

SELLING YOUR PROPERTY



Garden City Homes

Can I Sell My Shared Ownership Home?

If you're ready to move on, you can sell your share of your home at any time after completion.

How Do I Do This?

Your lease gives us as your landlord the opportunity to nominate a purchaser, which means we may have a list of people who have shown an interest in shared ownership resales. If no-one is suitable, or they fail to complete within the required timescale, you can put your share of the property on the market with an estate agent.

Who Can Buy My Home?

Priority will always be given to shared ownership applicants, but if none are forthcoming or if they fail the application and affordability process, then an outright sale can be agreed. For outright sale, no initial approval or assessment is required.

In order to be eligible for shared ownership, applicants;

- Wouldn't be able to afford to buy a suitable home on the open market.
- Should have a household income of £80,000 a year or less outside of London.
- Are assessed as being able to afford and sustain a shared ownership home

What's the process?

1

Is your rent and service charge account up to date? If not, you will need to clear your arrears before you can proceed

2

Complete the attached form notifying us of your intention to sell.

3

Arrange for a valuation with an RICS (Royal Institute of Chartered Surveyors) valuer. We can provide a list of approved RICS valuers if required.

If you wish to instruct your own valuer, please ensure the following requirements are complied with. That the valuer is RICS qualified. An estate agent, bank or building society valuation is not classed as an independent valuation and will not be accepted. The valuer should inspect the interior of the property and should disregard any significant improvements which have been approved previously by us (if there are any). A separate figure should be provided in the report to confirm the type and value of the improvements. Please ensure we receive a copy of the valuation report.

4

Upon receipt of the report we'll let you know if the valuation is acceptable and the amount you may sell your share for. The property can be marketed as shared ownership or for outright sale. Your estate agent can download the fact sheet [here \(ESTATE AGENT INFO SHEET\)](#) so they know how to market the property.

5

Once a sale has been agreed you will need to instruct a solicitor

6

At the point a sale is agreed an admin fee of £200 [LINK ABOUT ADMIN FEES](#) is payable. We are only able to instruct our legal team to proceed in the matter when this payment has been made.

INTENTION TO SELL

Garden City Homes
Parkway Green House
460 Palatine Road
Manchester
M22 4DJ



Garden City Homes

LEASEHOLDER DETAILS

NAME:

ADDRESS:

.....
.....
.....

EMAIL:

TELEPHONE:

PROPERTY DETAILS

EQUITY PERCENTAGE HELD:

PLEASE LIST ALL AUTHORISED IMPROVEMENTS TO THE PROPERTY

PLEASE LIST DETAILS OF VALUER INTRUCTED

SIGNED:

PRINT NAME:

DATE:

PLEASE RETURN TO: ENQUIRIES@GARDENCITYHOMES.ORG.UK

WWW.GARDENCITYHOMES.ORG.UK

ESTATE AGENTS GUIDANCE



Garden City Homes

You've been instructed in the sale of a shared ownership property which we have an interest in.

A valuation report from an RICS (Royal Institute of Chartered Surveyors FRICS or MRICS) accredited valuer has been approved prior to you being instructed. Please contact us to confirm the value.

In order to be eligible for shared ownership, applicants;

- Wouldn't be able to afford to buy a suitable home on the open market.
- Should have a household income of £80,000 a year or less outside of London.
- Are assessed as being able to afford and sustain a shared ownership home

Shared ownership allows an applicant to buy a share in a property (apartment or house) which can be anything from 25% to 75%. They will pay a mortgage on the share they own and rent on the remaining share.

An apartment will also have a monthly service charge for communal services and occasionally a house may also be subject to a service charge if they too have communal services. Please ensure you check with the vendor before marketing as they will need to provide you with all information regarding the rent and service charges.

When the initial sale of a shared ownership property is agreed, the purchaser signs a Lease which outlines the rights and obligations of both parties. When a shared owner wishes to sell their share in the property they will assign their share to the new owner. The new owner agrees 'takes over' the lease from the original owner.

Please note, a shared ownership sale should not be agreed until an applicant has been approved and assessed for eligibility as below.

Step by Step Guide for Shared Ownership Resale

Ensure applicants for shared ownership complete an online application form with Help to Buy North West to ensure they are eligible for the scheme www.helptobuynw.org.uk

Once accepted, they will require an affordability assessment with Metro Finance. This ensures they are able to afford the share being sold by the current owner. If they are unable to afford this share, they will not be able to proceed. Please forward details of all approved applicants to us at enquiries@gardencityhomes.org.uk for assessment.

When a purchaser has been approved the vendor and purchaser will instruct a solicitor to deal with the sale and we will be available to respond to questions or queries that may arise. Rent and service charges will have to be paid up to date for completion.

The Association will be notified of completion by the solicitors and will make contact with the new shared owner to set up the Direct Debit and update the account details.

Sale with Increased Equity

Occasionally applicants are assessed as being eligible to purchase more equity than is being sold, up to 75%. This means they will buy the current owners share and a further equity share from us. In this instance, we would also instruct a solicitor and the purchaser would do a parallel purchase with us.

Outright Sale

Priority will always be given to shared ownership applicants, but if none are forthcoming or if they fail the application and affordability process, then an outright sale can be agreed. For outright sale, no initial approval or assessment is required. Once a sale has been agreed we should be notified and we would also instruct a solicitor.

ADMIN FEES & CHARGES



Garden City Homes

What is an Admin Fee?

An admin fee is payable to us for services we provide which are outside the terms of your lease agreement. They are usually for services which are requested as part of a process, for example, a property re-sale or approval of a mortgage and is usually not a regular service provided to all leaseholders.

Why do I have to pay it?

We charge a management fee as part of your lease agreement, but this doesn't cover the cost of providing these extra services. The admin fee is charged to ensure we are able to cover the extra costs incurred.

We have undertaken a benchmarking process with other Housing Associations. This means we have looked at what other organisations charge and the services they charge for to make sure we are charging fairly for these extra services.

When do I pay it?

The fee will become payable when you instruct us for the service, For example, if you enquire about a re-mortgage, the enquiry will not trigger the fee, but when your solicitor or mortgage advisor instructs us in the matter, the fee will become payable.

How do I pay it?

If you have a solicitor acting for you, they will usually pay it on your behalf and claim it back as part of their costs. If not, you can pay direct to our bank account. We will give you the bank details and a reference number and ask you to let us know when the payment has been made so we can confirm receipt. When receipt has been confirmed, we will be able to provide the service or documentation you have requested.

SERVICES PROVIDED OUTSIDE OF THE MANAGEMENT FEE

EFFECTIVE FROM 1ST APRIL 2019

SERVICES	COST	NOTE
Additional Copies of Service Charge Estimate, Accounts or correspondence	£30	For each item
Copy of supporting documents	£30 plus £1 per item	Per invoice/item
Copy of Lease	£50	
Management Questionnaire	£100	
Re-mortgage approval	£100	
Approval of Further Advance	£100	
Transfer of Names	£75	
Copy of full Buildings Insurance Policy	£50	
Lease Extension	£120	Plus legal fees
Deed of Covenant	£50	
Permission/Consent letter	£30	Plus £30 if inspection visit required
Licence to Alter	£60	
Sub-letting approval and registration	£80	
Stair-casing	£200	
Breach of lease	£40	
Notice of Assignment	£50	
Nomination Fee	As specified in lease or 1.75% of full market value	
Shared Ownership Resales	£200	
Freehold Acquisition	£120	Plus legal fees
Administration of Major Works	10%	
Notice Before Action	£80	
County Court Costs	Actual Costs	The amount charged by the Court will differ dependent on the level of debt
Valuation Fee	Actual Fee	The amount charged by the Valuer
Form 1 (for Freehold Acquisition)	£50	
Right of First Refusal Certificate	£50	
RX1 & RX3 forms (completed)	£50 each	
Deed of Postponement and approval for extra borrowing (first five years after RTB/A completion)	£100	

ADMINISTRATION CHARGES – SUMMARY OF TENANTS' RIGHTS AND OBLIGATIONS

This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly

- for or in connection with the grant of an approval under your lease, or an application for such approval;
- for or in connection with the provision of information or documents;
- in respect of your failure to make any payment due under your lease; or
- in connection with a breach of a covenant or condition of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

You have the right to ask the First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine

- who should pay the administration charge and who it should be paid to;
- the amount;
- the date it should be paid by; and
- how it should be paid.

However, you do not have this right where

- a matter has been agreed to or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

You have the right to apply to the First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

Where you seek a determination or order from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunal, Courts and Enforcement Act 2007.

Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.