

A guide to
**Being a
Shared
Owner**

Information and guidance on
your rights and responsibilities
as a shared owner of a Weaver
Vale Housing Trust home



prospa
HOMES





This handbook is a guide for shared owners or those thinking about becoming a shared owner of Weaver Vale Housing Trust Limited (“the Trust”).

It describes some of the important responsibilities and commitments associated with being a shared owner with the Trust (please note that Prospa Homes is the brand name we use for our shared ownership activities).

This handbook is for **guidance only**, it is not a legal document and does not replace your lease which sets out the rights and responsibilities of both parties in full and should be your first point of reference should you have any queries.

We hope you find it useful.



Shared Ownership	4-5
The Shared Ownership Lease	
Where is my Lease?	
Finding advice on your Lease	
Rent and Service Charges	6-8
How is the rent calculated?	
How and when does the rent increase?	
If your home is a House or Bungalow	
If your home is an Apartment	
When rent is due and how to pay	
What happens if you do not pay your rent/ service charge?	
House Benefit & Universal Credit	
Buying more Shares (Staircasing)	9-10
When can I Staircase?	
How do I Staircase/ buy a greater share?	
What does it cost to Staircase?	
What happens to my rent when I Staircase?	
Reverse or 'Downward' Staircasing	11-12
What does it cost to reverse Staircase?	
How do I reverse Staircase?	
When Change Happens	13-15
Selling your Shared Ownership home	
Who can buy your home?	
Costs associated with selling	
Moving on	
Changes in the Housing Market	
What happens to my home if I die?	
Relationship breakdown	
Insurance	16-18
Buildings and Home Contents Insurance	
Property Maintenance & Improvements	
Repairs & Maintenance	
Defects	
Improvements & Decorating	
Sheds	
TV Aerials & Satellite Dishes	
Adaptions	
Living in your Home	19
Use of your home	
Who can live in my home?	
Working at home and commercial vehicles	
Re-mortgaging	
Anti-Social Behaviour	
Contact Us	20

Shared Ownership

Shared ownership is a scheme designed to help people who would like to own a home, but need assistance to purchase a property.

For more information about who is eligible for shared ownership and the purchase process – check out our guide [here](#).

As a shared owner, you own a percentage share in your home and are the registered legal owner of the leasehold title, but you pay rent to the Trust on the share you do not own.

As a shared owner you also have all the responsibilities that come with owning a home including carrying out all repairs and maintenance and paying the mortgage (if you have one). Please refer to Property Maintenance & Improvements section for further information.

The Shared Ownership Lease

The lease is the legal document entered into by you and the Trust (in this document referred to as “we”/”us”) that sets out the rights and responsibilities of both parties.

The lease provides you with long term ownership of your home. Normally it will be for a minimum term of 125 years, but if you have bought an existing shared ownership home rather than a brand new home then the lease may have fewer years to run, although it is possible to apply to us for a lease extension to increase the remaining term (please contact us for more information).

Normally, but not always, we own the freehold of the land on which your home is built. If we do own the freehold, we can transfer it to you when you purchase 100% of the shares in your home (please note this would not apply to apartments, please contact us for more information).

When buying your home, you will have had the chance to read your lease before signing it and your solicitor should have explained the terms of the lease and the responsibilities you were taking on.

Where is my Lease?

You should have received a copy of the lease from your solicitor when you purchased your home. If you have not received one, then ask your solicitor to forward you a copy.

You should keep your lease in a **safe place**, as it is a legally binding document and should be your first point of reference if you have any queries.

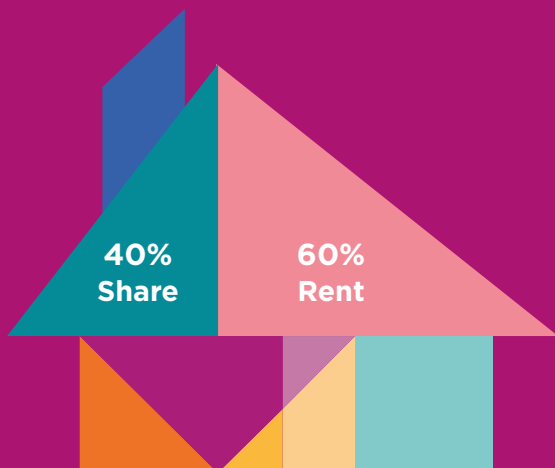
If you cannot locate a copy of your lease then we can provide a copy, but there will be an administrative charge for this. Alternatively, you can request a copy from the Land Registry for a fee.

If you bought your shared ownership home from someone other than the Trust then you should have also received a Notice of Assignment from your solicitor that confirms you have purchased the lease for the remainder of the term.

Finding advice on your lease

In addition to the advice from your solicitor you can find general advice on leases from the Leasehold Advisory Service at www.lease-advice.org

Rent and Service Charges



How is the rent calculated?

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 would pay rent on the remaining **60%**.

The rent you pay helps us finance the development of the property. Although you pay rent you have different rights, responsibilities and commitments as a shared owner than you would do if you were a general needs tenant of the Trust.

How and when does the rent increase?

How and when your rent will increase is explained in the lease. Typically, your rent will increase on the 1st of April each year.

The rent increase is normally based on the Retail Price Index (RPI) + 0.5%. The RPI figure used is based on the September published figure, unless the lease states otherwise.

You can find more details about the Retail Price Index on the website of the Office for National Statistics <https://www.ons.gov.uk/>



If your home is a House or Bungalow

The rent you pay is in addition to any service charges provided for in your lease. Service charges cover the cost of various services related to any facilities shared with other residents (for instance any shared parking or shared play areas). The services may be provided by the Trust but, particularly on large developments, a separate managing agent may provide them.

We will provide you with details of the service charges for the first year of your lease during the purchase process. Following that, we will provide you with service charge details annually.

As a shared owner you will also always pay a service charge in respect of buildings insurance for the property. (Please note this is not the same as contents insurance which you will need to arrange yourself). If there are no shared facilities on the development where your home is located, then you may only need to pay the charge that relates to the building's insurance. We also collect an administrative fee for managing the service charges.

If your home is an Apartment

The same will apply as above with the addition of charges relating to items such as repairing, redecorating and when necessary renewing the structure of the building, cleaning, lighting and electric to communal areas, window cleaning, lift maintenance and servicing, fire alarm/sprinkler maintenance and servicing etc. (if applicable).

Please contact us for more detail on specific properties/schemes.

When is rent due & how to pay

Rent and service charges are due monthly in advance on the first of each month. Your rent should be paid by direct debit. If you've not set up a Direct Debit to pay your rent and service charge, let us know and we can send you the relevant form to complete.

What happens if you do not pay your rent or service charge?

When you buy a shared ownership home you commit under the terms of the lease to pay rent and service charges a month in advance. If you do not pay them you risk losing your home as well as any investment you have made in it.

If you are struggling to pay the rent or service charge, please contact us immediately. Your first point of contact for rent payment queries is the Income Management Team who can be contacted on **0300 303 9848** or via rentfirst@wvht.co.uk. It is important that you let us know in advance of a missed payment to avoid the start of the debt recovery process.

If you fall into rent arrears, then we may contact your mortgage lender to discuss the situation. In some instances, the lender may clear the arrears, but add the debt to your mortgage, which will attract interest. Your mortgage lender may look to repossess your home, especially if you are also in mortgage arrears. If the lender does not take action via the courts, or if you are a cash purchaser and have no mortgage, we can still seek possession through forfeiture of your lease, which could lead to you losing your home.

So, remember, paying your rent, service charge and mortgage is important. You risk losing your home if you do not. If you are struggling to pay, do not bury your head in the sand - talk to us!

Housing Benefit and Universal Credit

Shared ownership rent payments can be eligible for Housing Benefit or Universal Credit under certain circumstances.

If you are struggling to pay rent because of a change in your income or household, please contact the Income Management Team who can advise on the best course of action. It is important to do this as soon as possible. The Trust also has a Money Matters Team who can offer advice and support with benefits, budgeting and debts. To contact the Money Matters Team call **0300 303 9848** or email moneymattersteam@wvht.co.uk

Buying more shares (known as staircasing)

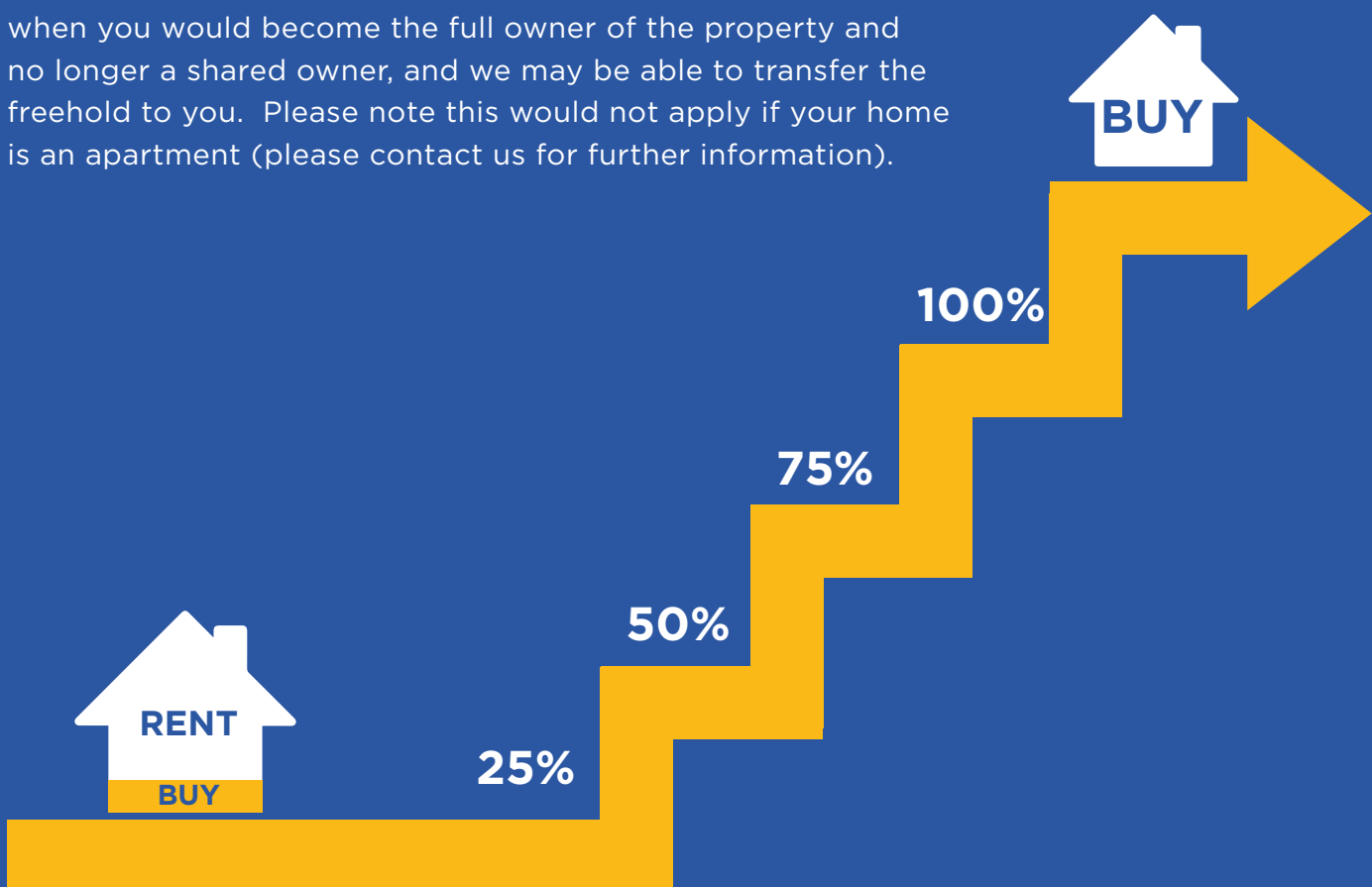
When can I staircase?

You can buy a greater share in your home whenever you can afford to and want to, including up to 100% on most of our shared ownership homes. If you do not want to buy a larger share, then you do not have to; you can just retain your original share.

How do I staircase / buy a greater share?

**The lease will outline how you can buy a greater share.
You can buy shares in a minimum of 10% tranches.**

Once you reach 75% the next step would be to aim for 100% when you would become the full owner of the property and no longer a shared owner, and we may be able to transfer the freehold to you. Please note this would not apply if your home is an apartment (please contact us for further information).



What does it cost to staircase?

The cost of buying a greater share is based on the market value of your home at the time you staircase (not the original value you paid when you first purchased).

To work this out you will need a valuation. We would be happy to discuss your options for appointing a valuation surveyor. You will be expected to pay for the valuation along with any legal and mortgage fees. You will also need to consider whether stamp duty applies to this transaction. The surveyor you appoint **must be a RICS qualified surveyor** and have no interest in the further sale of the property.

For example, if you wished to buy a further 40% and the property was valued at £160,000 at that point in time then the extra 40% would be £64,000. We would recommend you speak to your Financial Advisor or current mortgage lender to discuss additional borrowing and to confirm affordability.

Remember if you do not want to buy a greater share, that is fine, and you can continue to live in your home as a shared owner retaining your original percentage share. You can buy as much of your property as you can afford at any time in line with the percentages referred to in your lease, but remember every time you staircase you will need to pay for valuation/mortgage/legal fees again.

What happens to my rent when I staircase (buy a greater share)?

Your rent will reduce proportionally when you purchase a greater share. The rent reduction is based on the extra percentage share you purchase, not what has happened to the value of the property.

Your lease provides information on how the new rent will be calculated and we will also provide details when you contact us about staircasing.

Remember: If you purchase 100% then you will no longer pay any rent and you will own your home outright

Reverse or ‘Downward’ Staircasing

The Trust has the discretion to offer reverse or “downward” staircasing to you. Under reverse staircasing you will sell some of your share in your property back to the Trust. In some cases, you may sell all of your share back to the Trust and become one of our general need’s tenants. The system is designed to allow you to remain in your property by reducing your mortgage payments on the share you own to a more affordable and sustainable level.

The opportunity to do reverse staircasing will be at the Trust’s discretion and will only be permitted in exceptional circumstances where there is genuine need.

In assessing genuine need, the Trust will consider the following non-exhaustive factors:

- The level of rent/mortgage arrears
- Action that the lender may have taken or be about to take
- Any changes in your financial circumstances
- Evidence of the steps you have taken to resolve the situation

What does it cost to reverse staircase?

If the Trust agrees to reverse staircase, then the sum that it will buy the agreed percentage from you will be based on the market value of your property at the time. You will be required to pay the valuation fee and the Trust's legal and administrative fees.

If you are in mortgage or rent arrears these will need to be paid in full from the proceeds of the sale. You will need to be aware that when you reverse staircase your rent will need to be recalculated and is likely to increase as it will be based on the now larger share of the property that you no longer own.

How do I reverse staircase?

You should contact our legal team at legal@wvht.co.uk who can outline the next stages in the process.

If you are concerned about paying your rent or mortgage, please get in touch with our Income Management team at the earliest opportunity (see contact details above).

When Change Happens

Selling your shared ownership home

First Steps:

If you are thinking about moving or have decided, you want to sell your shared ownership home (known as assigning your lease) you will need to get in touch with us. Please call the Legal and Commercial Services Team on **0300 303 9848** alternatively email legal@wvht.co.uk

As a shared owner you can only sell the percentage share you own.

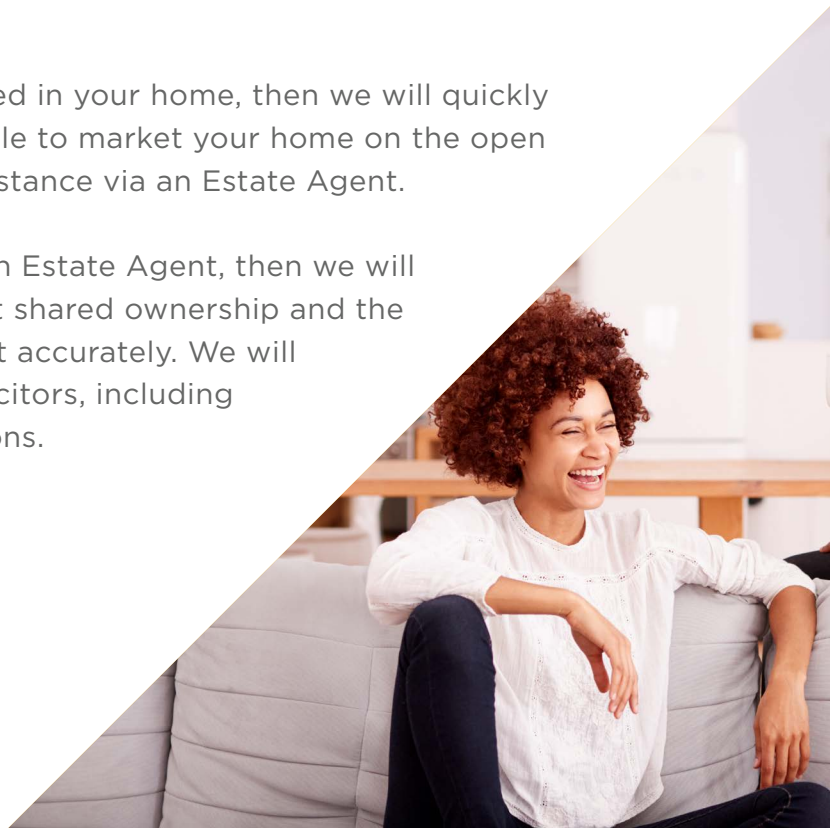
If you wish to sell your share you will first need to serve a notice on the Trust, as we may have a right to nominate a purchaser.

To sell, you will also need an up to date valuation. We would be happy to discuss your options for appointing a valuation surveyor at the time. The surveyor you appoint must be **RICS qualified surveyor** and have no interest in the property or it's sale.

If you are not able to find a buyer at the valuation price it may be possible for you to sell your share in the property for less than the valuation price. It will be your responsibility to find a buyer for the property. We may be able to put forward people who are potentially interested in buying your home but cannot guarantee this.

If we have nobody we know interested in your home, then we will quickly let you know and you will then be able to market your home on the open market in a way that suits you, for instance via an Estate Agent.

If you decide to sell your home via an Estate Agent, then we will provide them with information about shared ownership and the development so they can report on it accurately. We will also provide information to your solicitors, including the rent and service charge obligations.



Who can buy your home?

We will try and make it as easy for you to sell as possible. As Shared Ownership is intended to help people who would otherwise struggle to buy an appropriate home, we will need to check that any purchaser is eligible to be a shared owner.

Many people are eligible for shared ownership including first time buyers, people who have had to sell their home due to a relationship breakdown and some older people who are selling their home in order to move to a more appropriate property.

We will also need to be satisfied that the purchaser will be able to sustain rent, service charge and mortgage payments. Sometimes your lease may also require that local people be prioritised over others.

Costs associated with selling

When you decide to sell, you will need to pay for a valuation. You will also be responsible for paying any marketing costs, as well as any legal and administrative fees associated with the sale. We will provide a pack of information to your solicitor for a fee.

We will also require your rent and service charges to be paid up to date before you sell.

Moving on?

DID YOU KNOW as a shared owner you are likely to be eligible to purchase another shared ownership home when you sell.

Our website, www.prospahomes.co.uk provides details of all of our new shared ownership developments.

Changes in the housing market

When you buy a shared ownership property it is important to remember that the value of your home can reduce as well as increase.

Changes to the value of your home will matter most when you are looking to sell your shared ownership home or wish to buy more shares, both of which will be based on the market value at that point in time. As we own a percentage of your property, the value of our share can also fluctuate, depending on the housing market.

What happens to my home if I die?

As a shared owner you own your share and it can be inherited by a family member or anyone else named in your will when you die (or under the rules of intestacy if you do not leave a will).

Whoever inherits your share in the property will become responsible for it and may choose to sell, in which case the proceeds of the sale will be dealt with in accordance with the legal management of your estate.

Relationship Breakdown

If you own your home jointly with a spouse or parent and your relationship breaks down, we will not become involved in deciding who continues to own and live in the property.

If you find yourself in this situation, you should obtain independent legal advice. This is especially important if you cannot agree on what should happen with the property as the intervention of the courts may be required.

Once a decision has been reached as to who will retain the property, you will need a solicitor to arrange for the lease to be assigned into the sole name of the party who is it to retain it. We will be asked to agree the change as part of the process.

Alternatively, you could sell the property (see re-sale process section).

Insurance

Home Contents Insurance:

We will not provide contents insurance; it is your responsibility to arrange it.

We would recommend you arrange this yourselves to protect your possessions.

Building Insurance

We provide buildings insurance for all our shared ownership homes as standard, as a shared owner you will pay a proportion of the cost of this via the service charge. It is an important requirement of the lease for you to pay the required contribution of your building's insurance.

Typically, we provide your solicitor with a copy of our insurance policy during the purchase process. Your first point of call if you wish to make a claim for any matter related to the building is the new homes warranty you were provided with when you purchased the property, which typically remains in place for 10 years. However please speak to us if you feel the matter is not covered by your warranty and that you need to make a claim under the buildings insurance policy. We will help you with the claim and explain the level of excess you need to pay.

Property Maintenance and Improvements

Repairs and Maintenance

You are responsible for the repair and maintenance of your home. If your home is an Apartment you will only be responsible for repairs inside your apartment, if you live in a House or Bungalow you will be responsible for all repairs in all areas inside and outside

For a House or Bungalow this would include repairs to and maintenance of the roof, windows, kitchen, bathroom, electrics and plumbing, along with arranging the annual gas safety servicing of any gas appliances and boiler together with periodic checks of any electrical installations.

You'll also be responsible for keeping your gardens well maintained.

Defects

If you have bought a new home, then it is usually possible for us to arrange for the builder to attend to any urgent or major problems relating to the property's construction within the first 12 months of the property being built.

The builder will not attend to any damage caused by you, your household, or visitors to your home, which will be your responsibility to repair.

If problems cannot be resolved via the builder and your home is less than ten years old, then you may be able to make a claim through the new home warranty. Again, if you think that there is a major problem with the structure of your home, you should contact us for advice.

Improvements and Decorating

As a shared owner you have the right to carry out improvements to your home in accordance with the lease, such as decorating and upgrading your kitchen or bathroom.

However, as we have an interest and equity ownership in the property, you will need to request permission from us before undertaking any major works, such as structural alterations, extensions and building of conservatories.

We will never refuse permission unreasonably but sometimes there may be a head lease or restrictions in the transfer document that prevent certain works. If we agree for the works to be undertaken, it will be on the basis that you obtain any necessary statutory approvals, such as Planning Permission and Building Regulation approval as well as any other necessary conditions.

You will also be responsible for all works and the costs associated with them. We may inspect the works once they have been completed to ensure they are to the required standard. To request permission please contact us on **0300 303 9848**.

Sheds

If you are thinking of getting a shed, you will need to contact us to gain permission before you install it. If your gardens are communal then a shed would not be permitted.

We generally do not object to shared owners having sheds in gardens that they own, but we do expect these not to cause a nuisance or obstruction for neighbours due for instance to their height or positioning. We also do not permit sheds to block access to utilities or inspections chambers.

They must also not create a fire risk. With new build properties very often, there are conditions with regards to sheds/garden structures that have been agreed with the developer of the estate, so please check with us prior to commencing any installation works

TV Aerials and Satellite Dishes

You will need to apply for our permission prior to the installation of satellite dishes or external TV aerials at your home. This is to ensure the size and position is appropriate and there are no restrictions we have agreed with the developer of the estate preventing the installation or restricting it.

Adaptions

As a shared owner you are entitled to make reasonable adaptations to help you live in your home, such as grab rails. You will be responsible for arranging and paying for these. Please contact us should you wish to apply adaptations to any communal areas.

If you need to make major adaptations, such as installing a through floor lift, then you will need prior approval due to our interest in the property, so please talk to us before commencing any works.

If you are thinking about buying a shared ownership home and expect to have to make major adaptations, then you should speak to us before buying. Give us a call on 0300 303 9848.

Living in your home

Use of your home

Your property is to be used **solely as a private home** for you and your family. You **must not** use the property in any way that could cause nuisance or annoyance to your neighbours. This includes making sure members of your family, visitors or pets do not create a nuisance or annoyance either.

Who can live in my home?

As a shared owner you are expected to live in your home and use it as your only or main home. Your lease **does not allow** you to sublet the property to somebody else. If your circumstances change and for any reason you can no longer live in the property, but you cannot sell the property either, you should contact us to discuss your options.

Working at home and commercial vehicles

Your shared ownership home is for you to live in. Normally it is permitted to work from home but not permitted to run a business from your home, particularly if it is likely to cause a nuisance to neighbours or risk damage to your home. Please refer to your lease or speak to your solicitor for guidance.

You may also not be able to park larger commercial vans and other large vehicles, boats and caravans on your drive or in shared parking areas. If you are planning to buy from us or have bought already and thinking about parking such a vehicle, please contact us to discuss or refer to your lease.

Re-mortgaging

You may at some stage wish to re-mortgage your property. Our permission is required before you can do this to ensure that the value of the mortgage is not greater than the value of your share in the property. However, we will never unreasonably refuse consent to re-mortgaging.

Anti-social behaviour

You have the right to quiet and peaceful enjoyment of your home. If your neighbours are causing problems, try and resolve this in a good natured way at first as they may not be aware they are causing you difficulties and you may be able to resolve the situation without needing to escalate it. However, if you are not able to resolve matters and the nuisance continues, please contact us and we may be able to give advice on other options available to you. In serious cases you should contact the police by phoning 110 or 999 in an emergency.

ANY QUERIES TALK TO US

Remember talk to us if you have any queries about any of this guide or being a shared owner.

Email sales@prospahomes.co.uk
Tel 0300 303 9848



prospa
HOMES