

Buying your  
shared  
ownership  
resales home

 Moathomes



# Contents

- 5 How does shared ownership work?
- 6 Who is eligible and how to apply
- 7 Getting a mortgage
- 8 The costs of buying a home
- 10 The purchase process
- 13 Your responsibilities
- 17 Payments to Moat
- 19 Newly built homes
- 22 Moat's role after you move in
- 23 Staircasing (buying more shares in your home)
- 25 Selling or transferring to another home
- 27 The good news - help spread the word!
- 28 Contact us
- 31 Declaration (for you to complete and return to us)

*Your home is at risk if you do not keep up rent and mortgage repayments or payments on other loans secured on it. The value of properties can go down as well as up.*

# Congratulations

## on taking the first steps towards buying a home of your own!

This booklet provides information about shared ownership. It also outlines the main responsibilities (yours and Moat's) when you buy your shared ownership home with Moat.

If there are any parts of the booklet that you do not understand, please ask us or ask your solicitor to explain in more detail.

When you sign your lease to buy your home, you accept the responsibilities and you are legally bound to honour them.

Your lease sets out who does what, the details of your property, including the share you have purchased, the length of the lease and financial details such as the rent at the start of the lease and details of what the service charges cover. If you are purchasing an existing shared

ownership property (resale), the rent and service charges that you pay now will differ to that stated in the lease. Moat and your solicitor will explain this and confirm the actual monthly payments to you.

Your solicitor will send you a copy of the lease. He/she should also outline to you the terms of the lease, your rights and responsibilities, as well as explain your legal status as a shared owner. It is important that you understand all of this, therefore please ask your solicitor any questions if you are unsure.

The information contained in this booklet is for guidance and may be subject to change. Leases may vary and may contain information that is specific to the property that you are buying. The content of this booklet is not exhaustive.

# How does shared ownership work?

Shared ownership is a government-backed initiative that helps you to become a home owner. Sometimes known as part buy part rent, you buy a percentage share in a shared ownership property (resale) or a brand new home and pay rent on the remaining share.

Shared ownership is one of the most affordable home ownership options. Other options are outlined at **HelptoBuy.gov.uk**.

If you buy a home through shared ownership:

- ▶ Your monthly mortgage and rent can work out cheaper than buying outright. Sometimes the costs of shared ownership are the same, or cheaper, than privately renting. It is a good idea to work out your own calculations and comparisons, depending on where you wish to live. A mortgage advisor can help you work through these calculations.
- ▶ You can buy a larger share in the property at a later date (this is called 'staircasing'). You can either staircase all the way to 100% ownership in one go, or in stages. The more shares you buy, the less rent you pay. We will help you when you are ready to staircase.
- ▶ We will help you find a buyer for your home when you are ready to sell.

If you wish to own your home outright, we recommend you make plans early to buy more shares. In many cases, and depending on a number of factors, property prices have a tendency to rise at a more rapid rate than incomes; consequently, some shared owners who delay decisions to staircase become less likely to be able to afford extra shares as the price of these could rise outside of their affordability range. You don't have to staircase if you don't want to – the choice is yours, but if you want to, our advice is to plan early to make this happen. Talk to your mortgage advisor about your intentions and talk to us to find out more about how it works.

As a charitable housing association, Moat supports the development of mixed tenure communities and is proud to provide homes for affordable rent and shared ownership across the South East of England. We are here to guide you through the process and to help you find a suitable and affordable home.

# Who is eligible and how to apply

In line with government guidelines, priority for shared ownership homes is awarded to serving military personnel and former members of the British Armed Forces honourably discharged in the last two years. People who live or work in the local area also receive priority. We welcome applications from everyone and will try and help if we can.

To be eligible for shared ownership:

- ▶ You must be at least 18 years old.
- ▶ You cannot afford to buy a home suitable for your needs on the open market.
- ▶ Your annual household income must be less than £80,000 (for London boroughs this is £90,000).
- ▶ You must be a first time buyer or existing shared owner\*. If you already own a home and you need to move but cannot afford to, then please discuss your situation with us. There are some circumstances under which you could be eligible.

\*If you have a property to sell, we are happy to accept your reservation provided that you have a complete and secure chain and are in a position to purchase a home within our required deadlines. We will ask you for a memorandum of sale confirming details of your buyer, their solicitors and the estate agent handling the sale.

## How to apply

If you are interested in purchasing a shared ownership home outside of London, you will need to register with the Help to Buy agent covering that area. You can visit [helptobuy.gov.uk/equity-loan/find-helptobuy-agent/](https://helptobuy.gov.uk/equity-loan/find-helptobuy-agent/) to find the provider covering your area.

Details of the homes we have available for shared ownership sale are on our website. Visit [moathomes.co.uk](https://moathomes.co.uk) and follow us on Twitter @lovemoathomes. We also advertise on the following websites - [helptobuyagent3.org.uk](https://helptobuyagent3.org.uk), [london.gov.uk/homes](https://london.gov.uk/homes) and [sharetobuy.com](https://sharetobuy.com). You can search for properties on these websites and register your interest by clicking on the property details.



# Getting a mortgage

A vital part of purchasing your own home is arranging the right type of mortgage. The mortgage advisors on Moat's panel are here to help and have been selected because of their high levels of customer service. Mortgage advisors on this panel are professionally qualified and will help you make the right choice so that you can afford to enjoy your new home into the future.

We will ask you to speak with one of the mortgage advisors on Moat's panel for an initial affordability assessment.

There are many different types of mortgages, offering varying terms and conditions. Moat staff are not authorised or qualified to provide you with financial or mortgage advice.

You will need savings for a mortgage deposit of at least 5% of the share value that you purchase (100% mortgages are not accepted). The higher your mortgage deposit, the more favourable your mortgage interest rate is likely to be. The maximum interest rate we will allow is 7%.

## Important things to remember:

- ▶ You will need to take out a mortgage from a high street bank or building society to cover the cost of the share (minus your deposit). If you have sufficient cash or savings to purchase the share outright, please discuss your situation with us.
- ▶ You will be required to buy as much of the property as you can afford.
- ▶ The mortgage term should be no more than 40 years and should not be taken beyond the age of 75.
- ▶ Guarantors are not acceptable when purchasing through shared ownership.
- ▶ The type of mortgage you commit to must be a repayment mortgage. Interest only mortgages are not accepted.
- ▶ You will only be able to borrow money on your mortgage up to 95% of the value of the share you are buying.
- ▶ If you are purchasing in joint names, you must both be named on the mortgage to have shared rights and responsibilities for the property. If you are not named on the mortgage, you will not be named on the lease/transfer and you should seek legal advice regarding your rights.
- ▶ The mortgage interest rate must be less than 7%
- ▶ The maximum mortgage arrangement fee we can accept is £1,000

# The costs of buying your home

## Valuation/Homebuyers' Survey fees: £350-£600

Your mortgage lender will charge a fee for instructing a chartered surveyor to carry out a valuation report on their behalf. If the property you are purchasing is over ten years old, we recommend having a homebuyers survey carried out as this is a much more detailed report.

## Arrangement fees: £0 - £1000 (variable)

Your mortgage advisor will give you more information about the costs associated with the mortgage. Your lender may charge a fee for arranging your mortgage. This varies depending on the mortgage option you choose. These fees are payable to your mortgage lender/ advisor. The mortgage arrangement fee can only be added to your mortgage if the total borrowing is less than the share value.

## Solicitors' costs: up to £1200 (estimate)

Your solicitor will charge you a fee for their professional services. Usually you should expect to pay an amount up-front to enable your solicitor to proceed (approximately £200), with the remainder payable upon completion of the purchase.

## Notice fees: £72 per notice

Your solicitor will need to serve a legal Notice on Moat to confirm the change of ownership and to register your mortgage following completion. Additional fees may be payable to a managing agent.

## Deed of covenant: £120

You may be required as the purchaser to enter into a Deed of Covenant. This binds you to the terms of the lease.

## Contractors' reports: £300

If recent gas/electrical tests are not available, you are strongly advised to instruct your own. This is important for health and safety reasons. With older properties, the mortgage survey may also recommend certain checks such as timber and damp, which may be required prior to the mortgage being agreed.

## Staircasing valuation fee: £36-£240

If you choose to buy additional shares in the property, a valuation that is less than three months old will be required on completion of the purchase. If your mortgage valuation is not available or out of date, we will need to instruct an updated valuation, the cost of which you will need to pay.

## Stamp Duty Land Tax (SDLT)

This is a government tax that is payable when someone buys a property. Your solicitor will be able to tell you if the tax applies and how much it will be. We are unable to give advice on stamp duty queries.

Stamp duty is normally only payable on a resale property where the value of the share exceeds the minimum threshold, currently £125,000. Please note that if duty is not paid on your purchase now, there may be a requirement for you to pay in the future if you either staircase above 80% or sell 100% on the open market. Your solicitor will be able to advise you further.



If you are purchasing a property that was previously rented by Moat and a new lease is granted, you will have the option of paying duty against the share value or the whole price. Your solicitor will advise.

### Exchange of contracts

Exchange of contracts is a key point in the process when you buy a property. It means that you are legally bound to purchase the property and the seller is legally bound to sell it to you.

Prior to exchange, you will need to ensure that you have signed your contracts and transferred your mortgage deposit to your solicitor in order for exchange to go ahead. Once contracts are exchanged, the sale is legally binding and a completion date will be agreed.

In some cases, exchange of contracts happens on the same day as you complete on the purchase. Your solicitor will need to have requested the mortgage funds in advance in order for this to happen.

### Rent payable on completion

From the day your purchase completes you are responsible for paying your mortgage, rent and any service charges. You will need to pay for the remainder of the month in which you complete plus the following month in advance in your completion monies. Your solicitor will advise you of the amounts. It is important to always pay your mortgage, rent and service charges on time or you risk losing your home.

### Other costs

Other costs that you should consider include the cost of moving in (removal van, etc), broadband set up costs, connection fees for water, gas and electricity, Royal Mail redirection charges, contents insurance etc.



# The purchase process

## The buying process and timescales

You will need to read this booklet and return the signed declaration (back page of this booklet) along with your required supporting documents within seven days of receiving it. We will not exchange contracts without a signed copy of the declaration on our records. If the seller has not confirmed their onward move, we would advise getting everything in place without spending any money until the chain is complete.

## Prompt survey and mortgage application

Your mortgage lender will complete a number of checks on your application before sending a surveyor to assess the property. Please ensure that the lender receives all of the required documents from you in order to process your mortgage application. Once the mortgage lender is happy to approve your mortgage application and the valuation has been carried out, you will be sent a mortgage offer.

## Mortgage expiry dates

Mortgage offers have an expiry date (typically six months) and this may expire before the property is ready for you to move in to (for example, if there are delays along the chain). If the mortgage offer expires before a completion date has been agreed, you may incur extra costs to renew it or have to apply for a new mortgage.

## Mortgage valuations

The purchase price of your property must match the full market value stated in your mortgage offer. If your mortgage lender down-values the property, your mortgage advisor will work with Moat and your lender to try to

resolve the matter. We can also try and negotiate the asking price with the seller to achieve a resolution. In some circumstances, you may need to apply to a different lender.

If the property is old or in need of repair, your mortgage survey may recommend that certain reports are carried out, for example gas safety check, electrical test, timber and damp report etc. You will be responsible for the cost of these reports. If there is no current gas safety/ electrical inspection in place, you will need to have one carried out yourself for health and safety reasons, prior to exchange. After your purchase has completed, you will be responsible for maintaining these services so it is essential that you have the checks carried out before contracts are exchanged. If any problems are detected after completion, it will be your responsibility to rectify these.

## Fire Safety checks

If you are purchasing a flat that is in a building over 18m in height (six storeys), it is likely that an EWS1 form will be required if you need to take out a mortgage. The mortgage surveyor will normally request this after carrying out their valuation. The form will need to be instructed by the building owner which may be Moat, or a managing agent acting on behalf of the freeholder and is used to assess the external wall system in terms of fire safety. It involves a suitably qualified professional carrying out a survey of the building.

Due to the specialist nature of the test, these can take some time to organise and may cause delays to your purchase. If you have any concerns, please check with Moat before proceeding as to whether an EWS1 form has already been completed or if there are any known problems with obtaining one. Some lenders may ask

for this form on buildings below 18m in height and whilst every endeavour will be made to provide the relevant information requested, this form may not be able to be provided, particularly where Moat are not the freeholder.

### Mortgage offer approval

After the surveyor has completed their valuation report, the lender will issue a mortgage offer. Please forward a copy of your offer and valuation report to Moat. Your mortgage offer requires approval from us to ensure that it meets the requirements set out in the shared ownership lease and correctly reflects the details of the sale. If your mortgage offer is not approved, Moat is not liable for any costs you may incur associated with delays, the production of a revised mortgage offer, or cancellation of the sale. Mortgage advisors on Moat's panel are well placed to advise you in this regard.

### Solicitors' panel

Moat's panel of solicitors has many years of experience with shared ownership schemes. We suggest that you appoint a panel solicitor because of this experience. If you instruct a solicitor that is not on our panel, please ensure they are familiar with shared ownership to prevent any delays in the process.

### Pre-completion visit

It is advisable to arrange a final viewing prior to completion to ensure that the condition of the property has not changed significantly since your original viewing. If there are any issues, these can be raised with your solicitor prior to exchange. Once you have completed

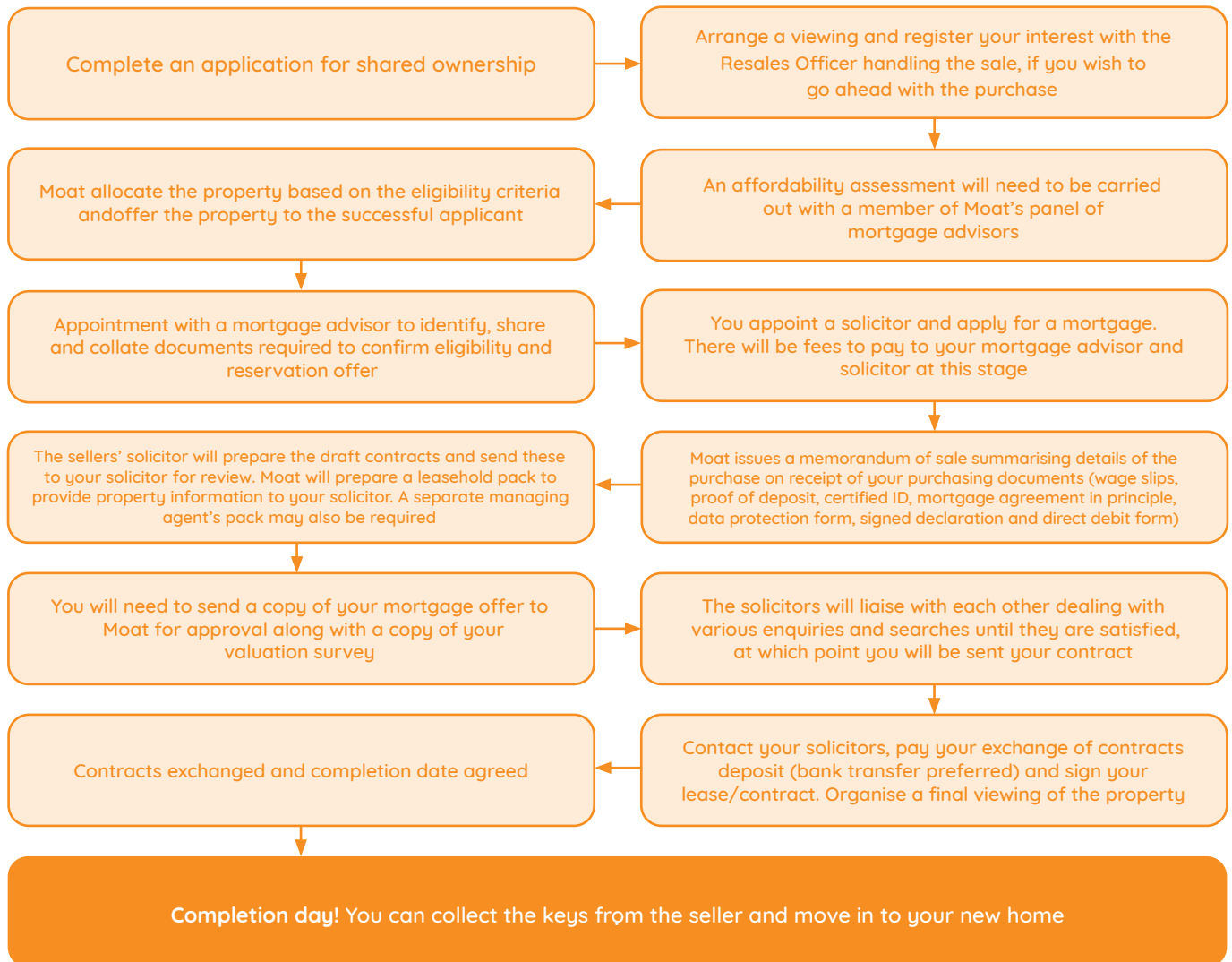
your purchase, it will be difficult to make any claim against the seller if the condition of the property does not meet your expectations.

### Completion day

Your solicitors will send the seller's solicitors all monies due on the day of completion. Once these monies are received your purchase is complete and you can make arrangements with the seller to collect the keys from them directly. If the property was previously vacant, we will advise you as to where the keys are to be collected from.

Remember to contact the gas, electricity and water companies as well as the local council tax office and any other utilities you require, to let them know you have moved in.

# The purchase process at a glance



# Your responsibilities

Many of the responsibilities that come as part and parcel of owning a shared ownership home are no different to those that apply if you buy a home on the private market. There are some differences, however, and it is important that you are aware of these.

## Repairing and maintaining your home

Resale properties are second hand homes and are therefore sold as seen. You should satisfy yourself prior to purchase that the services/appliances are in satisfactory working order. The shared ownership lease is fully repairing and like any home owner, you are fully responsible for the day to day maintenance of your home. If your property is covered by the NHBC or equivalent and you need to make a claim for any defects covered by this, you will be responsible for the cost of the excess.

If you are purchasing an apartment, the freeholder of the block is responsible for the maintenance of the common parts and the exterior of the building. The cost of any work will be passed on to you in your service charges. You are responsible for undertaking any maintenance or repairs to the inside of the apartment including any pipes, electrical wiring and glass in all windows and doors.

If you are purchasing an apartment, the window frames or external doors may be the responsibility of the freeholder to repair or replace. Please check your lease to ensure you are clear on what your obligations are before signing.

If you are purchasing a house, maintaining the doors, windows and window frames to the property is your responsibility. Please note that replacement of external doors and/or windows requires permission from

Moat. Your lease will set out repair and maintenance responsibilities for your home in more detail. Please make sure you understand and accept these responsibilities before signing your lease.

If solar panels are installed at your house it is your responsibility to maintain them. Solar panels installed on communal roofs such as blocks of apartments will be the responsibility of the freeholder to maintain.

## Gas Safety

As a leaseholder you are responsible for making sure all the gas appliances in your property are checked annually by a Gas Safe Registered Engineer to ensure safe operation for you, your family, and your neighbours. This will include but not be limited to your gas boiler, gas cooker, gas hob or gas fire, pipework and flues.

Remember to ask to see the engineers Gas Safe Register ID card to confirm they are registered and able to carry out the necessary work.

We would also recommend that you install a carbon monoxide detector in your property and check this on a regular basis.

If you smell gas in your home, call the **free 24 hour national gas emergency number on 0800 111 999**, whether the smell is inside or outside your property.

## Electrical

Moat recommend that you install and maintain at least one smoke alarm on each level of your home. Smoke alarms should not be fitted in or near the kitchen or any

bathrooms, as steam or cooking fumes may cause false alarms (unless they are designed specifically to operate in that particular environment)

Always fit your smoke alarms where you will be able to hear them throughout the home.

Fit smoke alarms on the ceiling, as near as possible to the centre of the room – the alarms should be positioned at least 30cm away from any wall or light fitting. Always follow the manufacturer's instructions on the fitting and maintenance of your smoke alarms.

For further advice on smoke alarms and other fire safety, please contact your local Fire & Rescue Service.

To ensure the electrical installation in your home is safe Moat recommend that you have the electrical installation in your home tested by a competent electrician when you first purchase your property and then again every 5 years. The recommended electrical test is called an Electrical Inspection & Condition Report commonly referred to as an EICR.

## Water Management

Please ensure you keep all shower heads and taps clean and free from the build-up of limescale, mould or algae by descaling them at least every three months with a proprietary cleaner.

## Lifts

If you have a lift in your property, please ensure you arrange for an annual service to be completed on the lift by a competent engineer, and also arrange for an inspection to be carried by a competent person every six months in line with the Lifting Operations, Lifting Equipment Regulations (LOLER).

## Pets

There are restrictions that prohibit you from keeping pets that need outdoor space (such as dogs and cats).

Smaller pets in cages are usually not a concern, however you should check your lease to be certain about any restrictions. If complaints are received about a pet, we, Moat can ask that the pet be removed from the property. If you have a pet, please check with us that your pet will be allowed before proceeding. It is important that pets do not cause a nuisance to your neighbours.

## Car parking

If the property has allocated parking, this will be defined in your lease. Please check with your solicitor which space(s) come with the property, if any. It is your responsibility to manage your allocated parking space. Should someone park in your space without permission, you should try to work out an amicable and mutually agreeable solution. Your lease should determine if you are also responsible for maintaining your allocated space and any areas surrounding your parking space. Some car parks may require an entry fob or parking permit and you should check whether this applies to you.

## Gardens and open areas

If your home has a private garden, then you are expected to look after it, keeping it clean and tidy. Any shared or communal areas will usually be maintained by a management company (this could be a Moat service). You and your neighbours are asked to keep these areas clean and tidy. Your service charges will include a charge relating to the upkeep and maintenance of any shared or communal areas.

## Cleaning

The same applies to any internal areas that are shared with others, usually within blocks of flats or maisonettes, such as staircases, corridors etc. Either Moat, or a management company, will clean and maintain these communal areas. We expect you and your neighbours to keep these clean, tidy and free from items that may obstruct the way. Your service charges will include a charge for the upkeep and maintenance of these internal communal areas.

## Rubbish

We do not supply rubbish bins, however, some local authorities do and you should check with your own council. If you do not have rubbish bins please ensure your rubbish is properly secured in strong polythene bags when disposing in communal refuse facilities. Please do not allow rubbish, which refuse collectors will not collect, to accumulate in your home or garden. Bulk items such as cookers, fridges and sofas should be taken to the nearest official rubbish tip or arrangements made with your local council to make a special collection (a small charge is usually made for this service).

## Loft space

If your home has loft space, it may not be boarded out and therefore unsuitable for storing your belongings or for standing in. If you wish to use your loft space, it is up to you to make sure it is made safe before you do so.

If you purchase an apartment then there could be loft access where equipment relating to the block may be installed. This access is for contractors only and not safe or suitable for storage.

## Satellite dishes

Most of Moat's new homes come with digital television capabilities fitted as standard. Individual satellite dishes are not usually permitted on apartment blocks although they may be permitted on the rear elevation of houses in some cases. Your solicitor will need to check the stipulations in the lease.

## Permission for major building works / alterations

If you want to make any major changes to your home, such as building an extension, removing walls, changing kitchens, replacing doors and windows or adding a conservatory, you must ensure that you get permission from Moat before starting any work. If applicable, we will

need to see planning consent/building regulations. Once works have been carried out, evidence will need to be provided, ie receipts, paid invoices.

Some improvements to your new home that add to its value are also taken into account in your favour when you staircase (buy more shares in the property). These improvements will need to be registered with Moat if you wish to benefit from them when staircasing. There will be an administration fee for this.

If you are purchasing an apartment and plan to install solid flooring, the lease may state that permission is required and adequate sound proofing may be needed. There will be other restrictions preventing you from carrying out certain types of works in an apartment.

Cosmetic alterations such as decorating, carpeting/ flooring, landscaping etc do not normally require consent as these are not considered to add substantial value and are unlikely to affect the value of the property when you staircase.

## Lease (Title) amendments

We understand that situations change over time and this may require you to have amendments made to your lease. For example, if you bought the property with someone else and after a period of time the relationship ended. Your lease should be amended to reflect changes of this nature.

## Covenants

Restrictive covenants contained within your lease may relate to things like permission to keep pets, parking requirements or other restrictions that may apply to your home or neighbourhood. Please make sure you are aware of these and check with your solicitor for specific details.

Your lease is likely to include a covenant that restricts commercial vehicles being kept on your property, even in your own parking space. If you own a commercial vehicle,

please ensure your solicitor checks the lease to determine the conditions. The parking of caravans and mobile homes may not be allowed either.

### Shared ownership – permission to sub-let your home

Shared ownership homes are provided (often with public subsidy) as a way of helping people in housing need to purchase a home they would otherwise not be able to afford. Sub-letting is not in the spirit of shared ownership and is not allowed except in very rare circumstances, defined as 'exceptional'. We are duty bound to protect public funds and ensure that people allocated affordable homes are not benefiting from commercial gain.

Renting out your home through Airbnb (or similar) is considered a form of sub-letting and is not permitted.

If you sub-let your home without written agreement from Moat then you would be in breach of the terms of your shared ownership lease. We will take action to ensure that the sub-let is terminated. Sub-letting without permission is very serious and, if we have to, we will take legal action and pursue this through the Courts. This could result in you losing your home. More information is available at [moat.co.uk/sub-letting](http://moat.co.uk/sub-letting).

### Shared ownership – taking in a lodger

The terms of your shared ownership lease do not stop you from taking in a paying guest or a lodger, provided that it is your main home and you are still living there.

If you take in a lodger or paying guest, you should seek proper advice. Issuing a lodger or paying guest with any form of tenancy agreement could grant them legal rights of occupation and should not be done.

Please tell us if you want to take in a lodger or a paying guest. You should also tell your mortgage lender, insurance companies, managing agent and local tax office.

### A pleasant environment for your neighbourhood

We hope that you will enjoy living in your home and local community. It is appreciated that everyone has their own individual way of living. However, here are some tips and advice that you might find helpful:

#### Consideration for neighbours

Everyone has different tolerance levels for noise, be it music, late night noise or an individual's behaviour. We ask that our customers have consideration for their neighbours, especially those living in apartments or sharing access-ways. If you have difficulties, always try to have a friendly chat with your neighbour about it before approaching us.

#### Nuisance/harassment

We place obligations in your lease to promote good neighbourly relationships and to enable us to take action if someone causes or allows a serious nuisance to others. If you experience any serious nuisance (eg unbearable noise, harassment, etc.) you should:

- ▶ Try to approach the person responsible in a polite and reasonable manner if you feel it is safe to do so.
- ▶ Keep a log detailing dates, times and the nature of the nuisance.

You may also choose to discuss the matter with your Moat neighbourhood housing officer or to contact the police, your Citizens Advice Bureau, solicitor or your local council.

#### You are responsible for your visitors

The behaviour of people who visit your home is also your responsibility. Please make sure your visitors also respect the neighbourhood you live in.



# Payments to Moat

## Paying rent on your shared ownership home

The rent on the share that you have not purchased is subsidised and charged at around 3% (or less) of the share value. If you buy more shares in your home then the rent you pay reduces (although your mortgage payments may increase if you borrow more money to fund the staircasing).

## Rent and service charges payable in advance

After you complete on your purchase we will contact you to set up your direct debit. Your monthly payment to Moat is broken down into rent, buildings insurance (if applicable) and service charges (if applicable).

Payments are due one month in advance, on the first day of each month. You can make the payments on any day of the month, however, if you decide not to pay on the first day of each month, you will need to make two payments in the month after purchase to ensure your rent account remains in credit.

## Review of rent levels

The rent is reviewed annually and increases on the 1 April each year based on the details in your lease.

## Rent arrears: don't risk losing your home!

Please contact us immediately if you think you may be facing financial difficulties. The sooner you let us know, the more options there are likely to be available to help you. It is important that you keep up your payments to Moat as well as your lender.

If you do not pay your rent, Moat can approach your mortgage lender for payment of the rent arrears. You will have to pay interest on any rent arrears. If non-payment persists you could lose your home.

## Buildings insurance

Where Moat is the freeholder, we put in place buildings insurance. You are required to cover the cost of buildings insurance which is usually included within your service charges. Insurance premiums can vary year on year. You will be notified of any changes but can request details of insurance costs by contacting the Service Charge team.

You can request a copy of the Summary of Cover at any time, or contact us at [customer@moat.co.uk](mailto:customer@moat.co.uk) for insurers details to make a claim under the buildings insurance policy. If you make a claim, you will have to pay an excess of £200 (at the time of writing) for most accepted claims; and £1000 for claims relating to subsidence.

In some cases, leaseholders may have a contractual obligation to insure the building, and Buildings insurance does not cover general repairs and maintenance. You should check your lease and ask your solicitor to confirm your lease conditions and responsibilities for insurance, repairs, maintenance and charges before you purchase your home. The rent you pay to Moat is for the part of your home that Moat continue to own, and not rent for landlord services such as repairs and maintenance.

We **do not** insure your contents and we encourage you to arrange suitable insurance for your contents and belongings from things like accidental damage and theft.

## Service charges

Services charges are the charges you pay each month for the management services you receive in your home and neighbourhood (estate).

In general terms, service charges are no different for shared ownership homes to any other similar homes that are bought privately. The fees you pay include the costs of, for example, cleaning and/or gardening of communal areas, maintaining and repairing lifts, etc. The more services you receive, the higher the charges. We will provide you with information about the services and the fees for the home that you are buying.

Service charges vary depending on the nature of the development and the communal facilities that are provided either to a building or the estate grounds. They can apply to houses as well as to apartments. Some estates may have a managing agent that provides services with associated costs re-charged to you.

We endeavour to apply the best known estimate for service charges at the time that a new development is handed over into management; however, the charges for the first year may increase in subsequent years due to warranties and guarantees expiring or due to contributions to reserve funds (funds put aside for future repairs or replacement items) being increased due to more detailed information becoming available.

Your service charge estimate is reviewed annually on the anniversary date indicated in your lease and not necessarily a year after you move in. This may mean that your charges change within the first year of occupation.

Once a year, Moat's Service Charge Team compare the estimated and actual costs of providing the services and send you accounts detailing any variances. This usually happens in the September following the end of the accounting year (April to March). As a recipient of the services, you will have the right to question the reasonableness of the charges as well as to request sight of invoices that support the actual costs.

At the point of this annual reconciliation of estimated service charges against actual costs, any excess charges that you may have paid will be credited to your Moat account. Conversely, any shortfalls identified at this point will require payment.

Your service charges may also include an amount each month contributing towards a future repair fund (also called the reserve fund or the sinking fund). This fund accumulates over a number of years and is kept towards replacing major items such as lifts, roofs or road re-surfacing works.

## Combined heat and power (CHP)

Some leases contain provision to make payments to Moat for gas/heating costs – please check with your solicitor if this applies to your purchase. You may also be required to enter into a separate supplier agreement which your solicitor will confirm.

# Newly built homes (less than one year old)

Moat shared ownership homes are built to the same high standards as those constructed by house builders for private/open market sale. High standards are required for these homes to adhere to building regulations as well as planning conditions set by the local authorities.

## Construction defects and the defects period

There are checks in place to record items that may require fixing either just before, or after the first resident moves in to a new build property. We call these items 'defects'. The period by which we would expect them all to be fixed is usually one year (this may vary from one builder to another) from the date when the builder hands over the property to Moat, this is called 'the defects liability period'. If the property you are purchasing is less than one year old, there is a possibility it may still be within this period and you should check with Moat to see if this applies and to confirm the expiry date.

A defect is a building flaw or failure that is the builders' responsibility to put right as it does not meet contractual standards in:

- Quality
- Workmanship
- Performance
- Design

Moat's dedicated New Homes Customer Care team is committed to working with you and with the house builder (the developer) to rectify construction defects.

An inspection will need to take place just before the end of the defects period. It is important that you are available to attend this inspection as it is a chance to agree and finalise the list of items that may still require fixing. The developer (not Moat) is responsible for putting any agreed defects right at no extra cost to you. Moat's New Homes Customer Care team will monitor all the defects that have been reported to us and act as a liaison between yourself and the developer.

If you purchase a property after the defects period has expired, then you will accept responsibility for any defects that may remain unfixed. In other words, you will be buying the property 'as seen' in its existing condition and you will not benefit from any defects period.

Once the defects period expires, you can no longer make new claims through the defects process. The exception to this is called a latent defect: this is a fault that may be in a hidden place, and that could not have been discovered by a reasonably thorough inspection before you bought the property or before the end of the defects period.

Depending on their nature, latent defects may be covered by the warranty on your home.

## Reporting defects to Moat (only if within the defects liability period)

If any faults occur with the systems or fixtures and fittings installed in your home, once you have moved in, please report these faults to Moat's Customer Care team on 0300 323 0011 (Monday to Friday, 8am – 6pm). Alternatively, if the fault is not an emergency you can email these through to [defects@moat.co.uk](mailto:defects@moat.co.uk).

When you report a defect, we may ask you a series of questions to make sure it is a defect and not a repair. If it is a defect, we will, where possible, tell you how long it will take for the defect to be fixed. The developer who built your home will contact you to make arrangements to carry out the work.

Please do not report any defects to workmen who may still be on site where you live. We cannot guarantee that defects reported through any channels other than directly to Moat will be logged and managed properly.

Appointment dates/times to fix defects will be agreed with you. You may incur a fee if you do not turn up at the agreed date/time and the developer is unable to access your property to carry out the work.

Some defects may not be fixed until the end of the defects liability period when it is more appropriate or practical – this depends on the nature of the defect.

Putting defects right is a free service, but it is not a day to day repairs and maintenance or wear and tear service. Please make sure that when you report an issue as a defect, you describe the matter to Moat's team as clearly as you possibly can. If the developer attends to fix your defect and discovers that it is not actually a defect, you could be charged a fee to cover the associated costs.

At the end of the defects period, we will contact you to ensure that the works have been completed to your satisfaction and to seek feedback from you regarding the service.

## Building warranty

If the property you are buying is less than ten years old, you will benefit from the balance of any years remaining on the new homes warranty. For most homes this is through Premier Guarantee ([info@premierguarantee.co.uk](mailto:info@premierguarantee.co.uk)) or the NHBC ([nhbc.co.uk](http://nhbc.co.uk)). Details of the warranty will be provided to you either by the seller or the solicitor, including details of how to make a claim and the excess charge that you would have to pay if you do need to claim under the warranty.

## Common issues in a new build home

All brand new homes require a period of 'bedding in' whilst the materials used to construct your home start to shrink and settle.

Cracks in walls and ceilings are commonplace in brand new homes and should not cause alarm to you. These cracks are not an indication of poor workmanship or poor quality construction. It normally takes a year or so for these to settle.

Any cracks in the walls or ceilings that are thin lines (hairline cracks) are your own responsibility to make good. We will monitor any substantial cracks and will confirm to you during your home's end of defects inspection what cracks the developer will put right. It is more commonplace for cracks to appear between plasterboard and wood, for example, between the walls, the skirting boards and above doorways.

Floorboards and staircases may creak when you first move in. We would expect these to settle over the defects period.

Doors and windows may appear stiff to open and close at first. A degree of stiffness is quite normal and often rectifies itself over a short period of time. Applying lubricant to joints on a regular basis will minimise problems that can occur with windows and doors and form part of a good maintenance regime.

The effects of poor ventilation can also be detrimental to your new home, causing condensation on windows and mould or damp patches on walls and ceilings. This is not something that we can fix for you as it is not deemed a defect.

To avoid this, it is important that you ventilate your home, allowing fresh air to circulate around all its rooms. Use extractor fans where these are provided, particularly in bathrooms and kitchens. Drying wet clothes inside your home should be avoided as it is a common cause of mould, damp patches and condensation. Consider investing in a dehumidifier if you think you may need one.

### **Heating system, boilers, ventilation systems, solar panels, gas and electricity**

The seller should leave behind any user manuals for the heating/hot water system and any other utility services provided in your home. It is essential that you read and familiarise yourself with these.

It is the responsibility of the current shared owner to have any necessary checks carried out on the boiler and gas appliances. If a gas safety check has not been carried out in the last year, you will need to have this done prior to exchange of contracts. It is very important to have your

gas supply checked properly at least once a year to make sure your home continues to be safe to live in – it will be your responsibility to arrange this going forward.

When you complete on your property, you become responsible for servicing and maintaining any of these items to ensure they are safe and functioning efficiently and properly. You should also make sure all electrical items in your home are safe. If an electrical safety inspection has not been carried out in the last ten years, you will need to have one carried out prior to exchange of contracts.

### **TV and satellite services**

In some Moat new homes, we provide connections to TV and satellite services. It is up to you to arrange to take out a contract with a service provider if you wish to.

# Moat's role after you move in

Once your purchase is complete and you move into your new home, you begin to live there as a home owner. Your mortgage payments commence, as do your monthly payments of rent and service charges to Moat. You assume full responsibility to repair and maintain your home; Moat's role as your landlord differs to that of a landlord providing services to rented tenants because the rent you pay is a form of interest on the part of your home that Moat continues to own, and not a payment in return for landlord-related services.

Although we reserve a right to come and visit your home if we choose to, in most cases this is not something that we would necessarily do unless we wanted to carry out checks, for example to make sure you are living in the home and it is not being sub-let. In other words you move in and live in your home independently as a home owner.

Should any queries arise after your move in, please contact your Moat Neighbourhood Housing Officer. You can do this via our Customer Contact Centre (details are on the contacts page of this guide).



# Staircasing (buying more shares in your home)

Staircasing is the process by which you can increase the percentage share that you own in your home. Details of staircasing are provided to you within your shared ownership lease. You can staircase at the point of purchase or at any time in the future.

It is a good idea to make plans for staircasing at the time when you first buy your shared ownership home. Talk to your mortgage advisor about your plans and intentions. You can staircase by buying further shares in your property, with the amount you pay based on the market value of your property at the time you apply to staircase, not the current market value. The value is determined by an independent RICS (Royal Institution of Chartered Surveyors) qualified surveyor. As the share you own increases, your rent reduces proportionately. You can take your ownership up to the full 100% value of the home if you choose and your lease allows, meaning you would then pay no rent. You would still be liable for service charges where applicable.

If you cannot afford to staircase up to 100% in one go, then think about staircasing in chunks and make longer term plans to achieve this. Talk to us and we'll explain how it works. The lease allows three further steps in which to increase your ownership to the maximum percentage allowed (please note that if a previous shared owner has already staircased, this will count as one of these three steps).

At Moat, we encourage home owners to increase the shares in their homes, so they can build a better future for themselves and their families. This is especially important as you approach retirement age if you are close to paying

off your mortgage and wish to avoid paying rent out of your pension.

The more shares you buy, the less rent you pay – although your mortgage payments may increase for the period of the mortgage term. Service charges and buildings insurance payments remain the same.

We recommend you make plans early to increase your shares to eventually own your home outright. Historically and generally-speaking, house prices have a tendency to rise at a more rapid rate than incomes; as a result, shared owners who delay decisions to staircase are less likely to be able to afford to buy extra shares in their homes as the price of these could be outside your affordability range.

If you sell your property within three months of staircasing to 100% ownership for more than the value that you staircased at, you will be required to pay Moat back its percentage of the increase in price. You will be liable to pay any associated costs, ie solicitors, surveyors, mortgage costs.

In some rare cases, it may not be possible to purchase more than 80% of your home due to local restrictions. Your solicitor would have made you aware of this when you purchased the property.

We are happy to discuss staircasing options with you at any time, with no commitment to proceed on your part. More information is available on the Moat website at [moat.co.uk/staircasing](https://moat.co.uk/staircasing).

## Improvements (taken into account on value)

If you wish to make improvements to your property, such as installing a new kitchen or bathroom, or replacing your windows with double glazing, you will need our written permission before proceeding. Additionally, if you wish to make any structural alterations to your property, such as an extension or loft conversion, you will need to enter into a 'Licence for Alterations' with us, as well as seeking planning consent and/or building regulations from your local authority. Once the work has been completed, we can register these improvements on your file (you will need to provide us with copies of paid receipts/invoices, and relevant guarantees/consents). The added value of these improvements (not the actual cost of the works) can be taken into consideration if you later choose to purchase further shares in your property. You will not be repaid for the cost of your improvements.

When you apply to staircase, you must confirm whether you have made any improvements to your home. This would be improvements such as a new fitted kitchen/bathroom, loft conversion, extension and/or conservatory. General maintenance, repairs and decoration are not regarded as improvements. When your home is valued, the surveyor will identify the value of your home both with and without these improvements. The latter figure is then used to calculate the value of the additional shares.

Under the terms of your lease you are required to maintain your home in good condition. If the value of your home is

less than it could be due to essential repairs, Moat's share will be calculated on the higher value (based on it being in good condition).

## Improvements and alterations to your home - shared owners and leaseholders

By becoming a shared owner you sign up to a 'fully repairing lease'. This means you accept responsibility for all repairs and maintenance on the property as a condition of the purchase.

## Administration fees apply for some services offered

Some additional services provided by Moat, such as registering improvements, obtaining a 'Licence for Alterations', staircasing, amendment of your lease, re-mortgaging etc, require you to pay a fee. This is because of the administrative work required and the changes to the legal documentation. Fees for any services that you require will be outlined to you at the start of the process.



# Selling or applying to purchase again

If you need to move to a different sized property or to another area, you will need to market your home for sale through Moat's Resales team for a period of one to two months, depending on your lease. Information about resales is available online at [moat.co.uk/resales](https://moat.co.uk/resales).

Moat's Resales team will offer your home to other people who are looking for affordable home ownership so that they can buy your share from you.

## Costs

A fee is payable when we sell your share in your home, which will be confirmed to you when you apply to sell. This is outlined within your lease and can be up to 1.5% of the full market value of your home plus VAT. You will also have some upfront costs which include a RICS valuation to determine your home's market value, and also the cost of an energy performance certificate if one has not been carried out within the last ten years. You will also need to appoint a solicitor to act on your behalf.

## Valuation

When you sell your home, the price is based on the current market value at that time. This could have fallen or risen since your original purchase, depending on the property market conditions. Your property will be valued by a chartered surveyor (RICS), the cost of which you will be responsible for. Your property will then be sold for the current market value including any value that may have been added following improvements made. Please note that you will only see the full benefit of your improvements when you staircase. We cannot make any special payments for improvements carried out as we are

selling your share to a new purchaser. Moat's share will remain in the property and we will not receive any money for our share unless we are unable to find a buyer and the property is sold outright.

## Apportionment of proceeds from the share

On completion, you will receive an apportionment of the value of the property, dependent on the share percentage that you own. For example, if you own 50% of your home and sell for £200,000, you will receive £100,000 (less any mortgage that is redeemed on completion and associated fees).

If Moat is unable to find a buyer for your share and you sell the property outright through an estate agent, you must sell for a minimum of the valuation price. If you sell for less, you will be required to meet the difference on Moat's share. If just your share is sold on the open market, Moat must approve the purchaser.

Improvements you have made to your property may or may not affect its resale value.

## Applying to purchase again

If your circumstances change and your home no longer meets your needs, you can apply to purchase another shared ownership property. You will first need to complete an application to confirm that you meet the eligibility criteria. You need to demonstrate a need for the move, such as the need for an extra bedroom for an expanding family, or a need for a property with ground floor access for mobility needs. If you are assessed as eligible you can search for your new home and Moat's Resales team will assist you with selling your current home.

## Further advances / re-mortgaging

If you wish to re-mortgage to another lender in the future, to gain a better rate of interest for example, you are only able to do this with Moat's consent, providing you are not borrowing more than the original mortgage amount. You are not able to consolidate debts into the mortgage.

Further advances are only agreed if they are to carry out essential repairs or maintenance that are not covered by buildings insurance or to buy out a joint leaseholder.

Always check with Moat before applying for any borrowing. Please bear in mind that if you miss any repayments for loans secured against your property, your home may be at risk.

# The good news - help to spread the word

Occasionally purchasers are asked to help promote Moat's homes by taking part in case studies. This entails answering some questions and having photographs taken in your new home.

We use case studies for publicity in relevant housing magazines, for press releases and occasionally on our website. If you are willing to participate, please let us know and we will contact you.

## Our commitment to you

Moat exists to provide a service to you, our customers as individuals within communities. We always put our customers at the heart of everything we do - we take time to listen, so that the decisions we make are fair.

## About Moat

Moat is a housing association working across South East England to provide high quality homes and services to around 20,000 homes. For fifty years we have sought to help people in housing need to have somewhere they can call home; somewhere they can be proud of.

Our communities include people with varying tenures; we offer affordable homes for rent and we have a very strong focus on home ownership. For nearly three decades, we've developed homes for shared ownership to help people make their first move onto the property ladder. We encourage our shared owners to buy more equity in their homes to become leaseholders or freeholders, and we offer homes in supported and retirement living schemes for those with additional care needs.

Our ambition is to bring an end to housing need. We're determined to continue developing new homes while using our strong policy focus to give a voice to our customers, always striving to improve the services that we offer.

# Contact us

## Online

Our website has clear and simple details of our services and the latest Moat news. A secure residents' section, MyMoat, can be used to access information about your rent account. To log in or to register, please visit **moat.co.uk**.

## By email

You can contact **customer@moat.co.uk** for general enquiries. We would prefer to send you information by email so that we can get it to you quickly.

## By phone

Call our Customer Service Centre on: 0300 323 0011  
The Customer Service Centre is open between 8am and 6pm, Monday to Friday. Our Customer Service Centre is able to respond to most enquiries. Alternatively, they can find the most suitable person to respond. Please tell the advisor that you are a shared owner when you call.

## By post

Or you can write to us at:

FREEPOST  
RRCB-HHJS-LXXR  
Moat  
Dartford  
DA2 6QE

## Other languages

We have a number of bilingual staff who are happy to discuss any queries you may have, or alternatively we can provide essential information in a way which meets your needs when you request it. This may include arranging for essential sections of this handbook to be translated into other languages.

We are a member of Language Line, the 24 hour telephone interpreting service. So, if you would like to speak to us in a language other than English, please call our Customer Service Centre and we will get an interpreter on the line as soon as possible to help respond to you.

We can also give you information in other formats to meet your needs, such as large print.







Moat Homes Limited is a charitable housing association.  
SM\_GD\_006 February 2021

# Declaration

Please read this booklet, then complete and sign this declaration form and return it to us within seven days of receipt. The easiest way is to scan in your signed declaration and email it to us at [resales@moat.co.uk](mailto:resales@moat.co.uk) or you can post it to us using the FREEPOST address.

- ▶ I/we\* acknowledge that the information has been read and understood and I/we\* understand the responsibilities that I/we\* will be undertaking in reserving this property.
- ▶ I/we\* understand that the property is sold as seen and that after completion, I/we\* will be responsible for the ongoing maintenance of the property as per the terms of the lease.
- ▶ I/we\* confirm that I/we\* understand that Moat is not liable for costs incurred should delays in the purchase occur..
- ▶ I/we\* confirm that Moat can liaise with my/our mortgage advisor or mortgage lender to aid my/our\* purchase progress.
- ▶ I/we\* understand that the offer to purchase is made subject to contract.
- ▶ I/we\* confirm that I/we\* do not own a property or that if I/we\* do own a property, my/our\* interest will be disposed of prior to or simultaneously to this purchase.
- ▶ I/we\* authorise Moat Homes Limited to obtain relevant information from other external agencies relevant to this application including a landlord's reference (if applicable)
- ▶ I/we\* am/are willing to take part in a case study with Moat for publicity purposes - YES / NO\*

\* Delete where applicable

## Property address / reference

### First applicant

Full name, block capitals please

Signed  
Date

### Second applicant

Full name, block capitals please

Signed  
Date

No stamp  
required

**FREEPOST RRCB-HHJS-LXXR**  
**Sales & Marketing**  
**MOAT**  
**DARTFORD**  
**KENT**  
**DA2 6QE**

