



STONEWATER
HOMES

Homeownership handbook





Stonewater Homes

– a little bit about us

Stonewater Homes is a dedicated team within Stonewater looking after our homeownership customers, including leaseholders, shared owners, Right to Acquire or Right to Buy customers and many more.

Our values are built around being ethical, ambitious, passionate, agile and commercial and our vision is simple: for everyone to have the opportunity to have a place they can call home.

Whether you own a home outright through us, or are a shared owner, we want to help you every step of the way.

Your home

Buying your home would have been one of the most important decisions of your life and we are pleased you chose Stonewater Homes to share that journey with you. We hope you are happy in your home and enjoying the freedom and flexibility of owning or part owning your home.

You should have been informed of everything you needed to know when you bought your home, but if there is anything we've missed, please get in contact. We have a dedicated Sales and Services Team in place, alongside your Property Manager, to answer any questions you may have.

Your agreement with Stonewater Homes

You will have an individual agreement with us which is unique to your property which will either be known as a lease or transfer document.

It's important you know the type of agreement you have with us, so you understand the services we'll provide and your rights and responsibilities. You'll either be a leaseholder or a freeholder. If you are a shared owner, this is a type of leaseholder.

Leaseholders

If you hold an agreement which entitles you to exclusive possession of your property for a fixed period of time, such as 99 or 125 years, then you are a leaseholder. Your lease is a legal contract which sets out the legal relationship between you and us. There are different types of leaseholders, which include:

> Shared ownership leaseholders

A shared ownership lease entitles you to live in your home as a home owner with all the associated rights and responsibilities. However, you only own a percentage share in the property, not 100%.

> Leases for retirement homes

These are properties which have been designed and built for people aged 55 and over. Your lease may include:

- A restriction preventing you from selling your home to anyone who is not of, or over the age shown in the lease
- Special management arrangements, such as a scheme manager.

> Leases for homes sold under Right to Buy or Right to Acquire

If you bought a Stonewater house, flat or maisonette under the Government's Right to Buy or Right to Acquire schemes, your lease will cover the building, any communal areas and land in and around your home.

> Further guidance on leases

Find more information and independent advice from the Leasehold Advisory website at www.lease-advice.org.uk. Impartial advice can also be obtained from Citizens Advice on your lease as well as advice on debt and financial issues.

Freeholders

If you don't hold a written tenancy / lease agreement with us for a fixed or repeated period you're a freeholder. As a freeholder, you'll own your home and any land outlined in your deed.

You may also have an obligation with us to pay certain costs such as contributions to estate services. These obligations will be contained within your property transfer document.

Your agreement with us is an important document – please read it thoroughly.

Repairs and maintenance

We want you to enjoy and make the most of your home. Please remember that you are responsible for the repairs and maintenance of your home, whether you are a shared owner, leaseholder or freeholder.

As a landlord, we have an obligation to carry out certain repairs and maintenance on some of our schemes. This all depends on the ownership type of the property and the details in your agreement with us, so do please check your transfer document carefully.

Houses and bungalows

If you live in a house or bungalow, you're generally responsible for all of the repairs to your home – regardless of whether you own part or all of the property.

New homes

If you live in a newly-built property, the developer who built your home may be responsible for some repairs for a limited period of time (usually 12 months). This is called the 'defects liability period', and we can tell you the date this period ends if you're not sure.

The builder has to put right any defects in workmanship which may appear within the 12 month period of the property being built and any services such as heating, plumbing and electrics.

It is very important that you contact us to report any faults in your property or shared areas as soon as possible. But you can leave it to us to contact the builder to arrange for them to rectify any problems.

We would strongly advise against any alterations or decoration during the defects liability period, as this may affect the defects warranty on the property and increase the risk of settlement cracks.

At the end of the defects liability period, we'll inspect your property with the builder. We'll agree what outstanding repairs will be the builder's responsibility. The builder's responsibility ends when they complete these repairs.

Structural faults

After the defects liability period has ended, you may also be able to claim the cost of repairs against the National House Builders Council (NHBC) cover, provided by the contractor. The NHBC policy covers your property for some items for 10 years from the date your property was built. If you'd like a copy of this policy manual, want to make a claim, or would like more information about this, contact the NHBC direct.

Our repair responsibilities for flats

As your landlord, we're generally responsible for keeping the structure and outside of your home and block in a good state of repair. The exact details of our responsibilities will be detailed in your lease – please let us know if you are not sure.

Freeholders

As you own your home outright, arranging and paying for all repairs to your home sits with you. However, we're responsible for arranging repairs to the shared areas that are not the responsibility of the local authority, for example some street lighting and car parking areas.

Improving your home

Be as expressive as you like; the internal decoration of your home is your choice and you do not need our permission to decorate or carry out other minor improvements to your home. If you do wish make major improvements, let us know as you may need our permission. You may also need planning permission and must comply with relevant building regulations, and we will need to approve these.

In most instances, we'll approve your request unless it makes your home less safe, affects the structure of adjoining buildings, breaches building or planning regulations or breaches the conditions of the lease.

Alterations to your home

An alteration is any change that affects the structure of your home or adds value to the property.

For structural alterations, we may need our property surveyor's advice before we approve your alteration. We may also require our property surveyor to check that the work is done to a good standard, once it is complete.

If you make an alteration without our approval, we may ask you to put your home back to its original state.

Adapting your home

Life changes and your home needs to be able to change around you.

We are happy to make reasonable adjustments in communal areas for disabled people, for example, by installing temporary ramped access. If this is something you need us to assist with, please get in touch so we can explain how this works.

For anything inside your home, it's your responsibility to undertake aids and adaptations that may be necessary.

Stair lifts

If you require a stair lift to be installed, whether you live in a house or a flat, let us know, and we will talk you through things to consider and any costs involved.

Motorised scooter

As with stair lifts, there are certain things we will need to discuss with you if you need a motorised scooter, depending on your property and any communal areas.

Aerials and dishes

You'll need to get our permission before erecting any television or radio receiving equipment to the outside of your property.

Using your home as a business

Please contact us before you set up your business and we can confirm whether this is possible.

With any improvements, alterations or adaptations, if we need to grant permission, there will be a reasonable fee payable.

Major works

> Expensive repairs

If you are a leaseholder (including shared ownership), we are responsible for the maintenance and improvement of the external and communal parts of your building and/or estate.

A proportion of the cost of this work is rechargeable to you as a service charge in accordance with the terms of your lease.

We want to make sure any costs are fair and as the cost of some works can be significant, the law requires us to carry out formal consultation, in particular circumstances, with leaseholders who may be affected by the works.

> Repairs over £250 per property

If the cost to you is likely to be more than £250 (plus VAT), we must provide you with certain information about the works that we intend to undertake, their cost and the reasons why we consider it necessary to carry out the works.

In addition, if we propose to enter into a long term contract where you are likely to pay more than £100 in any year, we must also provide you with certain information about the contract, the cost and the reasons why we consider it necessary to enter the contract.

Notification of these works and contracts are often referred to as a Section 20 consultation.



Insuring your home

Buildings insurance

If you're a Leaseholder or Shared Owner, we're responsible for insuring the building. As a leaseholder, you have the right to:

- > A copy of the buildings insurance policy summary of cover which is available on request
- > Ask for proof that we have paid the insurance premium.

Buildings insurance is paid as part of your monthly service charge in accordance with the provision in your lease. Buildings insurance covers major claims such as damage to the building caused by fire, flood, storm, wind, vandalism or structural failure. It does not cover damage to walls or fences or the contents of your home.

You're responsible for insuring the contents of your home against fire, flood, storm, theft and accidental damage. We recommend you take out your own home contents insurance as soon as you move into your new home.

Making a claim

If you need to make a claim, you're responsible for contacting the buildings insurance company direct quoting the policy number when making your claim. The helpline operator will then be able to assist you in making your claim. They'll record the details of the claim and pass it onto a claim handler to progress.

The insurance policy has an excess, which is your responsibility to pay, and this will be deducted from any claim. You'll be required to pay the excess directly if the claim relates to works that you are responsible for arranging.

There may also be time limits to apply so if you think you may have a claim, it's important you make contact with the insurers as soon as possible.

If you're the freeholder of a house or bungalow it will be your responsibility to insure the building you own.



Service charges and reserve funds

Service charges

All residents contribute to the cost of providing services, maintenance and management through a service or estate charge. Your agreement with us will set out what proportion of the total cost of running the scheme you'll have to meet.

We operate variable service and estate charges which means that we estimate costs for the forthcoming year in advance and then balance the account at the end of the year, adding any credits (surplus amount) or debits (deficit) to the following year's estimate.

All monies paid by homeowners relate solely to the scheme that they occupy and are accounted for separately.

You are entitled to inspect the accounts, including receipts and invoices, relating to your home and to take copies. You are also entitled to apply to the First-tier Tribunal (Property Chamber) for a ruling if you believe that the service charge is unreasonable.

You will receive a Service Charge Guide with your annual bill which will explain the charges for your scheme in more detail. Please contact us if you have any queries about your service charge.

Reserve funds

Some schemes have a reserve fund, sometimes called a sinking fund. The purpose of a reserve fund is to collect an annual contribution each year from leaseholders to build up a fund in order to pay for future major works to the scheme, such as window or roof replacements as well as cyclical decoration to the block.

Reserve funds are held in trust by the landlord and attract both interest and trust tax. If you have a reserve fund set up for your scheme we will send you an annual statement with your service charge demand and notify you of your annual contribution to the fund which is collected as part of your service charge demand.



About your rent

We have a large number of shared ownership and homebuy schemes. The way that your rent is assessed depends on the particular type of shared ownership scheme and lease used at the time your property was completed.

Your lease may state that your rent is fixed by the Rent Officer. The Rent Officer is independent from Stonewater. Leases originally granted before 1988 would require the rent to be registered every two years in this way.

Rent increases for leases originally granted after 1988 can be set by Stonewater without registration. However the terms and mechanism of the increase will be specified in the lease. This method of rent increase is calculated annually in line with inflation.

How to pay your rent

Your rent is due on the first day of the month and is paid in advance. The rent is payable by direct debit from your bank or building society account.

Rent arrears

If you cannot pay your rent **please let us know and we will see what we can do to help.** You may also be required to let your mortgage lender know. We will consult your lender if you are in arrears with your rent.

Ignoring rent and service charge arrears may result in additional charges being incurred such as late payment fees, interest and court fees. Further non-payment of these arrears may result in you losing your home. If you need help with managing your rent payments, you can always obtain confidential help from us or by contacting your local Citizens Advice. **Please remember that we can't help you unless you let us know you are struggling.**



Buying further shares

This process is known as staircasing. Your lease will give you more information on staircasing and usually you'll be able to buy 100% of your home. Please note some leases only allow you to staircase to a maximum of 80%. If you're unsure about the maximum share you can purchase in your home please refer to your lease or contact us.

Most shared owners have the right to staircase and your lease will outline the procedure for doing so.

The level of rent you pay is related to the share we own. If you increase your share to less than 100%, your rent will go down in proportion to the share you buy and you'll pay less rent each time you staircase further. If you staircase to 100% you will no longer have to pay us rent.

Before applying, you need to estimate the current value of your home. This value will give you an idea of how much you'll pay for the extra share.

Check with your mortgage lender if they will increase your mortgage to allow you to buy the extra share.

How much does it cost?

You'll need to make sure you can meet the costs of:

- > The value of the extra share you are buying
- > The valuation fee – even if you decide not to buy the extra share
- > Your solicitor fees
- > Our fees

We will be happy to guide you through staircasing your home. Please contact us if you would like to purchase further shares in your property.

Re-mortgaging and/or further borrowing

If you took out a mortgage when you bought your shared ownership home we may need to know of any changes that you make. It may be you are re-mortgaging for a better rate, or wish to borrow more. We need to just check the amount you are borrowing and the reasons, but this is a relatively straight forward process.

Only certain reasons for further borrowing can be approved under the shared ownership scheme, for example, essential repairs or to buy a partner out following a change of ownership.

If you are not sure whether you are able to borrow the amount you need, please contact us and we will be happy to go through this with you.



Changing ownership, transferring or extending your lease

Adding or removing a joint leaseholder

If your circumstances change, you have flexibility. You can add an extra leaseholder or remove a leaseholder from the lease if all existing leaseholders agree. Please note – your service charge and/or rent account must be paid in full before we can do this. You'll need permission from us, and your mortgage lender in both cases, which won't be unreasonably withheld if the remaining leaseholder can afford the financial commitments and, in cases of shared ownership, is eligible for the scheme.

You'll need to appoint a solicitor to deal with the transfer of the lease. The service charge and/or rent account must be paid in full before we'll give permission. You'll also need to pay our permission fee.

If you cannot agree who should take on the lease, you must ask a court to decide.

Changing the name(s) of the leaseholder

If you wish to change the name on the title register, you'll need to instruct a solicitor. In order for us to update our records, you'll need to provide us with proof of the change. Please contact us if you have any questions about making changes to your lease.

Extending your lease agreement

All leases have a fixed term, typically a term of either 99 years or 125 years. The term begins when the lease begins and is noted on your lease document.

Some lenders will only lend against properties with a certain number of years remaining before the end of the term. In this case, the lease may need to be extended.

In most cases, aside from shared ownership, you've a legal right to extend your lease and can serve notice on Stonewater that you wish to do this. Stonewater has a policy of considering requests for lease extensions without the need for legal notice to be served on a voluntary basis, so please contact us first if you are considering extending your lease.

You'll need to make sure you can meet the costs of:

- > The value of the extended term you're buying
- > The valuation fees – you must pay the valuer, even if you decide not to extend
- > Your solicitor's fees
- > Our fees and solicitor fees

The conditions of the old lease will usually stay the same.

Shared ownership lease extension

A shared ownership lease does not carry the statutory right to extend the lease. If you are a shared owner and want to consider extending your lease, please contact us and we can advise you on the next steps. As with a standard lease extension, you will be required to cover the costs for extending the lease.

Subletting your home

Whether you can sublet your home – and the process involved – depends on your type of lease and ownership. It is always best to consult us first and see what your options are.



Selling your home

If you're a Stonewater homeowner and you'd like to sell your lease, please contact us as you'll need our consent to go ahead with the sale.

Shared owners

Once you've made the decision to sell your share of the property please contact us and we'll advise you on the next steps.

In most cases, the shared ownership lease will allow Stonewater a nomination period to find a suitable purchaser. Within this time, Stonewater Homes, who have an excellent internal sales service, will advertise your property with the Help to Buy Agent and digitally. Buyers must be eligible for shared ownership, and they'll need to be assessed to ensure they can afford the ongoing rent and service charges.

Some properties can only be re-sold to local people, particularly in rural areas. Please check whether this restriction applies to your home.

Please let us know as and when you decide the time is right to move on and we will be happy to talk you through the process and steps you need to follow.

Other leaseholders and freeholders

Once you've placed your property with an estate agent, please notify us of your intention to sell.

Your solicitor will contact us with a questionnaire about the building or estate and any charges levied. We may also need to sign and agree a deed of transfer.

If you own 100% of the property, there will not normally be any restriction on who you can sell your property to, or the price that you put the property on the market for.

If you have recently bought or acquired the property through the Right to Buy or Acquire scheme, you may have to repay some of the discount agreed if you sell within the statutory repayment period.

Our fees

As outlined throughout this handbook, on a number of occasions we carry out work for individual home owners which is not covered by any management fee you may pay. On these occasions we'll charge a direct administration fee which is payable in advance of the work undertaken.

We'll charge these fees in order to cover our costs. This includes the administration and stationery costs, the staff time involved in carrying out the work and our wider business overheads, such as the costs to operate from our offices and maintain our computer systems.

Our fees are benchmarked with similar organisations providing similar services and are reviewed on an annual basis.

Please be aware there may be clauses within your lease which supersede the fees quoted below, especially in respect of the cost of selling a share in a shared ownership home. We would therefore advise you to check your lease before proceeding.



Buying and selling your home

Re-sales administration fee

When you advise us that you're selling your home we'll make an administration charge for the work involved in updating our systems and accounts. This fee is as follows:

Shared owners	£240 inc VAT
Leaseholders	£120 inc VAT
Retirement	£240 inc VAT

We charge an enhanced fee for our retirement properties to cover the additional costs of the work involved in approving potential buyers.

Please note, if you do not adhere to the terms of your lease and advertise the property with an estate agent without first completing the nomination period, Stonewater reserves the right to refuse the purchaser or charge a retrospective consent fee of **£120 inc VAT**.

Solicitors' enquiry pack

During the selling or buying of a property your solicitor will contact us with a list of questions relating to the property and wider scheme. Our fees for dealing with such enquires are as follows:

Shared ownership – house	£150 inc VAT
Shared ownership – flat	£200 inc VAT
Freeholders	£150 inc VAT
Leaseholders	£200 inc VAT
Retirement	£200 inc VAT

We'll charge an enhanced fee for leaseholders due to the extra questions relating to the maintenance and insurance of the building and scheme.

Further enquiries

If, after answering the routine enquiries normally made by solicitors, your solicitor requests additional information we'll make an extra charge of **£60 inc VAT** for dealing with the supplementary enquiries.

Register assignments

This applies to shared owners only and covers the costs involved in legally registering a new owner. The charge is **£120 inc VAT**.

Buying further shares

If you are a shared owner and wish to buy further shares in your home we'll charge you a **£240 inc VAT** administration fee to cover our costs of dealing with the transaction.

Lease extensions

We'll voluntarily extend your lease for a lower fee at any time upon application without the need for you to serve legal notice on us, whether you have that right or not. Our administration fee for extending a lease is as follows:

Statutory Legal Notice	£360 inc VAT
Voluntary Negotiated	£240 inc VAT

We charge less for a voluntary negotiated lease extension as the procedure is less complicated and there are no imposed time scales on issuing counter notices.

Please note that this is the administration fee only and does not include the cost of the valuation or the actual cost of extending the lease.

Consents

There are a number of occasions where your lease or freehold transfer will require that you obtain our permission first, such as carrying out alterations to or sub-letting your home. Our fees for granting consent are as follows:

Sub-letting

Leaseholders	£180 inc VAT
Retirement	£240 inc VAT

We charge an enhanced fee for our retirement properties to cover the additional costs of the work involved in approving your tenant to ensure they meet the criteria required to live in the scheme.

If you're a shared owner you're prohibited from sub-letting your home under the rules of the shared ownership scheme.

Alterations

Simple	£120 inc VAT
Complex	£240 inc VAT
Surveyor's visit	£120 inc VAT (in addition to the fee above)
Retrospective	£120 inc VAT (in addition to the fee above)

Upon application we will rate the complexity involved in the alterations and advise you of the fee. If a Stonewater property surveyor is required to visit your home we will make an additional cost for this service.

Please note where consent is requested for more than one item at the same time the following additional fees will be payable:

Simple	£30 inc VAT per additional item
Complex	£60 inc VAT per additional item

Where there is a mix of simple and complex items being requested at the same time, we will charge the complex fee i.e. **£240 inc VAT**.

If you have carried out alterations without Stonewater's consent, when you come to sell your home the buyer's solicitor will ask for proof of consent and you will need to apply to us retrospectively. We will make an additional charge for this.

Lenders

If your lease requires that you need our consent to change your mortgage lender, mortgage product or to obtain a further advance against the property, our fees for considering our consent is **£175 inc VAT**.

Late payment charges

If you don't pay your service charge on time and we're required to send you a reminder, we'll apply an administration fee of **£30 inc VAT**. Please also note that your lease may allow us to charge interest on any debt outstanding. We'll also recharge any legal costs incurred in pursuing outstanding debts owed to Stonewater Homes.

Other fees

Here is a list of other fees that we charge in addition to the management fee:

Copy of lease or transfer document	£48 inc VAT
Deed of postponement	£120 inc VAT
Deed of covenant	£100 inc VAT
Removal of Land Registry restriction	£240 inc VAT
Notice of transfer	£100 inc VAT
Lease variations	£300 inc VAT
Copy documents	£30 inc VAT
Certificate of compliance	£100 inc VAT
Transfer of equity fee	£120 inc VAT
Commercial unit leases	£240 inc VAT
Boundary/ownership enquiries fee	£120 inc VAT

If you require any of the services described above or would like further clarification of our fees please contact us.

We hope that this handbook explains everything you need to know about owning a Stonewater home. Please contact us if you need further help.



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stonewaterhomes.co.uk

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