

# CORNWALL HOUSING

## Cornwall Housing Guide for Shared Owners

This leaseholder guide aims to provide you with some useful information to help you enjoy living in your new home and community and answer the most common questions that you may have, following the purchase of your shared ownership home.



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# SHARED OWNERSHIP – LEASEHOLDER GUIDE

## About this Guide

Welcome to your new home.

This leaseholder guide aims to provide you with some useful information to help you enjoy living in your new home and community and answer the most common questions that you may have, following the purchase of your shared ownership home. We aim to provide all relevant information to you, whether it is related to, rents, service charges, estate repairs and improvements, at the right time and in the right way.

This guide provides general guidance and explanations. It isn't intended to provide legal advice so it should be read in conjunction with your lease. If you have any queries about your lease, you may wish to seek independent legal advice.

If you aren't able to find the answer to your question in this handbook and require further information, please contact us for assistance. Contact details can be found below and on the back cover of this handbook.

We hope you will find this guide useful.

The lease on your new home is managed by Cornwall Housing on behalf of Cornwall Council, your Landlord, and you can contact us on 0300 1234 161

## What you can expect from us

The following standards indicate the level of service you can expect from us.

Our commitment to you...

Your lease agreement sets out the full conditions, but in brief we will:

- Treat you with dignity and respect
- Use language that is easy to understand
- Be open and honest
- Maintain your confidentiality
- Listen to your views
- Inform you of any changes in central or local government legislation that will affect either your lease, or how we manage your lease
- Give you options for how, when and where you can contact us
- When we visit your home we will always make an appointment first, unless it is an emergency situation

## Shared Ownership

As a shared owner you have purchased a part share in your home. This can vary from 40% to 75%. This share has been sold to you on a leasehold basis for a period of 125 years. The remaining share is rented from Cornwall Council who is your landlord.

At a later date you have the opportunity to buy more shares in your property and become an outright owner – this is known as ‘staircasing’. If you staircase to 100% ownership, the freehold interest can be transferred to you; however please be aware that there may be other occupancy clauses such as local connection restrictions when you come to sell on in the future, should your property be subject to a Section 106 agreement. There may be some restrictions on certain properties which prevent staircasing to 100%, or require you to offer your property back to the Council first, if you decide to sell.

## Our Rights and Responsibilities

We have the right to charge you rent for the share of the property you do not own, buildings insurance and any other charges relating to the performance of our duties as your landlord's agent.

We have the right to make an appointment with you to inspect the property. If repairs are needed, we will give you written notice to carry out any necessary remedial works. If you do not carry out the repairs, or any repairs are not considered by the landlord to be a satisfactory standard, we reserve the right to arrange the works and you will be recharged accordingly.

We have the right, in some circumstances, to enter your property without notice to carry out repairs if there is a serious risk of damage to the property, or it could otherwise be a danger to other residents.

We have the right to enter your home to carry out an inspection, or to take a schedule of the fixtures and fittings in the premises. We must give you reasonable notice if we intend to do this. Unless this is an emergency we will agree a time with you beforehand.

If we find any defects or disrepair we will inform you by letter of the repairs needed and give you notice to fix the disrepair within 3 months of the date of the notification letter. If you don't meet the terms set out in the notice we (or contractors acting on our behalf) will carry out the repairs and we will reclaim the costs from you. Please note that if new your property is covered by a defect warranty from the builder for any defects from the date the property was completed. Please check before attempting to repair a defect as this may invalidate the warranty.

## Rent

You are required to pay rent on the remaining share of your home that you do not purchase. We will tell you the initial rent for the share that you have not bought before you complete the purchase. Your lease will set out the basis on how your rent is assessed, and the method that your landlord, Cornwall Council, will use to calculate any future increases.

Rent will be charged by equal monthly payments, in advance on the first day of each month. The default method of payment is by Direct Debit.

Non-payment of rent and or other charges may incur interest, at 3% above the base rate of Barclay's Bank PLC, that remain unpaid for a period of 14 days after becoming due for payment

Non-payment of rent and lease obligations may result in the termination of the lease. It is therefore important that you talk to us as soon as possible if you are having difficulties paying your rent. Inclusion advisors are available to provide budgeting; debt advice and welfare benefit advice and can work with shared owners if they are experiencing financial difficulty. Contact us if you need to access these services.

We must inform your mortgage lender if you fall behind on your rent payments, and by signing your lease you have authorised us to exchange relevant information with your lender.

If you accrue rent arrears and you do not bring your account up to date or make and adhere to a repayment agreement, you will be served with a Notice Seeking Possession. This gives you 4 weeks to bring your account under control before we would apply to the court to evict you from the property.

Your Mortgage lender may also instigate possession proceedings.

If you purchase further shares in the property, the rent will be reduced accordingly, however the rent you pay on the remaining share will still be reviewed every year to reflect the current market rent at that time.

## Other Property Charges

Even though you may not own 100% of your home, you are responsible for paying all outgoings relating to the property. For example: Council tax, Contents Insurance, Heating, Lighting, water and sewage charges.

## Service Charge and Estate Maintenance

As a shared Owner, whilst you are responsible for all repairs to your home (only repairs to the interior of your home if you live in a flat, as defined in your lease), you are also required to make a contribution towards any costs of the repairs and maintenance of the shared common areas on the estate where you live. Please refer to your lease to check which areas of your home you are responsible for repairing.

Service charges for the dwellings on your estate have been calculated and apportioned across the development with each household being charged a monthly rate, to be reviewed annually. This charge may cover

Grounds maintenance of estate amenity areas including grass cutting and upkeep of shrubberies etc.

Lighting on non-adopted roads

Emptying of Septic tanks

Servicing of attenuation tank

**If you live in a flat you may also be charged for**

Health and safety inspections

Health and safety system servicing and upkeep

Repairs and maintenance of the building which your flat is in

Communal area grounds maintenance

Communal lighting

Communal cleaning

Any other communal services provided

**You will also be charged:**

Buildings insurance for your property (or a proportion of the total cost for insuring the whole building, if you live in a flat)

## **Estate Maintenance**

Once the developer's requirements to carry out repairs within their contractual defect period has expired, any estate repairs and maintenance costs will be apportioned amongst the total number of residents. There will then be a yearly recharge of those costs with apportionment based on the number of properties on the estate

For example, where an estate has 30 properties within its boundaries, all costs will be apportioned and shared between those thirty properties. A shared owner would be recharged a thirtieth of any costs for the repairs and maintenance of the shared estate common areas.

Where individual works costs are expected to cost more than £250.00 per resident, CHL will consult with leaseholders (shared owners) in accordance with Section 20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002 ("the Act"), Landlords are required to give notice to Leaseholders of their intention to carry out "Qualifying Works" as described in the Act.

Qualifying works include a wide range of works from replacement and maintenance of shared estate areas such as un-adopted paths to full replacement of drainage systems or sewerage treatment works where mains drainage is not available

If you want more information on 'qualifying works' please contact us.

## Management Charge

The Service Charge as described above and any re-chargeable estate works attracts a management fee, this fee covers for example: the costs of collating the cost data, apportionment, scheduling, invoicing and collection costs.

## Property Insurance (Building)

Cornwall Council will insure your property. The monthly premium for this will be charged with your rent, you will be responsible for arranging the buildings insurance of your property if you purchase 100% of your home.

## Property Insurance (Contents)

Cornwall Council does not provide contents insurance. You will need to arrange your own contents insurance through an independent insurance provider to cover your personal possessions.

## Repairs and Maintenance

You are responsible for all repairs and maintenance on your property. This includes gardens to the front and rear, and all fences, walls and hedges marked with an inward-facing 'T' on your lease plan.

## Gas Safety

Under the terms of your lease you are responsible for keeping any appliances in your home in a safe condition. This is so that they don't cause a danger to the property or any of the people that live in it, or to any other surrounding properties and residents.

You must arrange for all gas installations to be tested (serviced) annually.

## Alterations and Improvements

Under the terms of your shared ownership lease, you do not have the right to carry out any alterations or improvements, (other than minor interior upgrades); however requests for approval to carry out alterations will be considered in limited circumstances and at the Council's discretion.

Requests will only be considered on the basis of welfare adaptations or to meet the needs of your household, and requests will be considered on a case by case basis.



You must get written permission before carrying out alterations or improvements. Replacing like for like replacements such as a replacement boiler or undertaking internal decoration will generally not require permission. Please submit your request by using the '[Application for house alterations](#)' form available online.

You may also need planning permission and building regulations approval.

You will be solely responsible for all costs incurred in relation to alterations and improvements to your home.

CHL will inspect any works carried out to ensure they are of a satisfactory and compliant standard.

If you damage the structure of the building, your landlord has the right to make it good and charge you for doing so.

### Sub-letting your home

Under the terms of your lease you are prohibited from subletting any part of your home. However in exceptional circumstances such as the prevention of homelessness or financial hardship, CHL in conjunction with your Landlord, CC, may consider the shared owner sub-letting their home or taking a lodger.

However all requests will be considered on a case by case basis, and legal advice will be sought in all cases.

If however it is found that you have rented your property out without permission, we can take legal proceedings by taking you to court and recover repossession of your home, or force you to sell the property.

### Buying a further share in your home

Buying a further share in your home, or buying it outright is known as 'staircasing'.

The cost to purchase a further share(s) will be based on the current market value of the property at the time you propose to purchase that additional share. The value will be determined by an independent qualified valuer who is a member of RICS (Royal Institute of Chartered Surveyors). Cornwall Housing will arrange this on your behalf. You will be required to cover the cost of the valuation. When making further purchases of shares, each additional share you require must not be less than 10%.

It is important to bear in mind that house prices can go up and down. This means that sometimes you might pay more for buying additional shares, or

have to sell at a price that is less than what you originally paid for your share, if the market value has dropped.

If you owe any rent or other monies including the valuation fee, these become payable in full upon completion

For further information on staircasing please contact us.

### **Selling your home**

You will need to inform CC in writing if you wish to sell your share. An independent valuation by a RICS surveyor will be obtained by Cornwall Housing, to assess the market value of the property. You will be required to cover the cost of valuing the property. You cannot sell your share for more than the appropriate percentage of the full market value.

### **Advertising your home**

If you wish to sell your home, please contact us for more information.

We hope you enjoy your new home and surroundings. Please do get in touch if you have any concerns or queries. We are here to help.

# Alternative formats

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**If you would like this information on audio CD, audio tape, Braille, large print, any other format or interpreted in a language other than English, please contact:-**

Mar mynnowgh hwi kavos an kedhlow ma war son-sidi, sonsnod, yn Braille, prynt bras, furvas aral po styrys yn taves dres Sowsnek, kesteveugh mar pleg:-

### Address

Cornwall Housing Ltd  
Chy Trevail  
Beacon Technology Park  
Bodmin  
Cornwall  
PL31 2FR

### Telephone and Text

General enquiries and repairs: **0300 1234 161**

Text: **07941 712 712**

### Email

General enquiries      [info@cornwallhousing.org.uk](mailto:info@cornwallhousing.org.uk)

Website                      [www.cornwallhousing.org.uk](http://www.cornwallhousing.org.uk)