

INFORMATION FOR RESIDENTS

## 2. Your lease

Your lease is the agreement between you and us.

This booklet tells you about your rights and responsibilities (as the leaseholder) and our rights and responsibilities (as the freeholder). It also includes advice about 'staircasing', remortgaging and selling your home.

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## Your lease

Your lease is the agreement between you and us. It tells you about your rights and responsibilities as the leaseholder, and our rights and responsibilities as the freeholder.

You will see some common terms in your lease and we have explained them in the following table.

Lessee or leaseholder	You, as the owner of the property.
Lessor	Us, as the freeholder.
Shared owner	If you own part of the property, and pay rent on the rest.
Lease percentage	The share of the costs you must pay for cleaning, maintaining, repairing and improving your home or any shared areas.
Financial year	This is normally from 1 April to 31 March.
Estate or scheme	This will be named in your lease and is shown on the plan attached to your lease.
Property	Usually the name of the scheme where you have bought your property.
Reserved property	All of the areas on your scheme or estate that you share with other leaseholders, for example, shared staircases and corridors, lifts and roofs.
Demised premises	The part of the scheme or estate that you have bought and that is your responsibility to maintain, for example the floor surface, the wall and ceiling plaster, the walls inside your flat (not the walls outside or the walls dividing your flat from another flat or shared area), the window frames, window glass and all doors and frames in your property.

You should always check your lease as the terms it uses may vary slightly depending on when it was issued and what sort of building you live in. The following list of responsibilities is a general guide to what is in your lease. If you need to confirm a particular term, you should check your own lease.

## Rights and responsibilities

Below is a summary of your and our rights and responsibilities. You should check your lease for a full list.

### Our responsibilities

- To allow you quiet enjoyment of your home as long as you pay the rent (if you are a shared owner), service charges and ground rent, and keep to the terms of your lease.
- To refund any overpaid rent to your rent account if we overestimate the service-charge costs, and to charge you extra if we underestimate the costs.
- To insure the building that your home is in, and charge you for this through your service charges.
- To repair, maintain and renew the building's structure, shared areas and services.
- To clean and light the shared areas and maintain shared garden areas.
- To keep copies of service-charge accounts that you can ask to see at certain times during the year.
- To collect management fees and service charges to cover the cost of the services that we provide.
- To collect rent from shared owners, and ground rent where this applies.
- To ask to come into your home if you have not carried out your repair responsibilities, as long as we do this at a reasonable time and we have given you notice, unless it is an emergency.

### Our rights

- To run and maintain electricity cables, gas pipes or water pipes from any part of your scheme or estate.
- To enter your home if we give you reasonable notice.
- To make alterations or improvements to your scheme or estate.

## Your responsibilities

- To pay us your rent (for shared owners), service charges and ground rent on the dates they are due, under the terms of your lease.
- To keep your home clean, and in good repair and condition.
- To let us into your home to carry out essential repairs that you have not done (we will then charge you for doing the work).
- To pay all taxes and charges due on the property.
- Not to cause nuisance or annoyance to your neighbours or to allow anyone living with or visiting you to do so (for more details, see 'Tackling anti-social behaviour and harassment' in section 9).
- Not to harass, abuse or offend others, including your neighbours and our staff, in particular because of their colour, race, ethnic or national background, religion, disability, age or sexuality.
- To use the premises as your home only.
- Not to do anything that means our insurers may refuse to pay a claim (for more details, see 'Insurance' in section 4).
- Not to alter or add anything to your home without our permission (for more details, see 'Improvements' in section 4).
- Not to sublet your home, or any part of the property, without our permission (see 'Subletting' below for more details).
- Not to put up a satellite dish or any other structure without our permission and the local authority's permission.
- To tell us if you plan to sell your home.
- To tell us if you have received any formal notice about your home from any public authority, for example your local environmental health department.
- Not to keep an animal in your home without our permission.
- Not to keep liquefied petroleum gas or any other explosive materials in your home.

## Your rights

- To live peacefully in your home.
- To use any part of the scheme or estate so that you can enter or leave your home.
- To have access to utilities (water, gas and electricity).

If you do not have a copy of your lease, you should contact your solicitor. It is their responsibility to explain the terms of the lease to you. We can only make changes to your lease if you agree to them in writing. If you and we disagree about changes that we may want to make to your lease, we will apply to the Leasehold Valuation Tribunal for a decision (see the glossary).

## Subletting

Subletting is where you rent, to someone else, all or part of the property that you are leasing.

If you are a shared owner, your lease does not usually allow you to sublet your property. If you have a good reason why you need to sublet your property, you should put your request to us in writing and we will consider it.

If your lease does allow you to sublet, we will need details of who will be living in your property and your contact details while you are away from the property. Under the terms of your lease, you may need to serve us with a formal notice telling us that you have sublet your home.

You are responsible for your tenant while they are living in your property so they must have a formal tenancy agreement and this must match the terms of your lease. If your tenant breaks the terms of your lease, we will take action against you.

If you have a mortgage, you must write to tell your lender that you are planning to sublet the property. You will also be responsible for the landlord's duties under the Gas Safety Regulation 1998. This means that you will be responsible for making sure that the property has a valid gas safety certificate at all times.

You will also be responsible for making sure that the property has a valid Energy Performance Certificate (EPC). You must give a copy to your tenant.

## Extending your lease

If you have owned your property for at least two years, you will have the right to extend your lease. This means adding an extra 90 years to the term of your lease still left to run (or 'unexpired'). There is a set procedure for extending a lease. You will have to pay the landlord's legal fees and your own legal fees, as well as the cost of the term you are adding to your lease. *Genesishomes* has an approved list of valuers who carry out the leasehold extension valuations. You will also have to pay their professional fees. If you are interested in extending your lease, call the Resales Team at *Genesishomes* on **020 8758 8312**.

## Staircasing

If you are a shared owner, you can increase the share of your home that you own (your 'equity') and reduce the amount on which you have to pay rent through a process called 'staircasing'.

When you are considering staircasing, you should check your lease for full details. For an information pack, please call the Resales Team at *Genesishomes* on **020 8758 8312**.

The procedure for staircasing is as follows.

You will need an open-market valuation for the whole of the property from a qualified independent valuer who must be registered with the Royal Institution of Chartered Surveyors, (RICS), or the Independent Surveyors Association (ISA). *Genesishomes* has a list of approved valuers that you can choose from. You will need to contact the chosen valuer to discuss the valuation and the fee you will have to pay.

The valuation should ignore any improvements that have been made to the property and assume that the property has been maintained properly, under the terms of the lease. You cannot use a valuation for staircasing to sell the property, unless you are staircasing (to own 100%) and then selling the property at the same time.

There is a 'notice of intention to staircase' (valuation request) form in the information pack. Just fill in the details and send it back to *Genesishomes*.

The information pack asks you to contact the valuer, get the cost of the valuation from the valuer and have a cheque ready for the valuer at the time of the valuation. You should make the cheque payable to the valuer and, on the back of the cheque, write 'Staircasing valuation' along with your name and address. Please also remember to include a daytime phone number on the notice of intention to staircase form so that the valuer can arrange an appointment to look round the property.

Once Genesishomes has received your valuation request form, they will ask the valuer to make an open-market valuation of the whole property. The valuer will send a copy of the valuation report to you and one to Genesishomes. If you decide that you want to buy more shares in your property, you must write to Genesishomes to tell them how many shares you want to buy, as well as your solicitor's name and address.

When Genesishomes receive your **written** confirmation of the number of shares you want to buy and your solicitor's details, they will instruct their solicitors to start the staircasing procedure.

You can buy the remaining share in your home so that you own 100% for the rest of the term of your lease ('unexpired term'), or you can buy shares in blocks of 10%. It is more economical to buy larger percentages to save on costs.

If you are buying the remaining share so that you will own 100% of your home, this normally means you won't have to continue paying rent. However, if you currently pay a service charge, you will still have to pay this and any ground rent that applies (unless the lease says otherwise).

You will have to pay for the valuation whether or not you decide to go ahead with the staircasing. The valuer will not give you a refund if you change your mind after you have had the valuation done.

A valuation is only valid for three months so it is important that the staircasing process is completed within this timescale. In certain circumstances, you may be able to extend the valuation for a small fee.

If you are buying a further share in your home (up to and including 100%), you will have to pay:

- the valuation fee;

- your legal fees and our legal fees (as set out in the lease); and
- a valuation fee to your bank or building society if they decide to revalue the property for mortgage purposes.

Depending on the level of staircasing (anything less than 100%), you will need to fill in a new direct debit form. We will write to you to confirm the new payment arrangements once you have completed the purchase.

## Remortgaging

This is when you change your lender or you borrow more money using a mortgage, which is called a 'further advance'.

### Remortgaging if you own 100% of your property

When you own 100% of your property, we do not need to be involved with any remortgage arrangements. However, your lender or solicitor should let us know when the remortgage is completed and you will have to pay us a fee to formally record the new arrangement. This is because your lender will want to make sure that we do not take legal action against you without informing them first.

### Remortgaging if you are a shared owner

If you are considering remortgaging your home, please speak to us first. We will need to approve any extra loan before you make any commitments or pay any fees. We will charge you a fee to register your new lender's details.

## Selling your home

Selling your home involves transferring your lease – another name for this transfer is 'assignment'. Genesishomes manages all resales of shared-ownership properties.

### Selling if you own 100% of your property

If you own 100% of your property, you can sell it at any time. You must let us know if you plan to sell the property and your solicitor should give us details of the new lessee.

## Selling if you are a shared owner

The first step is to get a current market valuation for the property. You can ask *Genesishomes* to choose a valuer from their approved list or you can choose your own independent valuer, although they must be registered with RICS. You should contact the valuer yourself to get a quote for the valuation fee. Following a change in the law, Home Information Packs (HIPs) have been introduced for all properties (homes built after 2006 must also have an Energy Performance Certificate (EPC)). You can shop around to choose your own HIP provider.

Once you have chosen a valuer, you must write to *Genesishomes* to confirm that you would like to have a valuation done and tell them which valuer to instruct (if you have chosen one from their list of approved valuers). Please include your daytime phone number so that the valuer can arrange an appointment to look round the property.

If you instruct a valuer from the *Genesishomes* approved list, you will need to sign a consent form and return it to their office before they can arrange a valuation for you. You must pay the valuer by cheque at the time of the valuation.

*Genesishomes* cannot arrange a valuation until they have received your signed consent form and confirmation that you will pay the valuation fee.

When *Genesishomes* receive the valuation, they will send you a copy with a covering letter. You will need to send them confirmation that you want to go ahead with the sale. This valuation is only valid for three months so contracts for the sale must be exchanged within that period. If the valuation has to be updated, you will have to pay any extra fee that the valuer asks for. For this reason, we recommend that you confirm as soon as possible if you want to go ahead with the sale.

Once *Genesishomes* receive your **written** confirmation that you want to go ahead with the sale, they shall start marketing the property to possible buyers from their current register. They will need daytime contact numbers for you so that interested buyers can contact you direct to make appointments to look round the property.

Under the lease, Genesishomes has between one month to eight weeks (depending on the terms of your lease) from the date they receive your confirmation letter to choose a buyer from their register, as long as that buyer satisfies a financial assessment and can get a mortgage. If Genesishomes cannot find a buyer within the timescale given in the lease, they will write to you to confirm that you can sell your share on the open-market (as long as you follow their procedures and the conditions of your lease).

When a buyer is found, Genesishomes will contact your solicitor and the buyer's solicitor to tell them to go ahead with the necessary paperwork so that the sale can complete as quickly as possible. Genesishomes will need details of your solicitor and the buyer's solicitors. Genesishomes will give the buyer a deadline to exchange contracts on their purchase within three months (in other words, within three months from the date of the offer letter). If this does not happen, you can sell your share on the open-market (as long as you follow the procedures and the conditions of your lease).

Genesishomes make a charge for their legal and administration costs as follows.

When Genesishomes choose a buyer, they will charge either:

- a) 1% of the equity value (for example, on a property valued at £100,000 for which you are selling a 40% share for £40,000, the fee will be £400); or
- b) for any leases approved after February 2005, 1% of the total value of your property (for example, on a property valued at £100,000 the fee will be £1,000).

If you decide to withdraw your property from sale after they have started marketing it, you will have to pay a fee of £200 to cover the administrative costs.

**Please note that VAT at 17.5% will apply to all fees.**

If you have any questions, please contact the Resales team on **020 8758 8312**.

**Please note that if you live in a flat and own 100% of it, you must let us know when the property is sold and tell us who has bought it.**

## Taking a name off the lease

If you have bought your home jointly with another person, you may want to take your name or your partner's name off the lease, for example if your relationship breaks down. You must do this through a formal transfer so you will need to use a solicitor. You must tell us when you have transferred the lease so that we can update our records.

## Moving to another shared-ownership home

If you want to move from your shared-ownership property to another one of our properties, we will give you a lower priority than first-time buyers. We may add you to our register if you need:

- a larger or smaller home;
- to move to a different area for work or family reasons; or
- a ground-floor flat because you have difficulty moving around or some other medical problem.

You cannot simply exchange properties with someone else. You must sell the property you own to someone from the register and then buy another property.

Whether we can offer you another shared-ownership property will depend on what properties we have available.

## Translations

This document gives information about your home, rights and your responsibilities. If you need any part of this information in large print, Braille or audio-tape or explained in your own language please contact us on the number below.

English

Dokumentigan wuxuu ku saabsan yahay gurigaaga, xuquuqdaada iyo mas'ulkaaga. Haddaad u baahan tahay warkan afkaaga-hooyo, afka loogu talagalay dadka aan arki karaan – afka faraha ama CD-ga ama ajeladda rekorka nala xirir. Namberkan isticmaal.

Somali

Este documento proporciona-lhe informações sobre a sua casa, os seus direitos e as suas responsabilidades. Se necessitar de parte desta informação em caracteres aumentados, em Braille, em CD, cassette áudio ou apresentada no seu idioma, por favor contacte-nos, através do telefone abaixo indicado.

Portuguese

تملك هذه الوثيقة بالمعلومات اللازمة عن منزلك وحقوقك ومسئولياتك. إذا كنت ترغب في الحصول على أي جزء من هذه المعلومات مطبوعاً بأحرف كبيرة أو بطريقة برايل أو مسجلاً على أسطوانة مدمجة أو شريط صوتي أو مشروحاً باللغة التي تتحدثها، يرجى الاتصال بنا على الرقم الموضح أدناه.

Arabic

এই দস্তাবেজটি আপনার ঘর, অধিকার ও দায়িত্বগুলি সম্বন্ধে তথ্য সরবরাহ করবে। যদি আপনি এই তথ্যগুলোর যে কোন একটির সম্বন্ধে বিস্তারিত জানতে চান, অথবা আপনার নিজের ভাষায় তেল, সিডি, অডিও টেপ-এ পেতে চান তাহলে নিম্নলিখিত নম্বরে আমাদের সাথে যোগাযোগ করুন।

Bengali

Ce document contient des informations sur votre logement, vos droits et vos obligations. Si vous souhaitez obtenir une partie de ces informations en gros caractères, en Braille, sur CD, cassette audio ou expliqué dans votre langue, veuillez nous contacter au numéro indiqué ci-dessous.

French

આ દસ્તાવેજ તમારા ઘર, તમારા હકકો અને તમારી જવાબદારી વિશે માહિતી આપે છે. જો તમારે કોઈ પણ ભાગની આ માહિતી ભ્રેઈલ, સીડી ઉપર, આડિયો ટેપ અથવા તમારી પોતાની ભાષામાં સમજી શકો તેની જરૂર હોય તો નીચે જણાવેલ નંબર ઉપર અમારો સંપર્ક કરો.

Gujarati

Este documento proporciona información sobre su casa, sus derechos y sus responsabilidades. Si necesita esta información en fuentes grandes, Braille, en CD, cinta o en su propio idioma, póngase en contacto con nosotros en el teléfono siguiente.

Spanish

Telephone: 020 8451 8000

