

Right to Buy/ Right to Acquire



IMPORTANT INFORMATION FOR TENANTS APPLYING TO BUY A FLAT OR MAISONETTE UNDER THE PRESERVED RIGHT TO BUY/RIGHT TO ACQUIRE SCHEMES

If you live in a flat or maisonette you may have the right to buy a **long lease for 125 years** from Somer Community Housing Trust

What is a lease?



The lease is a legal agreement between the leaseholder and the Landlord (Somer Community Housing Trust). When you buy a flat or a maisonette from the Trust, you purchase a leasehold interest and the Trust keeps the freehold interest. As the freeholder the Trust owns the land on which the property is built and charges a ground rent. The ground rents on properties sold under the Preserved Right to Buy & Right to Acquire rules are normally £10 per year.

IT IS IMPORTANT THAT YOU ARE AWARE FROM THE OUTSET OF THE ADDITIONAL OBLIGATIONS THAT WILL AFFECT YOU AS A LEASEHOLDER

- An estimate of these costs will be set out in your Offer Notice S125, so that you will be aware of all estimated management charges relating to your property before you purchase.
- The building will still be owned by Somer Community Housing Trust and the Trust will be responsible for the upkeep of the building as a whole and of any communal areas & facilities.
- **AS A LEASEHOLDER YOU WILL HAVE TO PAY A PROPORTION TOWARDS THE UPKEEP OF THE BUILDING. YOUR PROPORTION WILL BE SET OUT IN YOUR OFFER NOTICE.**

**YOU MUST COMPLY WITH THE TERMS OF YOUR LEASE
– IF YOU DO NOT YOUR HOME COULD BE AT RISK**

ON GOING COSTS RELATING TO LEASEHOLDERS



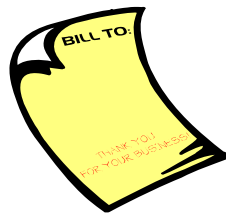
SINKING FUNDS

Somer Community Housing Trust is responsible for repairing and maintaining the external and communal parts of the building, both carrying out maintenance and major works like repairing a roof.

These costs are recovered by Somer Community Housing Trust by a *sinking fund*. Each leaseholder has to contribute a monthly amount to this sinking fund under the terms of their lease. The exact monthly amount will depend on the extent of work planned for the property over the next five years

The sinking fund amount is based on an estimate. As a leaseholder you will be responsible for the full amount of expenditure actually incurred.

SERVICE CHARGES



The Trust may also provide other services such as lighting, cleaning & electricity, where there are communal areas. The Trust will also provide Buildings Insurance & carry out day to day repairs on the external parts of the property & communal areas.

You will have to pay a share towards the cost of these services each year. You will receive an invoice for service charges.

The invoice that you will receive in October each year will be an estimate of your share of the expenditure for the year which runs from October to September. In addition to this your October bill will include an adjustment *for the previous financial year, April to March.*

This adjustment will be the difference between the estimate you received for the previous year and the actual expenditure that was incurred in the previous financial year. **This adjustment may either increase your bill or reduce your bill.**



ADMINISTRATION COSTS

In addition to this you will have to pay a charge towards the Trust's management costs. This is currently 15% which is added to service charge and sinking fund expenditure.

In addition to the leasehold costs, there will be one off costs involved with purchasing your home:

- **legal fees**
- **surveyors fees**
- **land registry fees**
- **stamp duty fees on properties purchased for more than £120,000**

**THE ARE ADDITIONAL THINGS THAT NEED TO BE CONSIDERED
WHEN BUYING A PROPERTY WHICH IS LEASEHOLD.
YOU MUST ENSURE THAT YOU ARE AWARE WHAT YOUR
OBLIGATIONS ARE AS A LEASEHOLDER BEFORE YOU BUY**

**PLEASE SEEK YOUR OWN LEGAL ADVICE ON ALL
ASPECTS OF PURCHASING A LONG LEASE BEFORE YOU
BUY YOUR FLAT OR MAISONETTE**



For further information on being a leaseholder of the Trust, you may request a copy of our leaseholder handbook or request a copy of the government booklet "long leaseholders"

Please note the Trust will provide tenancy data to the Audit Commission for comparison purposes, to help prevent and detect fraud.