

# Home Ownership Policy

## 1.0 Policy Summary

- 1.1 The policy sets out the approach that Stonewater will take to the delivery and monitoring on services to home ownership customers.

## 2.0 Policy Objectives

This policy applies to:

- Home ownership customers occupying leasehold schemes for the elderly (LSE) properties;
- Home ownership customers occupying private sector retirement housing where Stonewater is the freeholder (PFD) properties;
- Home ownership customers occupying shared ownership accommodation or former shared ownership accommodation;
- Home ownership customers (or freeholders with residual service charges) of former Stonewater properties who have exercised the right to buy;
- Home ownership customers (or freeholders with residual service charges) who have exercised their right to acquire under the 1996 Housing Act.

The objectives are to:

- 2.1 Reflect the legal and practical considerations that underpin the delivery of Stonewater's leasehold management services
- 2.2 Ensure that at all times Stonewater complies with the relevant legislation, regulation and good practice in leasehold management.
- 2.3 Provide high quality, cost effective services to home ownership customers within the terms of the relevant lease or legal agreement.

## 3.0 Policy Details

The principle elements of the leasehold management service are:

### 3.1 Corporate Policy

Stonewater will have a clear, published Home Ownership Policy, approved through the governance structure, and reviewed periodically in consultation with home ownership customers.

We will monitor legislative and regulatory changes that affect home ownership customers, and will co-ordinate management, financial and technical

resources to provide a responsive and effective service to home ownership customers

### 3.2 Planning and Reviewing the Terms of Leases

Wherever possible we will use a single standard form of lease for each category of leasehold tenure, having regard to models recommended by the appropriate regulatory body, the documents being as clear and unambiguous as possible.

We will only ever include peppercorn ground rent clauses in leases granted where we are the primary Freeholder.

### 3.3 Service Delivery and Information

We will deliver services in accordance with our Stonewater Homes Customer Standards and associated policies.

We will provide information to home ownership customers in relation to a comprehensive range of services including charges, service contracts, statutory consultation, and related management activities.

Relevant Performance information will be made available to home ownership customers through the website and other means as appropriate.

We will promote the use of online solutions to allow customers to self serve when accessing services whilst retaining other forms of communication and service offerings as appropriate.

### 3.4 Consultation

Consultation in relation to major repairs, improvements, cyclical works and long term contracts will be conducted in accordance with the legislative and regulatory requirements.

### 3.5 Reverse Stair-casing for Shared Equity Homes

Where Shared Owners are in significant financial difficulties and are unable to sell their homes on the open market either as a result of low demand or negative equity we will consider buying a percentage of the equity back from the Leaseholder. In extreme circumstances we will consider buying the entire equity held and rent the property to the leaseholder at the appropriate affordable rent level.

### 3.6 Service Charges and Accounting

Service charges will be levied managed and reviewed in accordance with the Service Charge Policy, the requirements of the individual lease, current regulation and legislative requirements.

### 3.7 Sinking Fund (or “Special Reserve”) Management

In order to provide for future renewals and replacements in the fabric of home ownership properties and to protect the investment of home ownership customers, Stonewater will, where appropriate include provision within leases

to collect a contribution from home ownership customers to provide for future major repairs and replacements.

Details of these will be included with estimates of service charge prior to sale and charges will be collected in accordance with the terms of that lease.

Sinking fund contributions are based on stock condition surveys and life cycle costing of building elements. Stonewater will aim to avoid the accumulation of disproportionate surpluses or deficits. Sinking fund contributions will be accounted for separately in a centralised account, protected and reported to home ownership customers annually in accordance with current legislative and regulatory requirements.

### 3.8 Maintenance, Major Repairs and Improvements

Stonewater aims to fulfil its maintenance responsibilities effectively and in accordance with the provisions of each lease. Clear lines of accountability for co-ordinating consultation and contract management will be maintained.

### 3.9 Administration Fees

Administration fees are either provided for within the lease, or are for matters outside the terms of the lease and are separate to the management fee. These fees will meet the necessary statutory requirements for providing copies of leases, consent for alterations, licences to sub-let and any enquiries during the sales process.

### 3.10 Sub – Letting

Where a lease permits sub-letting with consent, this will not be unreasonably withheld.

### 3.10 Lease Extension and Enfranchisement

Lease extension is provided for in the Leasehold Reform, Housing and Urban Development Act 1993 (as amended) where a new lease is issued for 90 years, plus the balance of the old lease.

The same legislation also introduced collective enfranchisement, where some home owners have the ability to collectively purchase the freehold of the property.

Where appropriate Stonewater may apply discretion to permit either lease extension or enfranchisement to take place on a voluntary basis, rather than it be enforced through the provisions of the Act.

### 3.11 Breaches of the Lease

Stonewater will aim to ensure that Leaseholders keep to the various covenants within their leases. In the event of a breach being identified this will be brought to the attention of the leaseholder. If the breach continues, Stonewater may take legal action to remedy the situation by way of an injunction, or action for forfeiture of the lease by way of a court order and will recover costs where possible

If forfeiture is approved by the court Stonewater will consider repossession of the property as a last resort.

#### **4.0 Key Outcomes**

4.1 The key outcomes of the policy are to:

- Communicate effectively with home ownership customers, working together for the long term interest of the properties concerned;
- Ensure that all home ownership customers, and potential customers have fair and equal access to the service;
- Demonstrate value for money in services, management costs and charges;
- Providing accurate information relating to the services that are provided.

#### **5.0 Equality and Diversity**

5.1 We will apply this policy in conjunction with the Stonewater's Equality and Diversity Policy ensuring that we comply with our legal equality obligations, do not discriminate against any of the groups in that policy, and behave in a proactive manner when required.

#### **6.0 Technical Data**

Responsibility for Implementation	Head of Home Ownership
Date of Issue	11 January 2019
Date of Next Review	01 January 2021