

Housing@21

A guide to purchasing with us (leasehold)

housing21.org.uk





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Welcome

We're delighted you are considering purchasing a home with Housing 21. With over 55 years' experience in the provision of Retirement Living and Extra Care properties, you can rest assured we are experts in what we do.

Our properties are designed specifically for people over the age of 55, enabling you to live independently but with the added reassurance and security that an Extra Care or Retirement Living property brings.

Specific information about each of our schemes can be found on our website or in the individual scheme brochure and full terms and conditions will be explained in your lease.

About our schemes

When you live with us, you will have your own home with your own front door and can have friends and family to visit. Pets are welcome too, subject to meeting the terms of our Pet Policy.

You are welcome to have visitors to stay, either with you or in the scheme guest suite which is available for a small charge which is available for a small charge at most of our locations.

Our schemes are safe and secure and, during the week, you also have the added reassurance of an on-site manager who will be able to assist with any general queries in relation to your property and day to day living with Housing 21.

At our Extra Care schemes, we have on-site Care Workers available 24 hours a day, seven days a week who can provide tailored support if and when needed.



Options for purchasing a home with us

All of our properties are sold on a leasehold basis, which means that you own a lease (a contract) giving you the right to occupy a property exclusively for a defined period of time (the term).

Some of our schemes are mixed tenure, which means there are properties available to rent and purchase. Others are exclusive homeownership schemes where there are only properties available to purchase.

We have different options for buying a property with us, as outlined below:

Outright ownership

This is where you buy the lease for a property at full market value.

Shared ownership

Shared ownership is for people who would like to own their own home but cannot afford to buy on the open market. It allows you to own your home by purchasing as little as a 10 percent share and then pay rent on the outstanding amount. The rent payable is subject to annual increases.

You can increase the percentage you own (known as staircasing) up to 75 percent. At 75 percent, you will no longer pay rent on the outstanding 25 percent.

Shared equity

Shared equity is where you buy the lease for a property at 70 percent of the full market value but do not pay rent on the remaining 30 percent share.

Key information about shared ownership

If you are interested in shared ownership or shared equity, you should read the Key Information Documents produced by Homes England which explain how shared ownership works.

Key Information About Older Persons' Shared Ownership: this explains how shared ownership works, what a lease is and how rent is calculated on the share of the property you have not yet purchased. It also outlines the other costs you have to budget for and how you can go about buying more shares in the property if you wish to.

Key Information About The Older Persons' Shared Ownership (OPSO) home: this looks in more detail at the property you have expressed an interest in. It provides some property-specific costs, explains certain policies that relate to the property (e.g. eligibility and whether you can keep pets). This document is available once you have chosen a property.

Summary Of Costs: this goes into further detail around the cost of purchasing and owning the home you are interested in. It also explains how the rent is reviewed each year. This document is available once you have chosen a property.

Before you commit to buying a shared ownership property you should ensure that you have read and understood these three documents. Whilst we will try and answer any questions you may have, you should ensure that you still take independent legal and financial advice.



What are the benefits of shared ownership?

There are many benefits to choosing shared ownership over renting including:

- Releasing equity (money) from the sale of your existing property
- Retaining an asset
- Reduced rental costs

Conditions of shared ownership

To be eligible for a shared ownership property with us, you must:

- Be at least 55 years old
- Have a household income of less than £80,000 (outside London) or £90,000 (within London)
- Not own or be in the process of selling any other property. This includes park homes and holiday homes

What do I have to pay for?

Your new home is part of a wider scheme which offers communal facilities and shared amenities with other residents. As such there are additional charges which cover the maintenance of the building, communal areas and service delivery.

Support charge: contributes towards the cost of the manager and support services such as the hard wiring of the emergency call system.

Service charge: contributes towards the cost of the management of the scheme including estate management.

Core support charge (Extra Care only): enables Care Workers to be on site 24 hours a day, seven days a week to deliver a flexible service as and when required. All Extra Care residents pay this regardless of whether they receive care.

Ground rent: depending upon the terms of your lease, you may have to pay an annual rent for land the property is built on.

Sinking fund: used to offset the cost of any future major repairs. Depending on the terms of your lease, you will either pay this monthly through your service charge or can defer the payment until the sale of your property.

As with any property, you will be responsible for Council Tax, TV licence and Wi-Fi. We also recommend you take out contents insurance for personal items in your home. Depending upon the terms of your lease, your utility bills (gas, electric, water) may be covered by your service charge or may have to be paid for separately.

Additional charges are applicable for care packages and domestic support with household chores. If you are struggling to pay your service charge or other outgoings, we can advise on any benefits you may be entitled to claim.



Responsibility for repairs

Your service charge includes a contribution towards the cost of repairs at your scheme. The specifics of what you are responsible for will be set out in your lease and are explained within the Key Information Documents but for guidance, Housing 21 is responsible for:

- All shared spaces, including utility provision, decoration and ventilation
- The structure and exterior of the building including the roof, external doors and windows
- External door locks and letter plates

As a leaseholder, you are responsible for repairing and maintaining the interior of your home and the Key Information Documents set out what this involves. Depending upon the date of your lease, during the first 10 years of the lease term, Housing 21 is responsible for the cost of certain essential repairs to the building and you could claim costs of up to £500 a year to help with some repairs you are responsible for. Check your lease to confirm if this is applicable.

Selling your home

If you decide to sell your home, the first step is to inform us as we have a period of time during which we can nominate a purchaser. The period is specified in your lease or Key Information Document.

When it comes to selling your home, the buyer must meet the conditions of the lease. There is a slight difference between selling an Extra Care property versus a Retirement Living property, but we will be able to advise of specific details at the point of sale.

Sales prices

When it comes to selling your home, the Summary of Costs Key Information Document lists the costs you will incur. This includes the cost of a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS) and the sale price of your home will be based on that valuation.

What other costs will I incur?

Depending upon who found your purchaser, you will either pay fees to us or to your estate agent. You will also be required to pay costs to us for the administrative work involved with the resale. A more detailed breakdown of these costs will be provided at the appropriate time.

Depending upon the terms of your lease, you will either pay into a sinking fund monthly or you can defer payment until you choose to sell. Any deferred sinking fund contributions will be collected upon resale. Until the sale completes, you need to continue paying all charges, as well as associated costs including service charges, core support charge (Extra Care only), utilities and Council Tax.

Buildings insurance

With most leases, Housing 21 is responsible for insuring the building which your home is part of and will recover the costs through the service charge.

Our leasehold properties are covered by a common policy (along with other the properties we own) which means you benefit from lower payments through your service charge. Depending upon the nature of any claim, you may be required to pay an excess.

Subject to eligibility and the terms of your lease, if you cannot stay in your home due to damage, we will provide you with temporary accommodation.

All of our policies are arranged through brokers and we receive no commission.

Your involvement in buildings insurance

You are responsible for taking all reasonable steps to prevent loss, damage or injury that may result in a claim, for example, taking sensible precautions to avoid pipes freezing in cold weather.

You should inform us of any changes in circumstances that may increase the risk of a claim being submitted as well as any alterations or additions to the property that need to be covered.

If you are planning to leave your home empty for more than 60 days, you should arrange for the property to be regularly checked to ensure all electrical, water and gas appliances are turned off.

What should I insure?

We recommend taking out contents insurance for personal items in your home. If you have any other questions, a member of the Housing 21 team can advise.



About us

Housing 21 is a leading not for profit provider of Retirement Living and Extra Care for people over the age of 55. We operate in 240 local authority areas across England, managing over 22,800 Retirement Living and Extra Care properties and providing over 38,000 hours of social care each week.*

Our roots lie with the Royal British Legion (RBL), which in 1921 began to house disabled ex-servicemen and widows and, later, older ex-servicemen and women. In 1964, we became a recognised housing association before separating from the Royal British Legion in 1993 to become Housing 21.

* correct as of March 2023



This brochure can be provided in a different format, such as large print, Braille or another language. Please contact communications@housing21.org.uk



Give us your views on living with Housing 21 and score us on Trustpilot at <https://www.trustpilot.com/review/www.housing21.org.uk>



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