



# Shared ownership handbook

Your guide to the essential things you need to know about your home

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### TRANSLATION SERVICE

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We use the translation service Language Line, so if you need to have a conversation with us over the telephone in another language, please let us know.



### FURTHER INFORMATION

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You can find more information about subjects covered in this handbook on our website. If you do not have access to the internet, or need any information not covered in this handbook, please contact us.

## WELCOME

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**Welcome to emh, we hope that you enjoy living in your new home.**

This handbook provides you with information about home ownership. It explains the rights and responsibilities for you as the shared owner and emh as your landlord.

Please keep it handy for reference. If you need further information or have any queries relating to your home please contact us. We are here to help.

## YOUR LEASE

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Your lease is a legally binding contract between yourself and us. By signing it both parties agree to comply with the terms and conditions.

**Your lease will tell you both your rights and responsibilities and ours. It is very detailed and contains many legal terms and expressions, so to simplify matters its main points are:**

### You agree:

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- ▶ To pay the rent at the time and in the way specified
- ▶ To pay any service charge (if applicable)
- ▶ To keep your home in a good state of repair
- ▶ Not to carry out any alterations or additions (except usual decoration) to your home without our prior written permission
- ▶ Not to sell your home without our prior written permission

- ▶ To obtain permission to have pets in your home
- ▶ To allow us with prior notice to inspect the condition of your home
- ▶ To use your home as a private dwelling only
- ▶ Not to do anything which may adversely affect our buildings insurance policy.

### We agree:

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- ▶ To allow you to occupy your home without interference unless you are in breach of the terms and conditions of the lease
  - ▶ To insure the building (but not its contents)
- Please note that there are more clauses in the lease, and you should get your solicitor or legal representative to explain it to you if you are not sure about anything.

You must be consulted about any changes that we want to make to your lease. Generally, no changes can be made without your permission. You have the right to stay in your home until the end of your lease so long as you keep to the conditions set out in it and pay all the charges due.

If you have lost or mislaid your lease, the original solicitor that acted for you on your purchase should be able to provide you with a copy or you can download one from the Land Registry.

Emh can also obtain a copy for you, please contact us for confirmation of our charge for this.

### Subletting and lodgers

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We will not permit subletting of a shared ownership property under any circumstances

Shared owners have the legal right to take in a lodger but must gain our permission first.

### Staircasing: Purchasing additional shares

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Staircasing means that as a shared owner you can purchase further shares in your home at any time, although usually after your first year of ownership.

Each share you purchase will be at the current market value determined by an independent RICS accredited valuer, please note that the cost will be the shared owners responsibility. Most shared owners can purchase up to 100% ownership. There are some rural schemes and older persons shared ownership schemes where ownership is limited to 70%, 75% or 80%. If you decide to staircase you must contact our Sales and Marketing team and inform them of your intentions to purchase a further share.



## YOUR LEASE

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### Selling your property/ lease assignment

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You can sell your share in the property at any time providing the intended purchaser fulfils our criteria. This is called *Lease Assignment*. You must first contact our Sales and Marketing team to let us know that you wish to sell your share.

You are free to sell the share in your property through an estate agent of your choice. Please note that you will be responsible for the estate agents' fees for selling and a resale administration fee will be payable to us. Please contact us for further information.

Should you wish to sell 100% of your property rather than just the share, this is possible and is called *Simultaneous Staircase and Sale*. Please contact us for further information and the procedure for this.

### Succession/transfer

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If you make a last will and testament, you can state who will take over your lease when you die. If you die without making a will your lease should be passed to your next of kin. We recommend you seek legal advice when preparing a last will and testament.

If you divorce or legally separate from your partner and you have a joint lease, you must inform us and agree with any mortgage lender which partner is to take over the property. If you cannot agree, a court will make a ruling on who should stay or order the property to be sold. You will need to appoint a solicitor to deal with this for you.

Please note that if the property has a restricted clause within the lease, the property cannot necessarily be transferred. We recommend contacting us for further information.

### Lease forfeiture

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#### You will be in breach of your lease and at risk of losing your home if the following circumstances occur:

- ▶ Failure to pay rent and service charges
- ▶ Breaking any other condition of your lease
- ▶ Knowingly made a false statement when you applied for the property

This is known as *lease forfeiture*. The final step or decision, which is considered an extreme, drastic action when we are left with no alternative options.



## PAYING YOUR RENT, SERVICE CHARGES AND GROUND RENT

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### When to pay your rent

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Your rent and service charge (if applicable) is due monthly in advance on the first day of the month. It is your responsibility to ensure that it is being paid on time even when claiming benefits. If your charges are not paid by the 14th of the month then your account is classed as in arrears.

Direct Debit is our preferred payment method. It is the simplest way to ensure your rent is paid on time. This can be set up via the online portal, myhomeonline, which gives you 24 hour access to your rent account.



### Rent arrears

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We take rent arrears very seriously, but if you are having problems paying your rent, please do not be afraid to approach us as soon as possible. The longer you leave it, the worse the situation will get.

We will offer you support and try to reach a payment arrangement so that you can catch up with your payments. We can also put you in touch with our Money Matters team and agencies that may be able to help you.

**If you fail to pay your rent and service charges or keep to any arrangement you have made, we may take legal action to recover the money you owe. This could affect your credit rating and you will be liable for any associated court costs in addition to the unpaid debt. We can also, if listed in your lease, charge interest on monies unpaid after the 14th of the month in which it is due.**

We will make every effort to help you stay in your home, but there are also some circumstances when we could apply to the courts for possession of your home; we can apply to the courts to have your home taken from you if you:

- ▶ Fail to pay service charges to which you have agreed, or which have been set by a Leasehold Valuation Tribunal
- ▶ Failure to pay rent and service charges
- ▶ Breaking any other condition of your lease
- ▶ Knowingly made a false statement when you applied for the property

This is known as *lease forfeiture*, and as previously stated, we will only use this as a last resort.

### Benefits

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Shared ownership rent and most service charges are eligible for benefits. If you are entitled to any benefits that help you pay your rent, it is your responsibility to claim. Our officers receive regular training and can assist with basic advice.

### Mortgage arrears

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Your home is at risk if you do not keep up mortgage repayments or repayments on other loans secured on it. If your arrears become serious the mortgage lender may take steps to repossess your home. This would mean that you would lose the whole of your investment in it.

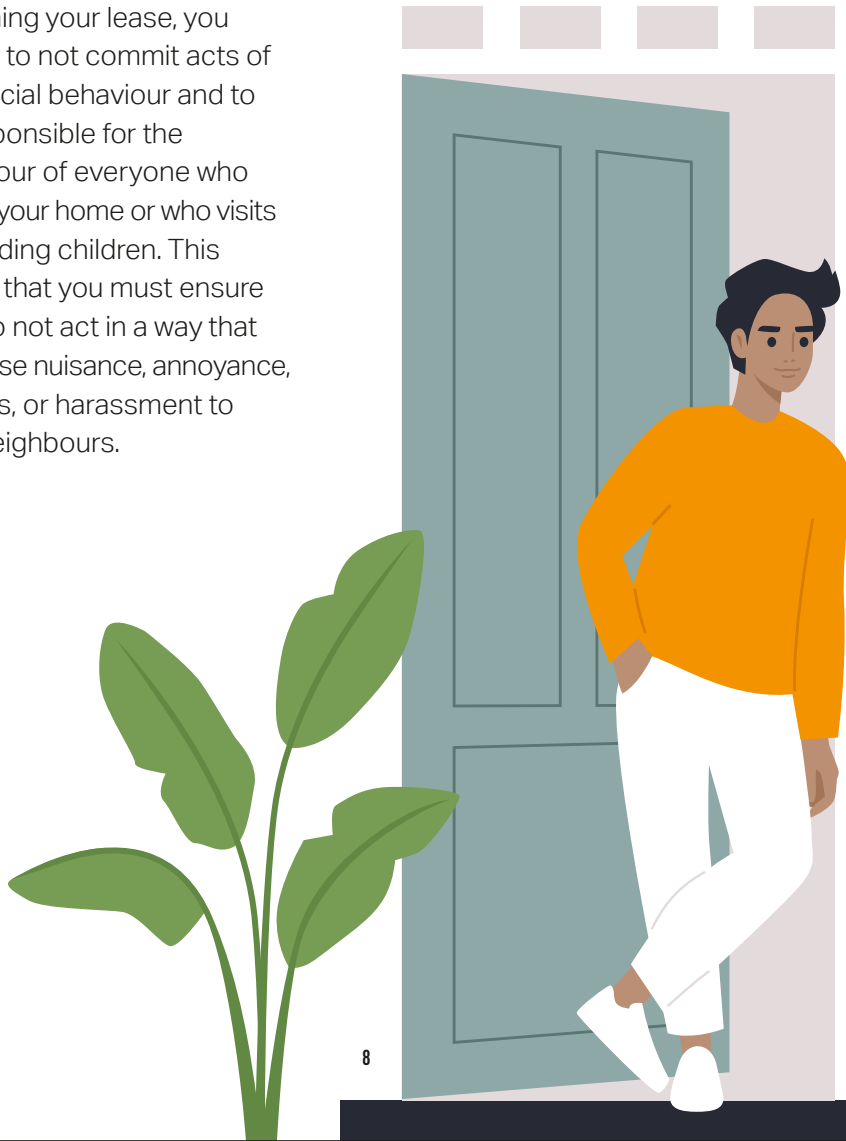
If you are struggling to keep up with your repayments, we urge you to contact us as soon as you can so we can assist you. We can put you in touch with our Money Matters team and agencies that may be able to support you.

## YOU AND YOUR NEIGHBOURS

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### Everyone has the right to the peaceful enjoyment of their home and neighbourhood.

By signing your lease, you agreed to not commit acts of anti-social behaviour and to be responsible for the behaviour of everyone who lives in your home or who visits it, including children. This means that you must ensure they do not act in a way that will cause nuisance, annoyance, distress, or harassment to your neighbours.



### Anti-Social Behaviour

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If you experience or witness anti-social behaviour (ASB) in your area, please report it to us. We will do our best to work with our local partners to solve the problem. We're here to listen to your concerns and help make your environment a better place to live. Anti-social behaviour is anything that causes alarm, distress, nuisance, or annoyance in your local area. It can take many forms, from vandalism and noise to more serious issues like harassment and threatening behaviour.



### Informal action

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Most cases of ASB are low-level and can be resolved through informal measures. These include home visits to the perpetrator, warning letters, acceptable behaviour agreements and, where there is no clear breach of tenancy/lease, a referral to local mediation services. This is where a neutral facilitator helps the parties explore the reasons behind the conflict and consider possible remedies. When other methods of resolution have failed, and there is evidence of a clear breach of tenancy/lease, we will look to take legal action. We will analyse all aspects of the case and determine a course of action that is both proportionate and reasonable, with resolving the ASB being the priority.

## YOU AND YOUR NEIGHBOURS

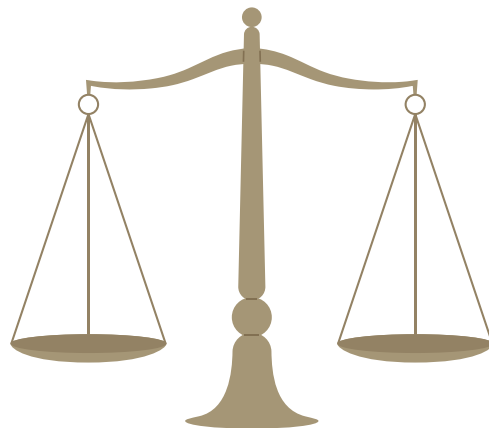
### Legal action against a tenant

We may look to apply for an injunction to prevent the perpetrator from continuing to cause nuisance. Breaching an injunction is considered contempt of court and can carry a hefty fine and/or a prison sentence. If appropriate, we may serve a notice of seeking possession (NoSP) on the perpetrator's tenancy. This lasts for 12 months and allows us to make an application to court for possession of the property, should the behaviour continue. Before granting possession, however, the courts will need to be satisfied that all reasonable steps have been taken to resolve the ASB.

### Legal action against a homeowner

Like tenants, homeowners are subject to legal action if they, or anyone residing with them, cause nuisance, harassment, alarm or distress. If appropriate, we will take similar legal action through the County Court including, as a last resort, bringing their lease to an end by forfeiture.

**If you think a crime is being committed, please call the police on 101. In the event of an emergency, please always call 999.**



## DEFECTS LIABILITY PERIOD – NEW HOMES ONLY

**When you move into your brand new shared ownership home, you will be offered a New Homes Quality Inspection to identify any valid defects that need rectifying by the developer.**

You will get a defect period through the developer which covers any structural issues, breakdowns, product failures and non-cosmetic defects within the first 12 months from when the property was handed over to emh. You will report these through emh customer service team. Emh will do an end of year defects inspection which covers any validated defects documented.

An additional 12 months defect liability is offered through the developer. However, you will need to make any claims during this period directly through your builder. If the claim is refused, you will need to contact your warranty provider who will deal with the claim on your behalf.

You will get a New Homes Structural Warranty cover through your Warranty provider. There are 3 different providers, NHBC, Premier and LABC. All offer a similar cover and full details will be provided to you when you move in.



## SHARED OWNER AND LANDLORD RESPONSIBILITIES

As a shared owner your responsibilities are detailed in your lease. The lease is the legal contract between you and emh. This handbook is supplementary, for more detail you should refer to your lease.

You should check your lease, but shared owners are usually responsible for the items detailed in the table below.

### In a flat

#### Shared owner responsibilities:

The inside of the property
Usually the glass in the windows (check lease)
The water supply and plumbing in your flat
Maintenance of a water tank that serves only your property
The electrical supply and any electrical fixtures and fittings in your flat, including the consumer unit
The annual service and maintenance of any boiler and heating system that serves your flat
Floorboards, concrete floor screed, floor tiles, skirting boards, and other woodwork inside your flat
The repair and maintenance of any staircases inside your flat
Internal doors inside your flat

### In a house

As a shared owner of a house, your lease makes you responsible for the repair and maintenance of the property, outside of any warranties provided. Whilst emh owns a share of the property, the repairing obligation sits with the shared owner.

Your obligation includes any servicing of boilers and general maintenance and upkeep of your property. You must ensure your boiler is serviced annually, otherwise any warranty will not be valid.

#### Landlord responsibilities:

The structure of the building including internal load bearing walls
Usually window frames and doors (check lease)
Maintenance of the main water supply to the building including the main stop tap
Maintenance of a shared water tank
The electrical supply and any electrical fixtures and fittings in the communal areas
The annual service and maintenance of any communal boiler serving more than one flat
The structural woodwork (including floor joists and wall plates) to your flat, and the woodwork in communal areas
The structure of the roof of the building and any roof coverings
The repair and maintenance of any communal staircases
Communal entrance doors
Usually the main front door to your flat (check lease)



## SINKING FUND AND RESERVES FOR FLATS

Emh leases usually include the provision for a sinking fund. A sinking fund is like a savings account to pay for the replacement of major capital items such as long-term repairs and maintenance to the external structure of the building and communal areas. You may also pay an amount into a sinking fund through the service charge to cover the general upkeep of communal external areas such as roads which have not been adopted by the Local Authority.

The aim of a sinking fund is to ensure that the cost of replacing these large items is spread amongst the owners of the property over its lifespan, rather than individual shared owners receiving a large bill when a replacement is due.

If you are required to pay your sinking fund upon resale, this payment is calculated as a percentage of the sale price achieved.

The contributions paid into a sinking fund are protected, with interest earned and taxed just like a normal savings account. A sinking fund should only be in place if your lease allows it. As with the service charges, sinking fund contributions are reviewed annually, taking into consideration the amount already in the fund, the cost of estimated works, and when any works are scheduled to take place.

Emh reviews this annually, however if an unplanned job is required there may not be enough money in the sinking fund to cover the cost. When that happens, bills are payable within 30 days. Payment plans can be considered – we would ask you to fill in an income and expenditure form first.

## BUILDINGS INSURANCE

Your landlord will be responsible for the insurance of the building (but not the contents). This will be part of your service charge. Emh arranges buildings insurance through a block policy. As we insure a large number of properties under one policy, we receive a discount, which we pass on to shared owners and leaseholders.

You will need to notify your mortgage lender that emh insures the building. You are responsible for arranging your own home contents insurance.

Claiming on insurance for a repair – If a repair is needed to your home due to accidental loss, destruction, or damage to the property, you will need to contact the insurance provider. Details of the up-to-date building's insurance are provided on our website, together with contact details. If you have any queries about your buildings insurance or want to make a claim, please contact the insurance broker directly.





## WAYS TO CONTACT US

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**W:** [www.myhomeonline.org.uk](http://www.myhomeonline.org.uk)

**W:** [www.emh.co.uk](http://www.emh.co.uk)

**T:** 0300 123 6000