

Home Ownership Handbook

for leasehold flats
bought under the
Right-to-Buy Scheme

Introduction

As the purchaser of a leasehold flat, it is in your interest to understand the legal nature of the ownership of your property. This handbook is a general guide to your rights and responsibilities under the lease.

This handbook is intended as a general guide only and is not a substitute for legal advice. It is not an authoritative interpretation of the law and does not override or affect the terms of your lease.

If you require more information you can contact Stockport Homes' Home Ownership Team. Alternatively, free advice is available from the Government funded organisation, LEASE, via their website at www.lease-advice.org. Not only does their website contain lots of high quality information for leaseholders they also offer free 15 minute telephone advice appointments. Other sources of advice are solicitors / conveyancers, law centres or the Citizen Advice Bureau.

About Stockport Homes

Stockport Homes is a limited company that exists to manage the housing stock owned by Stockport Council (the Freeholder).

Stockport Homes is an Arm's Length Management Organisation (ALMO). This means that while the Council established the company it operates independently from it on day-to-day matters. Stockport Council has delegated the authority to manage your leasehold property to Stockport Homes.

Where this handbook refers to 'the freeholder' or 'the Council', Stockport Homes will usually carry out these duties.

Leasehold Ownership

Leasehold ownership of a flat is simply a long tenancy, the right to occupation and use of the flat for a long period – the 'term' of the lease. For flats sold under the Right-to-Buy scheme in Stockport the lease period is usually 250 years. Flats can be bought and sold during that period on the open market but the overall term is fixed from the date when the property is first sold under the Right-to-Buy legislation. It therefore decreases in length year by year from that date.

The lease is a contract between you and the freeholder (the Council). It gives conditional ownership of the flat for a fixed period of time. It is an important document and you should ensure you have a copy and understand it. You should have been provided with a copy of your lease and advised about leasehold ownership by the solicitor who acted for you when you purchased your property. Your lease includes a plan showing your flat and any private garden, shed or garage sold with the flat (the demised premises). These are usually shown in red on the plan. The plan also shows the position of your flat in the block and the wider development. The extent of the development is usually marked in blue on your plan.

The lease sets out what the leaseholder (you) has agreed to and what the landlord (the Council) has agreed to. The lease will also place certain conditions on the use and occupation of the flat. Your lease is worded in legal language. If you find it difficult to understand you should get advice from an independent legal adviser or solicitor.

When a flat is sold on the open market, the seller passes on all the rights and responsibilities of the lease to the new purchaser, including any future payments of service charges not yet identified. A purchasers' solicitor should make sure that service charges and ground rent are paid up to date before any sale goes ahead. This is important, as the new buyer can be liable for outstanding charges, even if incurred prior to their ownership.

What are my contractual rights and responsibilities?

The lease sets out the contractual obligations of the two parties: what the leaseholder has contracted to do, and what the landlord is bound to do.

Your rights and responsibilities will include:

- the right to 'quiet enjoyment' of the flat for the term of the lease without unreasonable or unjustified interference from the landlord;
- responsibility for keeping the inside of the flat in good order;
- paying (on time) the ground rent;
- paying (on time) your share of the costs of repairing, maintaining and running the building, the common parts and the wider development: your service charges. The common parts are the parts of the building and grounds that you have right of access to, for example, staircases, entrance halls, gardens, car parks; and
- behaving in a neighbourly manner and not doing certain things without the landlord's consent, for example, make alterations.

The freeholders' rights and responsibilities set out in the lease will include:

- maintaining, repairing and managing the building, the common parts and the wider development;
- ensuring that leaseholders' comply with their responsibilities for the good of all the other leaseholders and tenants; and
- insuring the building.

Where can I get a copy of my lease?

Your solicitor will have provided you with a copy of the lease when you purchased the property. If you do not have a copy of your lease you may be able to obtain one from the legal adviser who acted for you when you purchased the flat. Otherwise, both the Land Registry and the Council have a copy. You can contact the Land Registry directly to obtain (and pay for) a copy. If you ask the Council to provide a copy, a reasonable administration fee will be charged for this service.

Extending your lease

If you qualify you have the right to renew your lease at any point for a period of 90 years. Any extension would be costed at market value.

Alterations and improvements

Under the terms of your lease you can only carry out internal alterations or improvements to your home if you get written permission from Stockport Homes.

Stockport Homes will carefully consider your request and will not withhold permission unreasonably. An Alterations Form is available on Stockport Homes' website, alternatively you can request one from the Home Ownership Team.

It might be necessary for us to visit you to survey your property or discuss your proposals. Fees for desktop surveys and onsite surveys are available on the Home Ownership pages of the Stockport Homes website. If your proposals are approved you will need to ensure you have all necessary permissions, for example, Building Regulations approval. You will also be responsible for the ongoing maintenance of any alterations you make.

You must not start work before we give you permission. Failure to request the relevant permissions may result in you being asked to reinstate the alterations / improvements at your own cost. You should keep safe any approvals granted for alterations or improvements as you may be asked to provide them to potential purchasers if you decide to sell your property in the future.

Reserve / sinking funds

Your lease allows the freeholder to collect sums in advance to create a reserve or 'sinking' fund. These types of fund are designed to ensure that sufficient money is available for future major works, such as external decorations or lift replacement.

Such a fund isn't currently collected because the Right-to-Buy leasehold flats are spread across the borough, interspersed with tenanted stock, within a wide range of archetypes with construction elements in varying states of repair. This makes it very difficult to set contributions at a reasonable level for everyone who owns a leasehold flat. Although we do not currently collect towards a

sinking/reserve fund this decision may be reviewed in the future.

Selling or transferring your property

You can sell the property at any point during the lifetime of the lease. You can also assign it to someone or leave it to someone in your will. If you die and you have not left the lease to anyone in your will, your executors will decide what to do with the lease. Any unpaid service charges will be charged to your estate.

Under the terms of your lease you may have to offer it back to the Council if you sell within the first 10 years of purchase. In these cases the Council is under no obligation to buy the flat, it just has first refusal before it goes to the open market. You may also have to pay back some of your discount if you sell within a specified time frame (check your lease for more details).

If you sell your flat on the open market you will usually be asked by any prospective purchaser to provide a Leasehold Enquiry Pack (sometimes called an LPE1). This pack is provided by Stockport Homes and contains lots of useful information about the leasehold property, for example, service charges, fire risk assessments, major works planned. There is a fee for this service. More details can be found on the Home Ownership pages of the Stockport Homes website or by ringing the Home Ownership Team (contact details are at the end of this document).

Any transfer to a new owner must be registered by the new purchaser's solicitor at the Land Registry to be valid. If you sell your lease or leave it to someone, you should take proper legal advice from a solicitor or conveyancer to ensure it is properly transferred. This will protect both your interests and the interests of the person you are selling or leaving it to. Unless there is a proper legal document in place to show that someone else is now the leaseholder (Notice of Assignment / Transfer) you will still be liable in law for any service charges for the property. Stockport Homes cannot close your leasehold service charge account until it has received the proper notice.

Losing your flat by forfeiture or repossession

There are some circumstances when the Council or your mortgage lender could apply to the courts for possession of your home.

Forfeiture is where the Council applies to the court to end your lease because you have broken the lease conditions. Forfeiture is a drastic action. As a responsible landlord, we only use it when we have to in order to protect the interests of the Council, its tenants and other leaseholders. Before applying for forfeiture for unpaid service charges we would have to satisfy a legal tribunal that the charges were reasonable and the leaseholder had made no attempt to pay them.

We will always try to help people with service charge arrears and genuine financial problems. Often, we can help. You should talk to us if you find you are falling behind with your service charges. Other sources of potential help include the Citizen's Advice Bureau and / or Stockport Homes' Money Advice Team.

Leaving your flat empty or sub-letting

You should tell Stockport Homes if you move out of the flat on a temporary or a permanent basis. If the flat is left unoccupied it may affect the Buildings Insurance that is in place. If you change your contact details please inform us so that we can contact you in case of an emergency.

Under the terms of your lease you may sub-let your property. However, if you sub-let you take on the substantial legal obligations of a landlord including responsibility for checking if tenants have a 'right to rent', as well as responsibility for gas safety and general health and safety. More information can be found at www.gov.uk.

If you rent out your property you must ensure your tenant/s keep to the lease conditions as you are responsible for their behaviour. You are still responsible for paying the Ground Rent and Service Charges due under the lease to the Council.

Stockport Homes' Private Lettings Service

If you decide to sub-let, our Private Lettings Service offers a hassle free, fair and transparent alternative to letting your property through a lettings agent. We can draw on access to a huge local infrastructure of repairs, maintenance and home finding services.

We'll advertise your property on major UK property websites such as Rightmove, as well as using our local know-how to make sure your property

is always let to suitable tenants. Take advantage of our professional service to show prospective tenants around your property and to complete a comprehensive home inventory.

Contact details for the Private Lettings Service are at the end of this document.

What other rights do leaseholders have?

As well as the rights outlined in your lease there are a wide range of rights set out in legislation. Information on some of these is below. Further information is available at www.lease-advice.org or via your own legal adviser. However, where a dispute arises we ask that you discuss your queries with us first to try to come to resolution. Contact details for the Home Ownership Team are at the end of this document.

Consultation for major works and long-term agreements

Stockport Homes is committed to consulting leaseholders at all stages of major works projects or where Stockport Homes enters into long term agreements to provide services to leaseholders. The type of consultation we carry out will depend on the circumstances for example, if large scale works are planned we may hold on site consultation meetings for residents or present at a Tenants and Residents Association meeting rather than relying on letters.

Consultation on major (qualifying) works: we will not carry out major works to the building where it costs any leaseholder more than £250 without first consulting the leaseholders in accordance with section 20 regulations (Landlord and Tenant Act 1985 (as amended by S151 of the Commonhold and Leasehold Reform Act 2002)).

Consultation on long-term agreements: we will not enter into certain agreements or contracts for any service over 12 months where the cost to any leaseholder is more than £100 per year without first consulting the leaseholders in accordance with section 20 regulations (Landlord and Tenant Act 1985 (as amended by S151 of the Commonhold and Leasehold Reform Act 2002)).

More information on Section 20 consultation and dispensation can be found at www.lease-advice.org

Service charges must be reasonable

Service charges must be reasonable. The service / work provided must also be to a reasonable standard.

Leaseholders can apply to the First Tier Tribunal (Property Chamber) to seek a determination of the liability to pay and reasonableness of the charges. However, you do not have the right to withhold payment because you believe charges are unreasonable.

Ground Rent and Service Charges

What is Ground Rent?

Ground Rent is rent paid under the terms of the lease by the leaseholder to the Landlord. It is a fixed annual payment and is not related to the provision of any services.

What are Service Charges?

Service charges are fees leaseholders pay to cover their share of the costs of maintaining, repairing and managing the building, common areas and development as shown on your lease plan.

Service charges are split across the total number of flats in the development shown edged blue on the plan in your lease. The Council pays the proportion relating to the flats they own and rent to their tenants.

The services you receive and pay towards the cost of will depend on the type of flat you own and the size of the development. Some leasehold flats are in tower blocks, some are in mid-rise blocks and some are in 'cottage style' buildings. Each archetype receives different levels of service and so therefore different charges are levied against each.

Regular service charge reviews take place to ensure that charges accurately reflect the cost of providing that service. We will write to you in advance of each new financial year to inform you of the updated service charges you will be liable to pay.

Below is more information about the types of service charges you may pay. The services you receive will depend on the type of property you own.

Building Insurance

Under the terms of the lease the Council must arrange insurance for the development. Leaseholders have to meet their share of the cost of providing the insurance.

The Council insures its leasehold flats separately from the tenanted stock. The Leasehold Buildings Insurance insures your responsibilities under the lease.

The premium is calculated on a 'sum insured' basis: the total cost of rebuilding the portfolio of leasehold stock. The total premium is then split between all the leaseholders fairly. The proportion you pay reflects the rebuild value of your property as a percentage of the rebuild value of the total leasehold stock.

The price of the leasehold building insurance increases automatically each year in line with rebuilding costs (for example, it is index linked) and the total premium cost can be affected by claims history or the state of the insurance market generally. Insurance Premium Tax (IPT) is also added to the premium at a rate set by central Government. You should review the 'sum insured' value at regular basis.

A copy of the Leaseholder Insurance Buildings Schedule is available on the Home Ownership pages of the Stockport Homes website. If you have any queries about your Buildings Insurance or want to make a claim please contact the insurance broker direct. Contact details are available on the Home Ownership pages of the Stockport Homes website.

Note: Buildings insurance does not insure the contents of your home. It is your responsibility to ensure that you have sufficient contents insurance in place.

Lift charges

Includes 24-hour maintenance, repairs and statutory safety checks.

The total cost of the service contract is divided by the number of units in the development as defined in your lease. If you have bought a ground floor flat in a block with a lift you are still responsible for contributing your share of this cost as the lift forms part of the structure of the building.

Caretaking and cleaning

Pays your share of the costs of salaries, cleaning materials and transport. Caretaking service standards and contact information are available on the Stockport Homes website.

Concierge / CCTV

Pays your share of the running costs and repairs to concierge and CCTV monitoring systems where provided to your block. More information on concierge and CCTV services are available on the Stockport Homes website.

Heating and hot water

Pays your share of the cost of providing communal heating and hot water where there is a communal boiler. The cost includes fuel usage, annual servicing and some repairs.

Door entry system

Pays your share of the cost of operating and maintaining the door entry system.

TV aerial

Pays your share of a 24 hour call out contract. Repairs and replacements will be charged separately under responsive repairs.

Communal electricity

Pays your share of the cost of the electricity used in the common parts of the building or development as defined in your lease. Electricity may be used for communal lighting; water pumps; door entry systems; lifts and TV aerials.

This charge does not cover the cost of replacement of light bulbs the cost of which will appear under responsive repairs.

Communal grounds maintenance

This is your share of the cost of maintaining any communal gardens / areas in the development (as shown on the lease plan). The service generally includes: mowing of the grass (box cuts where the cut grass is removed incur a higher charge), pruning of shrubs, removal of weeds and litter to shrub and rose beds, flower beds, hedge cutting, cleaning of paths and hard surfaces (free of weeds, moss and litter), removal of litter, minor vandalism to plants and regular inspections.

Responsive repairs and maintenance

This is your share of any responsive, reactive repairs to the buildings, common areas and wider development that cannot be planned for but must be carried out. The obligation to keep the development in a good state of repair is one of the responsibilities of the freeholder under the lease.

Major qualifying investment works

The term major works or 'qualifying works' means those works undertaken as part of a long term asset management strategy / capital programme. The cost of these works is recoverable from leaseholders under the terms of the lease.

The cost of major works is in addition to your standard annual service charges. Whether you are charged for major works will depend on whether major works are being undertaken within your development in any particular year. Major works include, but are not limited to, replacement and renewal of items such as lifts; windows; refuse chutes; roofs, roofline goods.

Management fees

The management fee is your share of the costs we incur in managing the lease, for example, answering queries, calculating and sending estimated and actual service charge invoices and collecting service charges. Costs include but are not limited to staff salaries, office costs, IT costs, inspection visits and arranging buildings insurance.

Management fees are subject to VAT.

Ground Rent and Service Charge Collection

Your lease states how service charges may be invoiced. In common with most modern leases both Ground Rent and Service Charges are due annually in advance at the beginning of the Council's financial year (April-March).

You will receive a Ground Rent invoice and a service charges estimate in advance of the new financial year. Payment is due at the beginning of the financial year, however, Stockport Homes will usually allow you to pay service charges by agreed interest free instalments over 12 months. To pay your service charges or for more information on payment plans contact the Customer Finance Team. Contact details for the Customer Finance Team are included at the end of this document.

At the end of the financial year you will receive reconciling invoice showing the actual costs of services during the year. At that point any overpayments will show on service charge accounts as credit and any underpayments invoiced and due for payment. You can request that any credits are refunded to you, otherwise credits will 'roll over' into the next financial year reducing your service charge balance.

At the same time you will receive a list of responsive repairs completed within your development, the total cost of the works and the cost to you. If you have any queries about the repairs completed you should raise these with the Repairs Team in the first instance (contact details are at the end of this document).

Paying for your share of major works

The cost of your share of any major works will be invoiced as described above. This method of invoicing does not affect the statutory (Section 20) consultation that Stockport Homes will carry out before works start. Understandably, some leaseholders faced with a large major works charge will struggle to find the funds. Please get in touch if you feel you will face financial hardship paying for major works as there are a range of repayment options depending on your individual circumstances.

Difficulty paying your service charges

If you are having difficulty paying your service charges for whatever reason, please contact the Customer Finance Team. Often we can help you. Stockport Homes also has a Money Advice Team who may be able to help you claim financial assistance if you have been made unemployed or are suffering financial hardship.

If you fail to pay or contact us to make arrangement to pay your service charges or to keep to any agreement you have made, we will take legal action to recover the money you owe. This could affect your credit rating and mean that you also have to pay court costs in addition to the unpaid debt. If you fail to pay your charges, you have broken the lease terms and ultimately you could lose your home.

Repairs

Reporting a repair

All Stockport Homes residents should report any necessary repairs via the Repairs Contact Centre on **0161 217 6016**, by emailing **housingrepairs@stockporthomes.org** or via our website at **www.stockporthomes.org**

When reporting a repair, please give as much detail as possible. You will be given an order number that you should keep in case you have to contact Stockport Homes again, and a date by which the first inspection will be made. This is not the date Stockport Homes expect the work to be done by.

Stockport Homes will not usually carry out any works which are your responsibility under the terms of the lease, for example, internal repairs to areas that are solely for your use. If you would like Stockport Homes to carry out any repairs to the inside of your property you should contact the Repairs Team and ask for a quote.

Guide to responsibility for repairs

This is a general guide and does not override or alter the terms of your specific lease with the Council.

Type of repair	Responsibility to organise works
Flat doors and windows	
Front Door	Stockport Homes
Lost keys	Leaseholder
Internal doors in flat	Leaseholder
Internal decoration of doors	Leaseholder
Windows to flat	Stockport Homes
Communal windows	Stockport Homes
Heating	
Communal boiler	Stockport Homes
Individual heating system	Leaseholder
Room heaters	Leaseholder
Fireplaces and chimney sweeping	Leaseholder

Electrical	
Communal lighting	Stockport Homes
Faults within the flat	Leaseholder
Immersion heater	Leaseholder
Fuses	Leaseholder
Extractor fans	Leaseholder
Plumbing	
Main storage tank (in communal loft)	Stockport Homes
Tap and tap washers	Leaseholder
Burst pipe within the flat	Leaseholder
Stopcocks, ball valves, bath, basin, sink and blocked waste pipes	Leaseholder
Hot or cold water tanks within the flat	Leaseholder
Balconies	
Unblocking drains	Stockport Homes
Structural works	Stockport Homes
Pigeon infestation	Leaseholder
Drains	
Blockage to shared drainage pipes	Stockport Homes
Blockage within the flat/ pipes for sole use	Leaseholder
Gas (National Grid - 0800 111 999)	
Gas escapes within the flat	Leaseholder
Cookers	Leaseholder
Gas fires	Leaseholder
Gas servicing	Leaseholder
Structure	
Roofs	Stockport Homes
Gutters	Stockport Homes
Walls and ceilings	
Walls to communal areas	Stockport Homes
Structure of party wall	Stockport Homes
Internal plaster	Leaseholder

Internal walls	Leaseholder
Ceilings	Leaseholder
Floors within the flat	
Joists	Stockport Homes
Floorboards	Leaseholder
Skirting boards	Leaseholder
Floor tiles	Leaseholder
Concrete screeding	Leaseholder
Decorations	
Decorations to communal areas	Stockport Homes
Internal decorations	Leaseholder
Communal facilities	
Car parking areas	Stockport Homes
Communal gardens and grassed areas	Stockport Homes
Communal laundry and facilities	Stockport Homes
Communal TV aerial	Stockport Homes
Entry phone system and lifts	Stockport Homes
Communal, path and gates	Stockport Homes
Pests	
Insect / rodent infestation to block	Local Authority
Insect / rodent infestation to individual property	Leaseholder

Other useful information

Safety

The safety of our residents and visitors is of the utmost importance to us. We invest heavily to ensure that we comply with all relevant health and safety legislation.

Fire safety precautions are governed by Building Regulations and are regularly inspected by employees, external specialists and the fire service.

In multi-storey blocks each flat is a fire resistant compartment that will help keep any fire contained within the flat. Stairwells are fire resisting and there are fire doors to every level to prevent smoke and fire from spreading. There are fire doors on landings and in communal areas which help to prevent smoke and fire spreading through floors and affecting escape routes. It is very important to keep these fire doors closed. Where blocks have cladding there are fire breaks at each floor and around each window that seal in the event of fire. For more information about fire safety, please visit www.stockporthomes.org/firesafety

Gas safety

To ensure the safety of all our residents the lease requires leaseholders to keep any gas equipment in a good condition. The Health and Safety Executive (HSE) recommends an annual service of all gas appliances by a qualified tradesperson with Gas Safe Registration. Under the terms of the lease Stockport Council may require you to provide evidence of this annual check.

Gas Safety (Installation and Use) Regulations 1998 states that you must not use a gas appliance or fittings you know or suspect to be unsafe.

If you sub-let your property there are additional requirements around gas safety. It is your responsibility to ensure you are aware of, and fully undertake, the obligations of being a landlord.

Television aerials, satellite dishes and cable

Stockport Homes provides communal aerials, satellite dishes and cable in some blocks.

If you want to have any of these installed you must request permission from Stockport Homes (each case to be considered on an individual basis) and planning permission may be required. You must not arrange for any installations without permission.

Stockport Homes' contact details

Anti-Social Behaviour

Please report any ASB issues online.

<https://www.stockporthomes.org/asb>

In an emergency contact the police by ringing **999**. The non-emergency police number is **101**.

Tel: **0161 217 6016**

Neighbourhood Management

For home owners with any communal area or neighbourhood management issues and / or for new keys / fobs.

Email: neighbourhoods@stockporthomes.org

Tel: **0161 217 6016**

Buildings Insurance

Any queries about your insurance or to make a claim please contact our insurance broker direct advising that you are a Stockport Homes leaseholder.

Tel: **01245 341200** (Arthur J Gallagher Insurance Brokers Limited)

Customer Finance Team

Email: customerfinance@stockporthomes.org

Tel: **0161 217 6016**

Caretaking and Concierge

For more information and service standards please visit the caretaking and concierge web pages.

www.stockporthomes.org/my-home/my-tenancy/caretaking/

www.stockporthomes.org/my-home/my-tenancy/concierge/

Tel: **0161 217 6016**

Grounds Maintenance

Email: greenspace@stockporthomes.org

Tel: **0161 217 6016**

Home Ownership Team

For more information visit the home ownership pages of our website: www.stockporthomes.org
To raise queries around your lease or home re-sales, etc.

Email: leasehold@stockporthomes.org

Tel: **0161 218 1364**

Repairs and maintenance

To report a repair in communal areas of the development or request a quote for any repairs within your home please report your repair online. www.interfinder.net/cgi-bin/smbcdif_launch.pl

To query repairs that you have been charged for please email

housingrepairs@stockporthomes.org

Tel: **0161 217 6016**

Private Lettings Service

Email shl.lettings@stockporthomes.org

Tel **0161 474 2696**

Accessing our services

If you would like a copy in large print, Braille, on audio tape or CD, please contact the Social Inclusion Team on **0161 474 2860** or email: inclusion@stockporthomes.org

