

HOW TO STAIRCASE



Garden City Homes

How can I increase the share in my home?

When you're ready to buy more shares in your home, this is called stair-casing. You can either buy additional shares in increments (check your lease to see what the minimum is as there may be restrictions) which is called partial stair-casing or you can stair-case to 100% which is called full stair-casing where you will become the outright owner of your home.

You'll need to arrange for a valuation on your home so we know what you'll pay for your extra shares. Don't forget, when you buy more shares, your rent will reduce and if you stair-case to 100% you won't need to pay rent at all.

You can stair-case at any time after completion but remember, if you choose to stair-case in smaller increments rather than fully stair-case, you will have to pay valuation, legal, mortgage and admin fees each time you go through the process.

What happens when I stair-case to 100%?

If you live in a **house** you will normally be granted the Freehold Title when you stair-case to 100%, but in certain circumstances we may not be able to do this. Again, check your lease for confirmation. Also, if you have communal service charges such as cleaning or gardening, you will still have to pay these even when you've fully stair-cased.

If you live in an **apartment**, even if you have stair-cased to 100% ownership, you keep your current lease and will remain as a leaseholder but certain parts of it will no longer apply. You will also still be liable for all service charges.

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 staircase and the amount of equity you wish to purchase

3

Arrange for a valuation with an RICS (Royal Institute of Chartered Surveyors) valuer. Please contact us if you would like a list of approved RICS valuers.

If you wish to instruct your own valuer, please ensure the following requirements are complied with as 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

Once the valuation has been completed and the report forwarded to us, you will be informed in writing of the value of the equity you wish to purchase. You need to notify us of your intention to proceed and you will have three months from the valuation date in which to complete the purchase. If completion is not achieved in this period a further valuation will need to be carried out.

5

Once you have accepted your offer you will need to instruct a solicitor and at the point the offer is accepted an admin fee of £200 is payable. We are only able to instruct our legal team to proceed in the matter when this payment has been made.

6

Once we've been notified of the completion, we will reduce your rent if you've partially stair-cased or totally remove the charge if you've fully stair-cased. Remember, you may still have to pay service charges!

INTENTION TO STAIRCASE

Garden City Homes
8 Poundswick Lane
Wythenshawe
Manchester
M22 9TA



Garden City Homes

LEASEHOLDER DETAILS

NAME:

ADDRESS:

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

EMAIL:

TELEPHONE:

PROPERTY DETAILS

EQUITY PERCENTAGE HELD:

EQUITY PERCENTAGE TO PURCHASE:

PLEASE LIST ALL AUTHORISED IMPROVEMENTS TO THE PROPERTY

PLEASE LIST DETAILS OF VALUER INSTRUCTED

SIGNED:

PRINT NAME:

DATE:

PLEASE RETURN TO: ENQUIRIES@GARDENCITYHOMES.ORG.UK
WWW.GARDENCITYHOMES.ORG.UK

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.