements and alterations (includes approving plans and inspection on completion)	£50.00

\*The buyer normally pays this

Sustainable **homes**,  
**sustainable** communities

# Hastoe

 Group

For further details of how shared  
ownership works, eligibility criteria  
or properties available please  
contact [sales@hastoe.com](mailto:sales@hastoe.com) or call  
**0800 783 3097**.

**Hastoe Housing Association Limited**

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