



# Leaseholder & Shared Ownership Handbook

## **This handbook includes information on:**

- What is a Leasehold
- What are the rights and responsibilities of Leaseholders and Shared Owners
- What are our responsibilities
- What are Service Charges
- How we will consult with leaseholders and shared owners

## **Introduction**

We're proud to provide high-quality housing services that help Castle Vale remain the vibrant, successful neighbourhood it is today.

This handbook is here to give you clear, helpful information about your rights and responsibilities as a leaseholder or shared owner. It's designed to support you, but it's not a substitute for your lease or legal advice. If you're ever unsure about anything, please get in touch with us or seek independent advice.

We manage over 2,500 homes in Castle Vale, and everything we do is shaped by our customers. Your voice matters, and we're committed to continuous improvement and involving you in decisions that affect your home and community.

We hope you find this handbook useful and easy to navigate.

## **How We Support You**

Our goal is simple: to provide great homes and excellent services. That means delivering outstanding customer service every time you contact us.

## **Meet Our Customer 1st Team**

Your first point of contact is our friendly and knowledgeable **Customer 1st Team**, which includes:

- **Customer 1st Advisors**
- **Customer 1st Team Leader**

They're here to help resolve your queries quickly and make things as easy as possible. If they can't help directly, they'll connect you with someone who can.

We always aim to treat you with dignity and respect and we're here to listen.

## **Getting in Touch**

You can reach us in the way that suits you best:

- **Phone:** 0121 748 8100
- **Email:** [contactus@pioneergroup.org.uk](mailto:contactus@pioneergroup.org.uk)
- **Online:** [www.pioneergroup.org.uk/contact-us](http://www.pioneergroup.org.uk/contact-us)

### **In person or by post:**

11 High Street

## **Opening Hours**

Monday	9am till 5pm
Tuesday	10:30am till 5pm

Wednesday	9am till 5pm
Thursday	9am till 5pm
Friday	9am till 4pm
Saturday & Sunday	Closed

We also offer an **Out of Hours service** for emergency repairs or serious issues.

### What You Can Expect from Us

We're committed to providing a consistent, high-quality service. Here's what that looks like:

#### When You Call Us

- We'll answer professionally and introduce ourselves
- We'll try to resolve your query straight away
- If we need to pass you on, we'll make sure someone is available to take your call

#### When You Write to Us

- We aim to reply to emails within **2 working days**
- We aim to respond to letters within **10 working days**

#### When You Visit Us

- We'll acknowledge you within **2 minutes**
- We'll aim to resolve your enquiry within **15 minutes**
- If needed, we'll arrange for the right person to meet or call you within **5 working days**

#### What We Ask from You

To help us help you, please:

- Treat our staff with respect
- Arrive on time for appointments—or let us know if you can't make it
- Keep your contact details up to date

### Understanding Your Needs

We know every customer is different. With your permission, we'll keep a note of any specific needs you have so we can communicate with you in the best way possible.

We also work with **Language Line** to offer interpretation and translation services. If you need this, just let us know, we're happy to help.

### What Is a Leaseholder

When you bought your home under a long lease, you purchased the right to live in it for a set number of years, usually 99 or 125 years, depending on when the lease was granted.

Although you own the lease, we still own the building and land (this is called the *freehold*), which means we are your landlord. As your landlord, we're responsible for maintaining the structure of the building, shared areas, and communal grounds.

We also make sure that everyone follows the terms of their lease.

### Your Responsibilities

As a leaseholder, you're responsible for:

- Keeping your home in good condition
- Maintaining any garden space included in your lease (your lease plan will show this)
- Following the rules set out in your lease
- Getting permission from us before making major changes to your home (like replacing windows)

You also contribute to the cost of maintaining shared areas and services. These are called service charges.

If you're a shared owner living in a house, you may also need to contribute to the upkeep of shared spaces on your estate.

### What Does Being a Leaseholder Mean?

When you bought your home, you bought a leasehold interest, the right to live in the property for the length of the lease. Your lease is a legal contract between you and us, and it's important that you understand it. Not following the terms could have serious consequences.

Your lease includes:

- A description of your home
- A plan showing your property, any garden or storage space, and shared areas

**Important:** You can't change the terms of your lease unless we agree to it formally.

### Can a Lease Be Changed?

Yes, but only in certain situations:

- If all leaseholders in a building agree, some terms can be changed
- If there's a dispute, a First-tier Tribunal can make a legal decision to vary the lease

### Where Can I Get a Copy of My Lease?

You should have received a copy when you bought your home. If you don't have one, you can:

- Ask your mortgage lender (if you have a mortgage)
- Request a copy from the Land Registry
- Contact us (there may be an admin fee)

### Our Commitment to Leaseholders

Castle Vale is divided into neighbourhood areas, each supported by a Community Coordinator. If you have questions about your area, just get in touch and ask to speak to your coordinator.

We also hold regular leaseholder meetings and are always looking for ways to improve how we communicate with you. If you'd like to get involved, we'd love to hear from you.

## **Your Rights and Responsibilities**

When you buy your home, both parties agree to follow the terms set out in your lease. These terms explain what you're responsible for, and what we're responsible for as your landlord.

### **Your Rights as a Leaseholder**

As a leaseholder, you have the right to:

- Live in your home peacefully without unnecessary interference from us
- Use shared areas such as communal gardens, pathways, and entrances
- Be heard – we're committed to listening to your views, removing barriers, and providing services that meet your needs
- Receive information about your service charges and how your money is spent
- Be consulted on major works or long-term contracts that affect your building

### **Your Responsibilities**

As a leaseholder, you're responsible for:

- Paying your ground rent and service charges (this includes buildings insurance and major works)
- Using your home as a private residence only
- Keeping the inside of your home and any fixtures and fittings in good condition
- Maintaining your garden, if one is included in your lease
- Not causing nuisance or disturbance to your neighbours
- Getting written permission from us before making any structural changes
- Allowing access for inspections, repairs, or maintenance
- Completing an annual gas safety check with a registered engineer

### **Our Responsibilities**

As your landlord, we are responsible for:

- Insuring the building (not your personal contents)
- Keeping the structure and exterior of the building in good repair
- Maintaining and repairing communal areas
- Giving notice and gaining access to your home when needed for inspections or repairs
- Collecting ground rent and service charges to cover your share of costs
- Maintaining services to the building, such as lighting and water supply in shared areas

### **What Happens If You Breach Your Lease?**

If you break a condition of your lease, we'll contact you to explain the issue and offer support to help you resolve it. Common breaches include:

- Anti-social behaviour
- Making major alterations without permission

- Not paying your service charges

*Serious or repeated breaches could lead to legal action, including the risk of losing your home through forfeiture proceedings.*

### **Shared Owners – Repairs and the New Lease**

If you're a shared owner of a house, you're usually responsible for all repairs, inside and out.

However, if you have a new form of shared ownership lease, you may benefit from a 10-year Initial Repair Period. This means:

- You can claim up to £500 per year for essential repairs
- We cover the cost of external and structural repairs (e.g. walls, floors, ceilings, stairs)

To find out more, check the Shared Ownership section of this handbook. If you're unsure which lease you have, please contact your Home Ownership and Commercial Property Officer.

### **Buildings Insurance**

As your landlord, we are responsible for arranging buildings insurance for your home. This is a condition of your lease, and you cannot opt out or arrange your own buildings insurance.

You should have received a summary of the insurance cover when you bought your home. If you need another copy, you can:

- Download it from our website
- Request a printed copy from us

**Please note:** This insurance only covers the structure of the building, not your personal belongings. You'll need to arrange your own contents insurance to protect your furniture, electronics, and other possessions.

### **What's Covered?**

The buildings insurance covers damage caused by:

- Fire, smoke, explosion, lightning, or earthquake
- Riots, civil unrest, strikes, or political disturbances
- Malicious damage
- Storms or flooding
- Water leaks from plumbing, heating systems, or appliances (e.g. washing machines)
- Falling trees or branches
- Theft or attempted theft
- Falling aerials or satellite dishes
- Accidental damage to certain parts of the building

### **What's Not Covered?**

The policy does not cover:

- Malicious damage or water leaks if your home has been unoccupied for more than 30 days
- Damage caused by wet or dry rot
- General wear and tear or deterioration over time

### **Making a Claim**

If you need to make a claim:

- You must submit the claim yourself following the guidance in our insurance policy.
- Let us know that you're making a claim so we can keep a record.
- Your Homeownership and Commercial Property Officer can support you if needed.
- If you're sub-letting your property (with permission), the buildings insurance still applies.

### **Water Leaks – What to Do**

- If the leak is from another leasehold property:  
You and the other leaseholder are responsible for resolving the issue together. Once the leak is fixed, you can make a claim for any damage.

If the leak is from a communal area or one of our rented properties:

- Contact us to arrange an inspection or repair. After the issue is resolved, you can make a claim for any damage to your home.

**Please note:** we don't carry out internal repairs to leasehold properties.

### **Protecting Your Belongings**

We strongly recommend that you take out contents insurance to cover your personal items, including:

- Furniture
- Electronics
- Clothing
- Decorations and soft furnishings

[Tenants Contents Insurance | RSA Insurance](#)

### **What is Ground Rent?**

The ground rent is a rent, fixed in the lease for using the land on which your building stands.

The ground rent you are liable pay to us is detailed in your lease. If your home was originally purchased under the Right to Buy or Right to Acquire scheme your ground rent is £10 pa. If your home was bought under the Right to Buy/Acquire on or after 30<sup>th</sup> June 2022 there will be no ground rent to pay.

### **Service Charges**

#### **Why Do We Charge?**



As Landlord, we have a duty to maintain our properties to a good standard. As a leaseholder you pay a service charge to cover the cost of the service you receive. Service charges are split fairly between all the flats in a building.

It is important to remember that the cost of services to us is not subsidised by leaseholders in any way, we recover these costs from tenants through your rent.

### **How We Calculate Your Charges**

Service charges are calculated annually at the end of each financial year, in preparation for the year ahead. You will receive an invoice covering services, management, and buildings insurance for the upcoming year.

All leaseholders are required to contribute annually towards the cost of maintaining the building's structure and any shared areas. This contribution includes payments into a sinking fund, a reserve used to cover future maintenance and unexpected costs. The sinking fund is managed separately, and interest is added to the balance.

Each year, we provide you with a set of service charge accounts, which are independently reviewed by an accountant (by the end of September). These accounts include details of the sinking fund, such as:

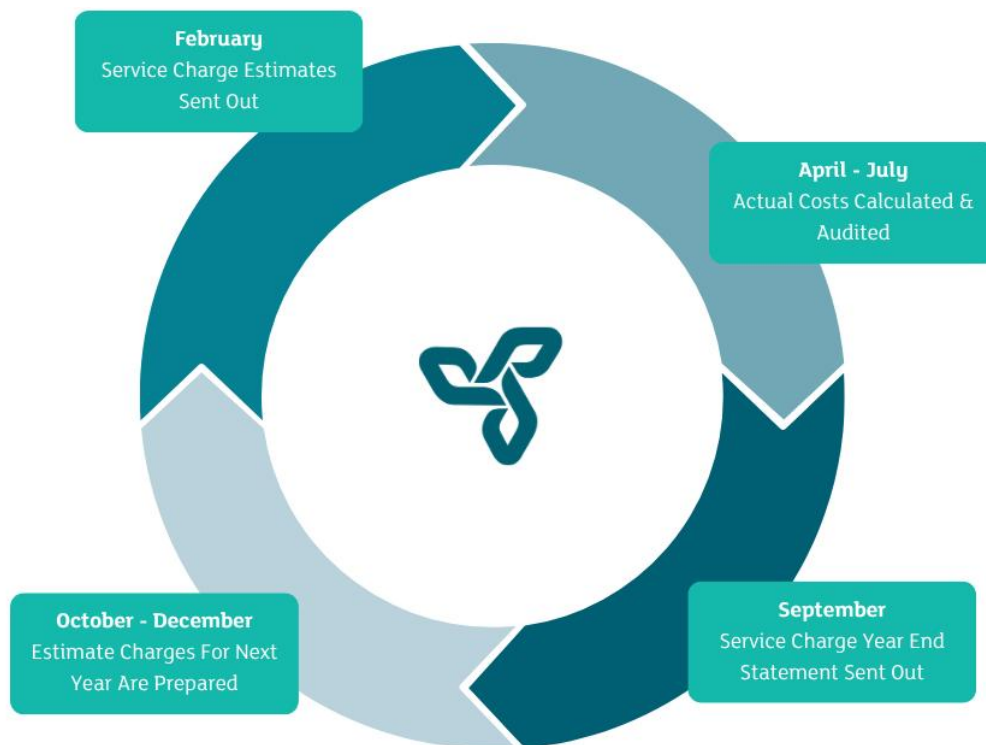
- The total amount held in the fund
- Contributions collected during the year
- Interest earned
- Any expenditure from the fund

### **How Is the Yearly Service Charge Worked Out?**

The service charge year follows the financial year, running from 1 April to 31 March.

Service charge estimates are sent out by the end of February each year. Actual spend statements for the previous year are sent out by the end of September.





### Estimated Service Charges

Before each financial year begins, **we prepare** an estimate of the costs for providing services to your building and estate. This estimate helps us calculate your **service charge** for the year ahead.

Your service charge estimate is based on how much we expect to spend over the coming year on the services provided to your building and estate. Some costs, like grounds maintenance, are fixed, while others can vary. For example, we can't predict exactly how much we'll need to spend on day-to-day communal repairs. Because of this, we ask you to pay an estimated charge throughout the year. These estimates are sent out by the end of February each year.

Following the end of the financial year, we add up how much we've spent. During the year, we may have charged you more (surplus) or less (deficit) than we spent. We will then send you a statement with the actual costs by the end of September. Leaseholders are expected to pay any deficit once they have received their statement or can have a refund for any surplus.

You can request summaries of service charges, details of the buildings insurance cover and have the right to inspect accounts and other documents.

### Services

Depending on the property type, day to day services may include the following:

- Supply of communal lighting
- Grounds maintenance/gardening
- TV aerial
- Communal area cleaning

- Communal area window cleaning
- Door entry systems
- Day to day repairs and maintenance of a minor nature

### **Service Charges for Major Work**

These are for more expensive work that takes place occasionally or every few years, such as replacing windows or the roof, or redecorating the outside of the building and shared parts inside the building. Your lease may allow us to establish a sinking fund to build up reserves to pay for major works. If your property has a sinking fund you'll be required to contribute towards it each year through your service charge and the sinking fund will be used to pay for any major works.

A management fee is added to all charges demanded to cover the cost of providing specific leaseholder services such as billing service charges and ground rent, collecting charges and accounting for payments received, maintaining records, consultation procedures, estate management, postage, vehicle costs, office overheads and salaries of various staff involved with leaseholder services.

We also make a separate management charge for major works. This covers the cost of Asset Management, Finance and other staff monitoring and overseeing the project, whilst carrying out statutory consultation, calculating and charging the cost of the works.

Service charges can vary from year to year, they can go up or down without any limit, other than that they are reasonable. Leaseholders have rights to challenge any service charges they feel are unreasonable at the Residential Property Tribunal Service.

### **When You Purchase Your Home Through the Right to Buy or Right to Acquire**

We offer will include a description of the property and any land, details of any structural problems and an estimate of the service charge (if any) for the first five years.

If the lease says you must pay some of the costs of maintenance, renewal and improvement to your building, the estimate must cover these too. Once you have received this estimate, we cannot charge you more than that figure during the first five years of your lease, except to take account of inflation. These limits apply to the lease, not the buyer, so they continue to apply if the property is transferred to someone else.

There is no limit on charges for maintenance, renewals and improvements done after the first five years.

The estimate of service charges, provided before you buy, will also cover charges for services such as communal cleaning or lighting, but these charges can change, even during the first five years of a lease. We will also tell you about any known structural defects affecting the building.

If we want you to pay for work to put them right in the first five years, the estimate of service charges for maintenance must cover this, but you may also have to pay for some of the costs of work done after the first five years.

## **How To Pay Your Service Charge**

### **Direct Debit**

To pay by Direct Debit please contact the Income Team on 0121 748 8100, to complete a paperless direct debit application. Payments can be taken weekly, fortnightly or monthly.

### **Standing Order**

To pay weekly, fortnightly or monthly by standing order please contact us by telephone on 0121 748 8100, or in person to pick up a form from our High Street Main Reception.

### **Barcoded Invoice**

You can make payment to your account by using this method. Payments can be made at the Post Office, or at any local shop displaying Allpay payment sign. If you require a barcoded invoice, please contact us on 0121 748 8100.

### **Debit/Credit Card**

To make payment by telephone please contact our Customer 1<sup>st</sup> team or payment can be made in person at our High Street Main Reception.

### **Cheque**

To pay by cheque please send a cheque made payable to The Pioneer Group to 11 High Street, Castle Vale, Birmingham B35 7PR. Please ensure that your payment reference, account number and property address is on the reverse of the cheque.

*To check that your payments are up to date, please contact the Income Team on 0121 748 8100.*

*It is a term of your lease to pay your service charges. If you fail to keep your payments up to date, we may take legal action to recover any monies owed.*

## **Challenging Service Charges**

Please address any queries regarding the billing of charges to our Home Ownership and Commercial Property Officer. If your issue cannot be resolved by them, you have a legal remedy in making an application to the Residential Property Tribunal Service to seek a determination of the reasonableness of the charges, whether you have already paid them or not. Contact details for the Residential Property Tribunal Service are at the back of this handbook.

The Residential Property Tribunal Service is an independent body which aims to provide a high quality, cost effective, fair and accessible tribunal service to help landlords, tenants and leaseholders settle disputes about rents and about leasehold property.

## We Are Here To Help

If you're experiencing financial difficulties and are worried about paying your service charges, please don't wait, contact us as soon as possible. You can call us on 0121 748 8100 and ask to speak to your Homeownership and Commercial Property Officer.

We understand that circumstances can change, and we're here to support you. We may be able to:

- Set up a repayment plan that works for your situation
- Refer you to trusted debt advice agencies for help with budgeting, benefits, and money management

## What Happens If You Don't Pay?

If you don't pay your service charges or arrange a suitable repayment plan, we may need to take further action. This could include:

- Contacting your mortgage lender
- Taking legal action through the County Court to recover the debt
- Starting forfeiture proceedings, which could result in you losing your home

These steps would only be taken as a last resort, and we will always try to work with you first to find a solution. Please be aware that legal action may result in additional costs being added to your account

## Repairs and Maintenance

We can only carry on works which are our responsibility under the lease. In general terms, you are responsible for any repairs which concern the inside of your flat. The cost of routine repairs is usually recovered in the repair's element of the service charge.

If it is likely that any repairs will cost more than £250 to any one leaseholder, we will follow our consultation procedure.

The responsibilities for repairs may vary according to the type of home you live in and the contents of your lease. Below is a guide to who is responsible for the most common repair and maintenance items:

<b>Repair/Maintenance</b>	<b>Responsibility</b>
<b>Front door to flat</b>	
Door frame	Check lease
Door handles and locks	Leaseholder
Lost keys	Leaseholder
Internal doors	Leaseholder
<b>Windows to flat</b>	
Window frame	Check lease
Window casement	Check lease
Window panes	Check lease

<b>Heating</b>	
Room heaters/own boiler	Leaseholder
<b>Electrical</b>	
Faults within the flat	Leaseholder
Communal lighting	The Pioneer Group
Immersion heater	Leaseholder
Fuses	Leaseholder
Extractor fans	Leaseholder
<b>Plumbing</b>	
Burst pipe within the flat	Leaseholder
Taps and tap washers	Leaseholder
Stop taps, ball valves	Leaseholder
Bath, basin, sink and blocked waste pipes	Leaseholder
Hot or cold water tanks within the flat	Leaseholder
Unshared pipes	Leaseholder
Shared pipes	The Pioneer Group
Water supply to the flat	Severn Trent
<b>Drains</b>	
Blockage to outside drain	Leaseholder/(TPG)/Drainage supplier
Blockage within property	Leaseholder
<b>Gas</b>	
Gas escapes within property	Leaseholder
Cookers and gas fires	Leaseholder
Gas servicing	Leaseholder
<b>Roofs and Gutters</b>	The Pioneer Group
<b>Walls and Ceilings</b>	
Internal walls and plaster	Leaseholder
Ceilings	Leaseholder
Walls to communal areas	The Pioneer Group
Floors within the Flat	Leaseholder
Floorboards and skirting boards	Leaseholder
Floor tiles	Leaseholder
<b>Communal Facilities</b>	
Communal car parking areas	The Pioneer Group / Birmingham City Council
Communal gardens and grassed areas	The Pioneer Group
Communal TV aerial	The Pioneer Group
Door entry system	The Pioneer Group
Communal paths and gates	The Pioneer Group
Brick built communal store sheds	The Pioneer Group
Communal fire alarms and equipment	The Pioneer Group
<b>Pests</b>	
Insect/rodent infestation	Leaseholder

The following repairs are not our responsibility and should be reported directly to the following:

**Gas Leaks** – If you are concerned about a gas leak, in the first instance, contact the National Gas Emergency Service on 0800 111 999

**Gas Servicing** – Your gas appliances should be serviced every 12 months by a registered engineer due to the risk of carbon monoxide poisoning or potential explosion from faulty appliances

**Gas Meters** – Contact your gas supplier

**Electrical Safety** – You are responsible for any electrical appliance in your home. All electrical alterations in your home must be carried out by an approved electrician.

**Street Lighting** – Please contact Birmingham City Council (see Useful Contacts)

**Water Leaks** – For water leaks on public highways, please contact Severn Trent Water (see Useful Contacts)

Although we are not responsible for carrying out repairs inside your flat, there may be instances when emergency works have to be carried out to prevent damage being caused to other properties or to the structure of the building.

You must allow us to access your property to carry out such work and you will be charged for any subsequent repairs that are carried out to your property.

It is your responsibility to keep the inside of your property in a good decorative order and replace any necessary fixtures and fittings.

### Major Works

At some point in its life, all buildings will require major works. This may include repairing or renewing key components of the building (e.g. the roof), updating facilities such as door entry systems and cyclical painting.

If any required major works will cost any one leaseholder more than £250, we are required by law to consult you before the works are carried out. This is known as a 'Section 20 Consultation' and relates to the Landlord and Tenant Act 1985 (as amended). If we fail to consult we may not be able to recover all costs.

### Long-term Agreements

We cannot enter into agreements or contracts over 12 months where any leaseholder will have to pay more than £100 per year without first consulting leaseholders. If we fail to consult we may not be able to recover all costs.

### Consultation on Qualifying Works and Long-Term Agreements

If we have to consult with you and any recognised Residents Association we will send a notice (called a Notice of Intention) to your home address. If you have

sublet your flat we will also write to you at your correspondence address (if we have one). We will describe the planned work and our reasons for deciding that it is necessary. If we cannot send detailed information of the work with the notice we will tell you where and when you can see the detailed information. We will invite you to let us have your comments on the planned works or agreement. We will give you 30 days to respond and will consider any comments which you may make about the works or agreement.

Under certain circumstances you may be able to nominate a contractor that you would like us to consider. If you or other leaseholders, or the Residents Association nominate a contractor and they meet the requirements of our procurement policy, we will include them in the list of contractors we ask to give us an estimate. If more than one contractor is nominated by leaseholders we will choose the one who received the most nominations. The notice will tell you if you are able or not to nominate a contractor.

Once we have received the estimates we will write to you again giving you the estimated costs of the work, listing the observations we received to our first notice and our response to those observations. We will tell you where and when you can look at the estimates. We will give you 30 days to comment on the estimates.

We will enter into a contract for the work. Unless we award the contract to the contractor who submitted the lowest tender or to a contractor nominated by a leaseholder or the Residents Association, we will write to you within 21 days giving our reasons for awarding the contract and summarise the observations we received about the estimates and our response to them.

### **How Do We Decide What Work Needs To Be Carried Out?**

There are several criteria that determine when major works are carried out, as follows:

- When components are old and in poor condition (e.g. roofs, windows, pointing)
- A Component has reached the end of its standard industry life cycle and replacement is required to maintain safe operation (e.g. lifts, secure entrance doors, fire alarms)
- Compliance with changes in legislation i.e. Fire Safety Order 2005 (as amended by Section 156 of the Building Safety Act 2022) which requires non-compliant fire doors to be replaced
- Agreed service provision such as the cyclical painting programme for external painting and communal areas. We will only do this work if it is required.

### **Can I opt out of having this work done?**

It is not possible for you to simply opt out of having this work done. We have an obligation to repair and maintain or improve the structural and common parts of the building and to keep it in good order and condition for all residents. However, the requirement for us to consult on major works and long-term agreements gives you the opportunity to influence the specification of works.



### **How Will We Ensure That Work Is Carried Out to a High Standard?**

Our Asset Management Team will monitor all the work and ensure that the works are carried out to a good standard.

If you have any issues regarding the quality of the works, please contact your Homeownership and Commercial Property Officer in the instance. It may be helpful to explain your issue further by supplying evidence, such as notes, dates and photographs. Please do not wait to raise such issues as it may be more difficult to resolve any problems once the contractors have left the site.

If we carry out works under an existing agreement, the contractors are monitored on criteria including customer care, customer satisfaction, cost and quality of works. It is in the contractor's interests to ensure that work is completed on time and to the required standard to ensure the continuation of the long-term agreement.

As part of the arrangement, contractors are required to remedy any defects discovered within 12 months of work completing on site at no additional expense to leaseholders.

### **How Do I Know That The Way This Work Has Been Procured Represents Value for Money for Leaseholders?**

Tendering and evaluation processes are carried out in accordance with our financial regulations and procurement procedures to ensure value for money is obtained. It should be noted that we are not obliged to accept the lowest priced tender returned by contractors. Tenders are evaluated on a balance of quality and costs.

### **Will The Work Be Guaranteed?**

All works carried out generally have a standard 12-month defect liability period, providing it's because of faulty material and/or workmanship would be at the contractor's expense.

Where manufacturers offer guarantees on certain materials / components / workmanship – any remedial works required during the guarantee period will not be recharged to leaseholders.

### **If Work Starts and I am Not Happy with How Things Are Progressing, What Should I Do?**

Your first point of contact for any issues that may arise should be our Customer 1<sup>st</sup> team, who will then notify the Asset Management team. Alternatively, you can contact your Home Ownership and Commercial Property Officer, who will aim to resolve any issues or disputes with you.

### **What Is The 'Contingency Sum' for?**

A contingency sum is included to cover the cost of any relevant unforeseen works that come to light during the project. If no extra works are needed this sum will not be charged.

### **What Are Covered by The 'Preliminaries'**

Preliminaries are the contractor's costs associated with managing all works that are undertaken. They typically include site set-up (including personnel who will manage the works) and the cost of utility services that are used during the works, for example, water, electricity, etc.

Contract documents usually require preliminaries to be costed separately from the main works so we can evaluate whether these costs are a true reflection of site set-up and running costs.

### **What Is the Professional Fee For?**

The Professional Fee covers the provision of construction, technical and professional officers necessary to manage and control the contractors and suppliers engaged to deliver the scheme on site.

This will include Project Managers, Contract Administrators, Cost Managers, Resident Liaison Managers, Clerks of Works, Planning Supervisors, and other professional support where required for specialist works such as electrical and mechanical installations, or any architectural or surveying inputs.

### **External Managing Agents**

In certain circumstances we may not be the owner of the building and services may be provided by an external managing agent (EMA) on behalf of the freeholder (owner). In these circumstances the EMA manages and controls all the communal repairs and maintenance of the development, and their services, like cleaning, may vary from those provided by us. We will monitor the services provided and take up any issues with the managing agent on your behalf.

The freeholder (owner) may charge us a ground rent and in some circumstances, we will pass this charge onto you.

The service charge budget will be set by the EMA. We will look at this budget carefully and challenge if necessary. The charges levied can vary substantially between development and may be more than we would levy if we were the managing the development.

Unlike us, the EMA will set a management fee that covers their costs and makes them a profit. We will also include a reduced fee on top of the EMA's bill, to cover our costs, as well as an audit fee to cover the costs of producing annual accounts.

If we are not responsible for insuring the building you live in, you'll need to contact the EMA to make a claim.

### **Lease Extension**

As your lease term decreases, there are associated negative implications that you should be aware of. This can include difficulties in selling or re-mortgaging as well as the decreasing value of the property itself.

However, as a leaseholder or shared owner, you may have the opportunity to add a further 90 years to the existing term of your lease if you have a leasehold flat or 50 years if you have a leasehold house (excluding shared owners). This is known as a lease extension. A premium will be payable to us to do this. For more information about lease extensions please ask your Home Ownership and Commercial Property Officer for a copy of **Your guide to Extending your Lease**

The potential benefits of extending your lease now include the following:

- **Easier to re-mortgage** – mortgage lenders are more willing to lend on longer lease terms. Where there are less than 80 years remaining, it may be deemed that there is inadequate security for a loan.
- **Easier to sell** – a short lease is likely to make the property less attractive to potential buyers.
- **The value of your home is protected** – the value of the property would fall when the remaining lease term is low as the asset is diminished
- **Premium payable will increase over time** – the increase in the premium is two-fold:
  - In general terms, the greater number of years left on the lease, the cheaper the amount payable to extend it
  - If house prices rise in the future, the premium rate would subsequently increase as well
- **No more ground rent charge** – once the extension is complete, the annual ground rent charge will revert to nil for the remainder of the term

A lease extension application can be made either through the statutory route or the voluntary route (depending on the circumstances). The difference between the two are:

### **Statutory Lease Extensions**

As a leaseholder you have the right to obtain a new, longer lease under ss39-62 of the Leasehold Reform, Housing and Urban Development Act 1993, as amended by ss129-136 of the Commonhold and Leasehold Reform Act 2002; provided that you are a 'qualifying leaseholder'. To be a 'qualifying leaseholder' you must be both a 100 per cent leaseholder (not a shared owner) and have owned the property for at least two years.

The new lease would be for an additional 90 years, plus current unexpired term at nil ground rent. The lease will have to be valued and an offer will be made based on the valuation. If you decide to extend your lease, you are liable for our valuation and legal fees and any disbursements, and you would need to employ your own solicitor.

### **Voluntary Lease Extension**

You can be either a 100 per cent leaseholder who has owned the property for less than two years or a shared owner.

You can get more information on lease extensions and apply for a voluntary or statutory lease extension by contacting your Home Ownership and Commercial Property Officer. If you would like some independent legal advice you can get this

from the Citizens Advice Bureau, a housing advice centre or a firm of solicitors. The Leasehold Advisory Service (LEASE) can also provide you with advice. LEASE is an independent, government backed organisation that provides information and advice on leasehold matters. Its contact details are in the Useful Contacts section of this handbook.

### **Buying The Freehold (Enfranchisement)**

Leaseholders may have the right to buy the freehold of their building as a collective group. This is known as the right to 'enfranchise'. Once they have bought the freehold, leaseholders can decide for themselves how to manage the building and take over our responsibilities. The current requirements for buying the freehold are:

- At least two thirds of the flats in the block must be held on long leases
- A Limited Company has to be established and maintained
- Leaseholders making a bid must hold at least half of the flats in the block

It is important that you and the other leaseholders obtain independent legal advice if you wish to apply to buy the freehold.

### **Alterations and Improvements**

If you want to make alterations or improvements you will need to seek permission from us before starting the work.

We will consider your request and may need to come and visit you to discuss your proposals. If this is needed an officer will make an appointment with you.

We only refuse permission in certain cases such as safety of the residents or where you want to alter something which is our responsibility.

If we give you permission you need to make sure you have all the other permissions you need, for example Building Regulations approval and Planning Permission. Failure to request the relevant permissions may result in you being asked to reinstate the alterations/improvements at your cost, or you may experience difficulties when selling your property in the future.

### **IMPORTANT**

*No works should be started until you have received written confirmation that you can proceed and you should not enter into any financial agreements relating to the works until our formal approval has been given.*

*Please remember when undertaking work in your home to consider your neighbours, you may want to let them know beforehand and ensure noisy work is carried out at sociable hours.*

### **Fire Risk Assessments**

We are committed to ensuring the safety of all Customers. As part of our Fire Risk Assessment and as outlined in the Regulatory Reform (Fire Safety) Order 2005, we are required to have access to all communal areas.

All communal areas should be kept clear of any items that may pose a fire risk or trip hazard. We will carry out regular fire risk assessments to ensure that communal areas comply with regulations. We will work with Customers to ensure communal areas are safe and we may ultimately remove items if they pose an immediate risk.

### **Can I sub-let My Flat?**

You don't need permission to rent out your leasehold property if it was originally bought under the Right to Buy or Right to Acquire scheme, but **you must tell us within one month of the date you have started to sublet**. You will have to register your sublet even if you rent your property out to friends or family members. **If you have a mortgage on your leasehold property, then you must get permission to sublet from your mortgage lender.**

We are responsible for the safety and security of the building your flat is in. We also sometimes need to tackle anti-social behaviour, so it's important that we know when a leasehold property is rented out and that we have contact details for you and your tenants, not least because we need to be able to get in touch in case of any emergencies such as a fire or water leaks. It is also in your interest that we send any correspondence, notices or bills to you at the correct address, otherwise we may be taking legal action against you, and you won't know about it.

To register your sublet or to tell us about any changes to your subletting information (such as a change of tenants) please contact your Home Ownership and Commercial Property Officer.

### **Your Responsibilities As A Landlord**

#### **Gas and Electrical Safety**

As a landlord, you are legally responsible for the safety of your tenants in relation to gas safety. By law you must:

- Repair and maintain gas pipework, flues and appliances in safe condition
- Ensure an annual gas safety check on each appliance and flue
- Keep a record of each safety check

The gas safety check must be carried out by a Gas Safe registered gas engineer. You must give your tenants a copy of the gas safety record every time the check has been done and give new tenants a copy when they move in. Failure to do so can lead to criminal prosecution and a large fine or even imprisonment.

As a landlord, you are also responsible for making sure that any electrical equipment you provide in the property is safe to use.

### **Buildings Insurance**

When you sublet your property your buildings insurance premium will not increase if you comply with the conditions of the buildings insurance policy. This includes:

- The leasehold property is let for at least six months or more;
- The sublet is managed by an agent who holds a deposit against loss or damage;

- You have set up an assured shorthold tenancy agreement with your tenant(s) which meets legal requirements;
- You are renting to a single household (for example, a family) and not to different individuals (for example a group of students)

If you don't meet these conditions, your insurance premium may increase. Also, if your property is empty for 30 days or more, you will only be covered for fire and not for water damage (for example due to burst pipes or flood), theft, attempted theft or malicious damage.

If you have any questions about your buildings insurance policy please contact your Homeownership and Commercial Property Officer.

### **Home contents insurance**

Check with your insurer that your home contents insurance policy will provide cover once you are renting your property. If it does not, extend your cover to make sure it does.

### **Energy Performance Certificate**

It is a legal requirement that you provide prospective tenants with an Energy Performance Certificate (EPC). This gives details of the property's energy efficiency and environmental impact. EPCs are valid for 10 years so you may have one that was provided when you purchased the property.

### **Repairs**

Under the Landlord and Tenant Act 1985, landlords are responsible for repairs to heating and hot water installations, baths, sinks, basins, any other sanitary installations, and parts of or installations in the flat which you own or control and whose disrepair would affect your tenants.

### **Fire safety**

You must make sure that any furniture or furnishings you provide for your tenants is fire safe and meets the safety standards as set out in the Furniture and Furnishings (Fire) (Safety) Regulations 1998.

### **Pay your service charge and ground rent**

You are still be responsible for paying your mortgage, your service charges and ground rent etc. whilst the property is let out. Failure of your tenants to pay the rent to you will not be accepted as a reason for you not paying your charges.

### **Informing your tenants**

You should make sure your tenants know:

- how to report repairs to you
- how to use fixtures and fittings within your property, for example heating systems, baths and showers, window blinds or locks. Try and provide instruction manuals for all appliances where possible.
- where to dispose of rubbish
- who to contact in an emergency. By law you are required to give your tenants an address in England or Wales for mailing notices to you

### **Selling your flat**

Should you wish to sell your flat, we will provide you or your solicitor with any relevant factual information. There is a charge for this service. When requesting information, please give us as much notice as possible. Your solicitor may want a copy of your lease, details of service charges and details of any major works charges over recent years along with any consultation notices for works to be carried out.

You can sell the property at any point during the lifetime of the lease. The person who buys it pays to take over the remainder of the lease.

Under the terms of the lease, after the flat is sold, the buyer's solicitor must write to us to tell us about the change in ownership.

When you sell your property, all service charge arrears must be cleared on completion of sale. We will not agree to the apportionment of outstanding service charges between a leaseholder and a subsequent purchaser. It is your responsibility to ensure that your solicitor resolves this and having done so, retains sufficient monies for charges, if any, not yet billed.

### **Right to Buy or Right to Acquire Right of First Refusal**

If you have purchased the lease from us through the Right to Buy scheme and you decide to sell or otherwise dispose of the property (this includes entering into an agreement to transfer the property to a third party in the future), within the first ten years, you will initially be required to offer it to us at full market value. The market value must be agreed between the parties or if they are unable to agree, it will be determined by the District Valuer. If your offer is not accepted within 8 weeks, you will be free to sell the property on the open market.

If you sell within the first five years after purchase, you will be required to repay a proportion of the original discount to us. The amount you will have to pay will be based on a proportion of any increase in the market value at the point you decide to sell. This restriction does not pass to any subsequent purchaser and only applies to the original Right to Buy/Right to Acquire purchaser.

### **Your Neighbourhood**

We take great pride in its desire to ensure that our Customers should not be the subject of criminal activity or harassment or be in any way prejudiced by anti-social behaviour by other Customers, children or visitors.

We have a range of tools and powers that can be used to ensure the peace and enjoyment of Customers is not affected by any anti-social activity or behaviour. We work with a number of agencies in the local area including West Midlands Police. If you do experience any issues, please do not hesitate to contact us and we will work with you to reach a suitable outcome.



## Improving the Service

We are committed to developing services and welcome any ideas for improvement from customers.

### How you can help us:

- Pay your service charge and/or ground rent on receipt of the demand
- Get involved in consultation in response to consultation opportunities
- Let us know if you change your contact details
- Let us know if you sell your property
- Attend regular leasehold meetings

## Additional Information for Shared Owners

### Your Lease

The lease is the agreement between you and us and outlines the terms under which you live in your home. The lease will entitle you to buy further shares in the property and sets out how you can do this. The lease will also state that you can sell your property.

*You must seek independent legal advice to discuss the terms and conditions of the Lease before you sign it.*

The following sections provide a general guide but you should check the provisions in your own lease.

## Shared Owners Rights and Responsibilities

### Your rights and responsibilities as a shared owner

- Pay the Council Tax or any other tax determined by the Local Authority
- Pay the rent and/or service charge
- Not to carry out structural alterations and additions to the exterior or interior of your home and to only carry out non-structural alterations to the interior with the consent of us.
- Not to sub-let your home, unless in exceptional circumstances with the consent from us. Sub-letting means renting out your home to someone else while you live elsewhere.
- To use your home as your private dwelling. You are not permitted to let your home as a holiday let. Also, you are not permitted to run a business from the property without our written permission
- Not to cause a nuisance to neighbours
- Not doing anything which would make our insurers refuse to pay out on any claim we might wish to make
- To live in your home for the duration of the lease
- The quiet enjoyment of your home
- If you live in a flat, you can expect us to maintain the communal areas.

### Our responsibilities as your Landlord

- Allow you to live in your home as long as you meet all your obligations

- Keep the building insured
- If you live in a flat, we must repair, redecorate and replace the main structure of the building and shared areas, including the services to these areas
- Keep shared areas clean and lit
- Enforce the rules against one occupier to protect the other occupiers.

If you have any questions regarding your Lease, please contact your Home Ownership and Commercial Property Officer. They will try to help you to understand your lease but as it is a legal document you may need to contact a solicitor for some matters.

## Shared owners

### Sub-letting

Generally, shared owners are not permitted to sub-let or part with possession of the property in any other way until the shared owner gains 100 per cent ownership of the property. This is because shared ownership is intended as an affordable option to buy a property, not an opportunity to let out a property. However in **exceptional circumstances** we may be able to let you sublet your home for a limited period. Please contact your Home Ownership and Commercial Property Officer to discuss further.

If after reaching 100 per cent you decide to sublet your home, please remember that you are still responsible for the behaviour of those that live in the property.

You may take in a lodger to share your property with you. This is not classed as sub-letting and may be a useful source of income. You will be responsible for the behaviour of your lodger.

We will take action against shared owners who are found to be sub-letting without consent.

## Shared Owners

### Repairs and maintenance

As a shared owner, in most cases you will be responsible for all repairs to the interior and exterior of your home. The exception is for flats, where we are responsible for repairing the exterior of the building your flat is in and the communal areas.

If, you have bought a shared ownership property that has the new model of lease you will have the benefit of a 10 year 'initial repair period' starting from the lease start date. Repairs that are our responsibility during the initial repair period will not be recharged through the service charge. In the initial repair period, you are able to claim costs up to £500 a year from your landlord to help with some essential repairs.

During the initial repair period, we are also responsible for the cost of essential repairs to the external fabric of the building and structural repairs to walls, floors, ceiling and stairs inside the home. There is more information about the new form of

shared ownership lease below. If you are unsure which model of lease you have please contact your Homeownership and Commercial Property Officer.

If you live in a flat, you are responsible for the inside of your home, generally including the following. Some leases may differ though, so please check your lease:

- Heating and hot water
- Interior decoration, woodwork and plasterwork
- Kitchen and bathroom units
- Electrical and plumbing systems
- Front door to your property
- Glass in the windows
- The central heating system including servicing of the boiler
- Any external pipes or services, if they serve your property exclusively

You are not allowed to make alterations or additions to the outside of your house or to the outside of the building or to the communal areas, if you have a flat. If you want to make any non-structural alterations or improvements to your home such as replacing your kitchen, bathroom or central heating, you must get written permission from us. We will not unreasonably withhold permission. There may be a charge for us to consider your request.

As the freeholder, we are generally responsible for repair and maintenance of the following, although some leases may differ. For instance, some leases make the leaseholder responsible for the window frames to their flats and some make us responsible for the front door to your property. Please check your own lease.

- The communal areas
- Communal windows including glass
- Window frames in each flat
- The roof and foundations
- Communal electric wiring and fittings
- Shared drains
- Gutters and downpipes
- Communal water supply pipes up to the main stop tap
- Shared front and back doors
- External shared areas – gardens, courtyards, roof terrace
- Refuse disposal facilities

Repairs that are our responsibility will be carried out by us or by one of our contractors and the costs will be charged to the service charge account.

If you cause damage in the communal areas, even if the damage is accidental, you will be asked to either repair the item yourself or pay us to carry out the repair.

### **Reporting repairs**

If a repair is needed to an area or item which is our responsibility, please contact our Customer Services Team on 0121 748 8100 or email [contactus@pioneergroup.org.uk](mailto:contactus@pioneergroup.org.uk)

## **Defects**

We can fix any outstanding issues – known as defects – that might appear in a newly- built or newly-refurbished home after you have moved in.

### **What is a defect?**

For a set period of time after a new building is completed or 'handed-over' by the builder, any repairs are referred to as 'Defects' and it is the responsibility of the original builder to put these right.

### **What is a defects period?**

The 'Defects Period' is the length of time the builder will be responsible for the repairs after hand-over, typically this is twelve months on all new schemes and six months on rehabilitations, but it can sometimes be twenty-four months. Your Home Ownership and Commercial Property Officer will be able to confirm this for you.

At the end of the Defects Period, we will make arrangements for a final inspection to take place to make sure the original builder fixes any outstanding defects and to make sure that any 'settling in' problems are sorted.

Once these defects have been resolved the maintenance of the property will be down to you, unless it relates to an external or communal area to a block of flats that we are responsible for or unless you have the new model of shared ownership lease (please see above).

### **How do I report a defect?**

If you have a defect to report you can report it in the same way you would report a repair. Please contact our Customer Services Team on 0121 748 8100 or email [contactus@pioneergroup.org.uk](mailto:contactus@pioneergroup.org.uk)

Please ensure that you report any defects directly to us and not to any builders who may still be working on the site.

### **Extended warranty**

Newly built homes benefit from a warranty. The warranty is an insurance policy which comes into effect 12 months after the completion of the building and usually lasts up to 12 years but please check your individual policy. When your purchase your home your solicitor will normally give a copy of the warranty certificate to you and your mortgage lender. You need to keep these documents safe in case you need to make a claim.

## **Shared Owners**

### **Alterations and home improvements**

If you plan to make non-structural alterations or improvements to the inside of your property you need to let us have details and get our permission in writing before starting work. We will not refuse permission unreasonably. There may be a charge for us to consider your request.

Our shared ownership leases do not allow you to make any alterations to the outside of your house or structural alterations to the interior. If you live in a flat, you may not make any alterations to the outside of the building or to the communal areas.

## **Shared owners**

### **Gas servicing**

As a home owner it is your responsibility to have your gas appliances regularly, otherwise they could become dangerous and can kill. If your gas appliance has not been checked for 12 months it may be unsafe and you may also be in breach of your lease. It is recommended that your appliances are checked every 12 months by a gas safe registered engineer. **Your lease may require you to provide us with a copy of your gas safety certificate on request.**

### **If you smell gas or fumes:**

- Turn off the gas supply at the valve next to your gas meter
- Turn off all appliances from which you suspect gas is escaping
- Open doors and windows to ventilate the property
- Do not smoke, use naked flames, mobile phones or any other means of ignition
- Do not turn electrical switches or appliances on or off
- Do not use any door entry systems, open manually
- Vacate the property immediately
- Call the National Gas Emergency freephone number **0800 111 999**

## **Shared Owners**

### **Paying charges**

Your lease will let you know how and when you should pay the charges on your home. This will include the rent for the part of the home that you do not own. If you buy extra shares, the rent will go down in line with how much you buy. If you buy all the shares, you will not pay any rent. You will pay a service charge if this is included in your lease. You must pay your rent and service charge every month, on the first of each month.

If you have a shared ownership house your lease may require you to make contributions towards the cost of maintaining shared areas, such as parking areas.

### **How to pay your rent and service charge**

#### **Direct Debit**

To pay by Direct Debit please contact the Income Team on 0121 748 8100, to complete a paperless direct debit application. Payments are due monthly.

#### **Standing Order**

To pay monthly by standing order please contact us by telephone on 0121 748 8100, or in person to pick up a form from our High Street Main Reception.

#### **Barcoded Invoice**

You can make payment to your account by using this method. Payments can be made at the Post Office, or at any local shop displaying the Allpay payment sign. If you require a barcoded invoice, please contact us on 0121 748 8100.

### **Debit/Credit Card**

To make payment by telephone please contact our Customer 1<sup>st</sup> team or payment can be made in person at our High Street Main Reception.

### **Cheque**

To pay by cheque please send a cheque made payable to The Pioneer Group to 11 High Street, Castle Vale, Birmingham B35 7PR. Please ensure that your payment reference, account number and property address is on the reverse of the cheque.

To check that your payments are up to date, please contact the Income Team on 0121 748 8100.

It is a term of your lease to pay your rent and service charges. If you fail to keep your payments up to date, we may take legal action to recover any **monies owed**.

### **We Are Here To Help**

If you are experiencing financial difficulties and think that you may have difficulty paying your service charges, please contact us as soon as possible on 0121 748 8100 and ask to speak to your Homeownership and Commercial Property Officer.

We may be able to agree an instalment plan with you and, as appropriate, can refer you to debt management agencies for money and benefit advice.

If you do not settle your account or come to a suitable repayment arrangement with us, we will contact your mortgage lender directly, act to recover the debt through the County Court or begin legal action to repossess your lease which will result in you losing your home. Each of these actions will result in you incurring additional costs. Commencing legal proceedings of this nature would be a last resort after all other options have failed.

If you contact us about any difficulties you are having making payments we can offer advice on your entitlement to benefits including Housing Benefit and Universal Credit. We can also refer you to external agencies for debt management advice.

### **Buildings Insurance**

Your service charge also includes buildings insurance. This is to provide indemnity against specified risks of accidental loss, destruction or damage to your block or your house (fire, flood, earthquake). Under the terms of your lease, you must have buildings insurance. We arrange the policy and a summary is available on the website. If you want a full copy of the policy please contact us. You can make a claim direct to the insurance provider.

### **Changes To Your Rent & Service Charge**

Your rent and service charge will be reviewed once a year and any increases or changes will take effect from the beginning of April each year, in most cases. We will give you written notice of changes. Your lease gives information on how any increase to the rent is calculated.

The service charge budget will be set in February each year based on the anticipated expenditure for the coming financial year. As soon as possible after the end of the current financial year we will finalise the service charge accounts and send you a copy of the accounts.

## **Shared Owners**

### **What If I Want To Move?**

You are free to sell your Shared Ownership home whenever you choose. To ensure that your home can be made available to buyers who are unable to afford to buy outright we will, for a period specified in your lease, have the right to find a buyer for your home. A fee is charged for this service but it will usually be less than using an estate agency.

If we can't find a buyer within the nomination period you are free to make your own arrangements either by Staircasing to 100 per cent and selling on the open market simultaneously (known as back-to-back sale) or selling your share to someone (approved by us) who meets the Homes England criteria for Shared Ownership. You will benefit from any increase in the value of the property according to the share you own, but you will equally be affected by any fall in value.

If you decide to sell your Shared Ownership home you will need to obtain a valuation from a MRICS (Member of the Royal Institute of Chartered Surveyors) qualified surveyor. We will need to approve the valuation. Please note that valuations are valid for three months. If your home is not under offer after three months, you will require an updated valuation. If we cannot nominate a buyer we will also need to approve your sales literature before you start marketing your home.

## **Your Costs**

When you sell your home you have to pay:

- The total amount required by your mortgage lender to pay off your mortgage
- Your solicitor's fees
- The RICS valuation fee
- For a new Energy Performance Certificate if yours is not longer valid
- Our administration fee (for finding your buyer and arranging the sale)

## **Rent and service charges**

You are responsible for paying rent and service charges until your home is sold and if there are any arrears on your account you will have to pay these when you sell. Your solicitor will need to agree any adjustment on your account with the buyer's solicitor.

## **Selling Your Share – Your Journey At A Glance**



Thinking of selling your shared ownership home? Here's a step-by-step guide to help you through the process:

1. **Let us know** you're planning to sell. We'll send you our *Selling Your Home* guidance to get you started.
2. **Complete the Intention to Assign form** so we have your up-to-date contact details.
3. **Instruct a RICS-qualified surveyor** to carry out a current open market valuation of your home.
4. **Check your Energy Performance Certificate (EPC)**. If you don't have a valid one, you'll need to arrange this with an accredited assessor.
5. **Send your valuation and EPC** to your Homeownership and Commercial Property Officer. We'll confirm the maximum price you can sell your share for.
6. **Market your home** through an estate agent or a property sales portal.
7. **Arrange viewings** for interested buyers.
8. **Let us know when you have a potential buyer**. We'll need to approve them by checking their eligibility for shared ownership. They'll also need to complete an affordability assessment with our partner Independent Financial Advisor (IFA).
9. **Once approved**, your estate agent will issue a *Memorandum of Sale* to all parties, summarising the agreed terms.
10. **The buyer's mortgage lender** will issue a mortgage offer, and their solicitor will send a copy to us for approval.
11. **Conveyancing begins** – your solicitor and the buyer's solicitor will handle the legal process.
12. **Contracts are signed and exchanged**. The buyer pays their deposit to their solicitor.
13. **A completion date is set**. We'll let your solicitor know if there are any outstanding rent or service charge payments due on completion.
14. **On completion day**, hand over the keys directly to the buyer, or leave them with your estate agent or solicitor (as agreed).
15. **Congratulations – you've sold your home!**

### How Do I Increase My Share In My Shared Ownership Property?

You may be able to buy extra shares in the property, usually in 10 per cent or 25 per cent tranches, depending on the wording in your lease. As you increase the share that you own, your rental payments will decrease.

Buying additional shares is known as 'Staircasing'. If you choose to do so, you can continue to buy shares until you own your home outright. If you have the new model of shared ownership lease you also have the option to buy an additional 1 per cent share in your home each year for the first 15-years of your lease. Please see below for more information.

If you are a shared owner of a house, once you have stair cased to 100% the Freehold will usually be transferred to you, depending whether we own the Freehold. Once you own the Freehold or 100% of the property you will need to arrange your own buildings insurance as your home will no longer be covered under our policy.

As a shared owner you pay rent for the share you do not own. If you live in a flat or a house with communal grounds or areas you will pay a service charge.

If you buy a further share in your home the amount of rent you pay will reduce but if you buy the extra share using a mortgage, your mortgage payments will increase. Once you own 100 per cent of the equity in your property you will not pay any rent. The service charge will stay the same.

Even if you become the Freeholder of your house there may be covenants attached which will require you to pay a service charge for the upkeep of any communal areas.

### **Staircasing – Buying More Shares in Your Home**

If you'd like to buy more shares in your shared ownership home, this process is called staircasing. Here's how it works:

#### **Your Step-by-Step Guide**

1. Let us know you're ready to staircase  
Contact your Homeownership and Commercial Property Officer and ask for the *Request to Buy More Shares in Your Home* form. We'll also provide our helpful guidance leaflet: *Staircasing – Buying More Shares in Your Home*.
2. Check your finances  
If you need a mortgage to buy more shares, speak to your bank or building society to confirm they're willing to lend you the additional amount.
3. Get a valuation  
Once we receive your written request, we'll arrange for a RICS-qualified valuer to assess your home.  
Alternatively, you can appoint your own RICS valuer, just let your officer know and send us the original valuation report.
4. Receive your offer  
Within a week of receiving the valuation, we'll confirm the current market value of your home and the cost of the additional shares.  
You'll have three months to complete the purchase before the valuation expires. (An extension may be possible if needed.)
5. Appoint a solicitor  
Because staircasing involves legal documentation, you'll need a solicitor to act on your behalf.
6. Complete the purchase

Once everything is finalised, your rent will be adjusted to reflect your new share in the property.

#### **Your Costs**

When you staircase to buy extra shares in your property you must pay a number of costs including:

- The RICS valuation fee
- Your solicitor's fees
- The cost of the extra share of your property
- The costs of arranging a re-mortgage or new mortgage, if necessary

- Our administration fee

In addition, if there are any rent or service charge arrears on your account, then these arrears must be paid at the same time as you complete your purchase of the extra share(s).

### **Re-mortgaging and Further Advances**

Remortgaging is when you pay off the original mortgage with the money you receive from a new mortgage, using the same property as security. People often remortgage to secure a more competitive interest rate.

The new mortgage is usually from a different lender, but the term 'remortgage' is sometimes also used when your new mortgage is with the same lender but is a different mortgage product.

The term 'further advance' is used for extra borrowing secured against a property in addition to the original mortgage advance. You will not be changing your original mortgage lender.

We will need to approve any change in your mortgage and will require a copy of the new mortgage offer, along with details of the amount to be repaid on your current mortgage before we are able to consider giving consent.

Your Shared Ownership lease will include a clause known as the Mortgagee Protection Clause. This offers protection to the mortgage lender in the event of repossession, but the mortgage lender will only be protected if we have approved the mortgage.

When you originally purchased your home, we would have approved the terms and conditions of the original mortgage to make sure they were not too onerous and that you were not borrowing more than the share price. If you are changing your mortgage, we have to approve the terms and conditions of the new mortgage and check that you are not borrowing more than the amount required to pay off the original mortgage.

In addition to checking the amount you are borrowing we also need to check that you are on a residential, owner occupier mortgage from a qualifying lending institution who know you have a shared ownership lease.

We will also need to check that:

- The interest rate is acceptable and
- Any early repayment or redemption penalties are acceptable.

If you are getting a further advance on your mortgage. You will need to inform us what the extra money is for. If it is to be used to carry out repairs to your home you must provide us with estimates for the work. If you are altering the property (for example, fitting a new kitchen or bathroom) in addition to estimates you will also need to apply for consent to the alterations. We may also need details of your

current household income to check sustainability based on your current situation.

The circumstances in which we are able to approve extra borrowing are set out in the funding regulations. Under the Mortgagee Protection Clause contained within your shared ownership lease we will only provide protection for further advances we have approved and that are:

- To allow you to buy extra shares in your home, or
- To comply with other conditions of the lease. For example, repairs or renewals, and these must be agreed and approved with us, or
- To allow one joint leaseholder to buy out the interest of the other joint leaseholder.

Neither the regulations, nor your lease, allow for further lending for other reasons such as debt consolidation, buying a car, or to pay for a holiday. The total amount of lending, including the principal mortgage, will not be able to exceed your percentage share based on the current property value and the mortgage lender, or the solicitor acting for the lender, will require our approval before the money can be advanced.

If you are using the extra borrowing to buy all of the remaining shares in your property we do not need to approve the mortgage as on completion the mortgagee protection clause will no longer apply.

If there is no further borrowing, we don't need to see a valuation of your property but will need to see a redemption statement from your current lender. The redemption statement shows how much is outstanding on the mortgage, and the amount of your remortgage must not exceed this figure.

If there is to be extra borrowing (for example, repairs or renewals to your home) we will need to see a copy of the mortgage valuation unless your mortgage offer already states the mortgage valuation figure.

Your mortgage lender may charge you for a valuation but we do not require an independent valuation unless you are borrowing more money to buy extra shares.

For more information on Re-mortgaging and Further Advances please contact your Home Ownership and Commercial Property Officer.

### **Shared Ownership Transfer of Equity**

During the course of your shared ownership lease you may wish to transfer or assign the ownership of the property to increase or decrease the number of registered owners. To facilitate this, your solicitors need to contact us for confirmation on what is required under the terms of the lease and our administration fee payments.

Should you wish to become the sole owner of the property we will require confirmation from your lender that you pass their affordability checks and will also need you to undertake an affordability assessment with our partner IFA.

### **The New Shared Ownership Model Lease**

Please check with your Home Ownership and Commercial Properties Officer what form of lease you have as the new model lease has different rights and obligations compared with the traditional shared ownership lease.

### **Changes to reselling your home**

The nomination period for us to find a new purchaser for your home will end after four weeks, rather than the previous eight-week nomination period.

### **Changes to buying more shares of your home**

Shared ownership homes that utilise the new shared ownership lease now give shared owners the option to purchase additional shares at 1% increments for the first 15 years. The 15-year period will be reset for every new shared owner for any resales that take place.

For 1% staircasing transactions, the valuation is calculated from the Land Registry's House Price Index. Once a year we will send you the Land Registry's House Price Index (HPI) valuation. The staircasing transaction will be based on 1% of this valuation.

### **Initial Repair Period**

There is a 10 year Initial Repair Period starting from the lease start date, which applies while you own less than a 100% share in the home. Repairs which are the landlord's responsibility during the initial repair period will not be recharged through the service charge.

In the initial repair period, you will be able to claim costs up to £500 a year from your landlord to help with essential repairs or replacement (if faulty) of:

- Installations in the home for the supply of water, gas and electricity (including basins, sinks, baths and sanitary devices), pipes and drainage.
- Installations in the home for space heating and water heating

During the initial repair period, we are also responsible for the cost of essential repairs to the external fabric of the building and structural repairs to wall, floors, ceiling and stairs inside the home.

### **Leaseholders and Shared Owners**

#### **Financial Assistance For Leaseholders and Shared Owners**

We understand that sometimes paying for rent, service charges or major works can be difficult for some of our leaseholders and shared owners, which is why we have included this Financial Assistance section. If you are struggling to pay your rent and/or service charges or know that you will miss a payment please get in touch with your Home Ownership and Commercial Property Officer straight away so that we can help you.

Below is a list of options available to you if you are experiencing financial difficulty and struggling to pay your rent or service charge.

*We cannot provide you with financial advice as we are not authorised to do so by the Financial Conduct Authority.*

### **Banks & Other Financial Organisations**

Banks, Mortgage Companies, Credit Unions and Community Banks are all good places to go if you need to borrow money.

Credit Unions and Community Banks are usually run on a non-profit basis with very low interest rates and are an alternative to the banks and mortgage companies if you are refused a loan or are on a low income.

*Please beware of loan-sharks who charge extremely high interest rates. If you are having financial difficulties, contact us and talk about it by contacting your Home Ownership and Commercial Property*

### **Bank or Building Society Loan**

You can approach a bank or building society for a loan or mortgage or ask your current lender to increase your mortgage.

### **Debt Management & Advice**

Sometimes people can be overwhelmed by multiple debts and need some advice and counselling to start tackling the problem. No debts problems are unsolvable. It might not be easy or quick, but there's always a route. Debts are urgent, they grow rapidly over time, and speedily spiral into trouble. The earlier you deal with them, the easier they are to deal with.

We can sign post you to FREE specialist debt advisors such as Citizens Advice Bureau or National Debt line. In the first instance please contact your Home Ownership & Commercial Property Officer.

*Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.*

*Failure to pay your rent and/or service charge means that you are in breach of your lease agreement and this may result in the repossession of your property or the forfeiture of your lease and the property being returned to us.*

### **Leaseholders and Shared Owners Being a Good Neighbour**

Everyone has the right to enjoy their home and community in peace. We believe in building strong, respectful neighbourhoods. That's why we take nuisance and anti-social behaviour seriously—and we expect all residents to do the same.

### **First Steps: Talk It Through**

If you're experiencing a problem with a neighbour (and it's not a serious incident), we encourage you to speak with them first. Often, people aren't aware their behaviour is causing an issue, and a friendly conversation can go a long way.

Try to explain how their actions are affecting you. This approach can help maintain positive relationships—especially when living in close proximity.

### **When to Contact Us**

If the issue continues after speaking with your neighbour, or if it's not appropriate or safe to approach them, you can report the problem to our Leasehold Team.

Please report issues as soon as possible so we can act quickly and prevent things from escalating. We'll also offer advice and support tailored to your situation.

### **Confidentiality**

We treat all reports in strict confidence. However, in some cases, your neighbour may be able to guess who made the complaint. If you're concerned about this, let us know, we'll take your concerns seriously and do everything we can to support you.

### **What You Can Expect from Us**

When you report anti-social behaviour, we will:

- Respond to your report within one working day
- Arrange an investigatory interview within seven working days
- Keep in regular contact with updates
- Speak to other neighbours (if appropriate) to understand the wider impact
- Offer mediation where suitable

### **If You Need to Contact the Police**

- Call 101 for non-emergencies
- Call 999 in an emergency (e.g. if a crime is in progress or someone is in danger)
- Or report anonymously via Crimestoppers: [crimestoppers-uk.org](https://crimestoppers-uk.org)

### **What Action Can We Take?**

We may work with other agencies, such as the police, especially in cases involving hate crime or harassment.

We aim to resolve issues by working with those involved. However, if necessary, we may take formal action, including:

- Warning letters
- Notices of Seeking Possession (for shared owners)
- Forfeiture proceedings (for leaseholders)
- Injunctions

**Leaseholders and Shared Owners**  
**Get involved, have your say.....**

**Leaseholders and Shared Owners**  
**Privacy Policy**

**Leaseholders and Shared Owners**  
**Complaint Process**



When you feel that we have failed in our service standard we want to know about it and have the opportunity to put it right. We will aim to resolve the issue for you as soon as we are made aware and if we cannot, explain what can be done.

However, if you still feel this is insufficient, we have a simple and effective complaints policy and procedure.

All new complaints begin at Stage 1. We will aim to resolve these at this point.

When you want to make a complaint we will always:

- Provide you with a range of ways you can make a complaint; verbally, in writing, by email or via our website, and we can support you with this
- Formally acknowledge your complaint in writing, and send this to you within 2 working days
- Investigate your complaint and aim to provide an outcome within 10 working days
- If we are unable to complete our investigation within 10 working days we will write to you explaining the reason for the delay and confirming an extended outcome deadline which will be no more than 20 working days from when the complaint was received

We will provide you with a copy of our Complaints policy upon request, and provide you with information about your right to escalate your Complaint if you continue to be unsatisfied with our response.

Once your complaint has been resolved, we may send you a short survey to let us know your views of how you and your complaint have been dealt with.

### **Compliments and Comments**

Compliments and suggestions you may have concerning our services are always welcome and we are always pleased to hear positive feedback when things go right. All compliments are recorded and shared at our monthly Staff Brief so that we can learn from best practice.

You can make a compliment verbally, in writing, by email or via our website, and we can support you with this.

### **Service Charge Disputes**

If you are unhappy because you believe that your service charge is unreasonable or that services or work have not been carried out to a reasonable standard, you can apply to the Residential Property Tribunal for a determination. The Tribunal can also decide on many disagreements relating to leasehold property.

Both the landlord and the leaseholder have the right to apply to the Tribunal. The county court can also refer matters to the Tribunal if there are legal proceedings for not paying service charges.

The Tribunal charges for applications. Details are available on its website (see below). You should always get professional advice before going ahead, from your solicitor, a Citizens Advice Bureau or the Leasehold Advisory Service (LEASE).

You will be responsible for the costs of any legal advisors or experts you employ in connection with your Tribunal application (whether you or the landlord made the application).

In exceptional circumstances, if the Tribunal decides that bringing or defending an application was unreasonable, either side can recover its costs from the other side.

### **Data Protection**

When you first make contact with we begin to collect information about you, the most obvious being your name and address.

We have a number of important legal obligations and are legally obliged to protect any personal information we hold. There are very strict rules about how much information we can hold, how it can be used and who is allowed to see it. For further detailed information we will provide you with a copy of our Data Protection Policy upon request.

### **Leaseholders and Shared Owners**

#### **Useful Contacts**

##### **The Pioneer Group**

T: 0121 748 8100

E: [contactus@pioneergroup.org.uk](mailto:contactus@pioneergroup.org.uk)

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

##### **Compass Support**

A charity based at The Sanctuary on Castle Vale providing a range of support and community based projects for Customers to get involved with such as job clubs and activities for children

T: 0121 748 8111

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

##### **Spitfire Services**

A resident led not-for-profit organization that exists to provide help, information and support for residents of Castle Vale

T: 0121 747 5932

##### **Residential Property Tribunal Services**

This is a public body that can decide many leasehold disputes. They can adjudicate in disputes over service charges, insurance, lease extensions. Their website provides full information.

Website: [www.justice.gov.uk/tribunals/residential-property](http://www.justice.gov.uk/tribunals/residential-property)

### **Leasehold Advisory Service (LEASE)**

LEASE is government funded and offers free legal advice and guidance to leaseholders. It provides outline, summary legal advice to enable leaseholders to make informed decisions as to what action they should take next. You can book a free appointment with LEASE through its website – [www.lease-advice.org](http://www.lease-advice.org) or by 'phoning them on 020 7832 2500.

### **Birmingham City Council**

T: 0121 303 1111

W: [www.birmingham.gov.uk](http://www.birmingham.gov.uk)

### **Severn Trent Water**

Emergencies and supply issues – 0800 783 4444

### **Gas Emergency Services**

0800 111 999

### **Gas Safe Register**

Provides details of registered engineers

T: 0800 408 5500

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

### **Citizens Advice Bureau (CAB)**

The CAB can offer advice on benefits, employment, debt, consumer and legal rights. Information about their services and offices can be found on their website.

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

T: 03444 111 444 (available 9am to 5pm Monday to Friday)