

LEASEHOLD & SHARED OWNERSHIP

ADMINISTRATION CHARGES GUIDELINES AND FEES



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ADMINISTRATION CHARGES

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Introduction

This document outlines our processes and associated administration charges in relation to the leasehold and shared ownership services that we offer.

Schedule 11 of the Commonhold and Leasehold Reform Act 2002 introduced rights in respect of administration charges. These are defined as an amount payable by a tenant of a dwelling as part of or in addition to rent, which is payable directly or indirectly:

- for, or in connection with, the grant of approvals under the lease or applications for such approvals;
- for, or in connection with, the provision of information or documents by or on behalf of the landlord or a person party to the lease other than the landlord or tenant;
- in respect of a failure by the tenant to make a payment by the due date to the landlord;
- in connection with a breach (or alleged breach) of a covenant or condition of the lease.

Some processes you may wish to carry out will involve the use of Golding Places' Solicitors. Therefore, you may be liable to pay those legal costs in addition to our administration charges.

Please note:

Items 1 - 14 relate to Leaseholders and Shared Owners who have staircased to 100% home ownership

Items 15 - 25 relate to Shared Owners



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Administration Charges

This list below outlines the administration fees that are payable for the following services.

ITEM	(EXC. VAT)	(INC. VAT)
LEASEHOLD FEES		
1 Sales Management Pack	£250	£300
2 Sales Additional Enquiries	£12.50	£15
3 Notice of Transfer	£50	£60
4 Notice of Charge	£50	£60
5 Certificate of Compliance	£50	£60
6 Re-mortgage Enquiries	£50	£60
7 Consent for Home Improvements	£50	£60
8 Lease Extension	£250	£300
9 Lease Enfranchisement	£250	£300
10 Notice of Sub-letting	£50	£60
11 Copy of Lease		
By Email	£10	£12
By Email and Post	£15	£18
12 Copies of Documents	£12.50	£15
13 Additional / Replacement Key Fob	£12.50	£15
14 Replacement Parking Permit	£12.50	£15
SHARED OWNERSHIP FEES		
15 Management Pack	£200	£240
16 Additional Enquiries	£12.50	£15
17 Resale - Selling a shared ownership property (for nomination fee deposit and additional costs see paragraph 17) As per your lease - 1.25% of the share for sale	Deposit £350	
18 Staircasing Valuation – buying additional equity shares in your property (see paragraph 18)	Dependant on Valuer	
19 Consent to Re-mortgage	£25	£30
Re-mortgage Legal Fees	£125	£150
20 Subletting Charges		
Application	£50	£60
Consent	£50	£60
21 Consent for Home Improvements	£50	£60
Pre-inspection and/or post inspection (per visit)	£50	£60
22 Consent to Transfer of Equity	£75	£90
Transfer of Equity Legal Fees	£125	£150
23 Copy of Lease	£50	£60
24 Copies of Documents	£12.50	£15
25 Additional / Replacement Key Fob	£12.50	£15

If you would like further information on these services, please contact the New Business and Commercial Services team on **0300 777 2600** or email lease.enquiries@goldinghomes.org.uk or shared.ownership@goldinghomes.org.uk

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Leasehold

1 Sales Management Pack

If your property is marketed for sale, and an offer is accepted, it is common practice for the buyer's solicitor to send a list of enquiries for us to answer. Although we are under no legal obligation to answer such questions, we are pleased to do so and will send out our standard information pack. Typical enquiries include:

- Service Charge and Major Works account balances
- Confirmation of Buildings Insurance
- Confirmation that ground rent has been paid
- The last three years actual expenditure
- Details of planned major works or cyclical works; for example, painting
- Details of any breaches of lease
- Registration information

We charge an administration fee for replying to the questions. Payment must be received from your solicitor before we can deal with the request.

When your solicitors notify us of a completion date, they will usually request an up to date statement. They will use this information to apportion the charges between yourself and the buyer. Apportionment is the calculation that divides up what you are responsible for paying and what the new leaseholder is responsible for.

From time to time your solicitor will arrange to keep a retainer. This is because you may be liable for charges after the property is sold for works that were carried out while you still owned it. We try to ensure that we provide accurate estimates of unbilled works as much as possible.

2 Sales Additional Enquiries

If your solicitor raises additional questions that are not covered in the standard pack, we charge a further fee for each question that is asked.

We generally advise that solicitors raise only specific additional enquiries required to clarify issues arising out of the documents submitted, or which are relevant to the particular leasehold interest, or which the buyer has expressly requested. We advise that additional queries should only be raised where answers cannot be established by the buyer's own enquiries, survey or personal inspection.

3 Notice of Transfer

When your property is sold, the purchaser's solicitors are required to send us a Notice of Transfer which is a formal notification that the property has changed ownership.

4 Notice of Charge

When you take on a new mortgage or change your mortgage details, your solicitors are required to send us a Notice of Charge with details of your lender.

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5 Certificate of Compliance

If we are required to provide certificate of compliance to the Land Registry when your property is sold, a charge is made to cover the costs of approving the disposal and the preparation and signing of the certificate.

6 Re-mortgage Enquiries

You may decide to re-mortgage to obtain a better interest rate or when your current deal comes to an end. This may mean staying with your current mortgage provider or changing your mortgage provider.

When you re-mortgage, your lender may raise enquiries with us. We charge an administration fee for providing replies to their enquiries. When your mortgage completes, your solicitor must provide us with a Notice of Charge. See Item 4 Notice of Charge.

7 Consent for Home Improvements

If you would like to make any alterations to the structure of your home or wish to remove or replace any existing fixtures, fittings or pipes serving the property, it is important that you check the terms of your lease. If your lease requires you to obtain consent before carrying out an alteration to the property, you must obtain our written permission. You may be asked to submit quotes for your proposed works. We will charge a fee for providing consent to you.

In addition, sometimes we have to arrange for a surveyor to visit your property and/or we may need to approve building plans if you are carrying out major improvements. If this applies, you may also need to obtain planning permission from the local authority as well as building regulations approval which you will be responsible for obtaining. You can find out more information by visiting www.planningportal.gov.uk/permission

If you are considering carrying out improvements, please contact us to discuss and to arrange payment of the administration fee.

8 Lease Extension

If you apply to extend the term of your lease, you will need to pay our administration costs and legal fees in addition to the premium that will be agreed following the valuation.

If you are considering extending your lease, please contact us for further information.

9 Lease Enfranchisement

If you own a flat contained within a block, you may consider acting with other leaseholders to buy the freehold.

If you are considering buying the freehold, please contact us for further information.

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10 Sub-letting

Generally, leaseholders and 100% shared owners do not need to obtain consent to sub-let their property. However the lease requirements will need to be met, which include giving written Notice and entering into a Deed of Covenant with the subtenant. This charge is to register the sub-let.

We also collect relevant information to ensure statutory conditions are being met by the leaseholder.

You may be able to download your lease directly from the Land Registry website or ask them to send you a copy. Alternatively, your mortgage lender or solicitor may hold a copy of your lease. We can supply a copy to you if it is held on file, and will charge an administration fee for doing so.

11 Copy of Lease

12 Copies of Documents

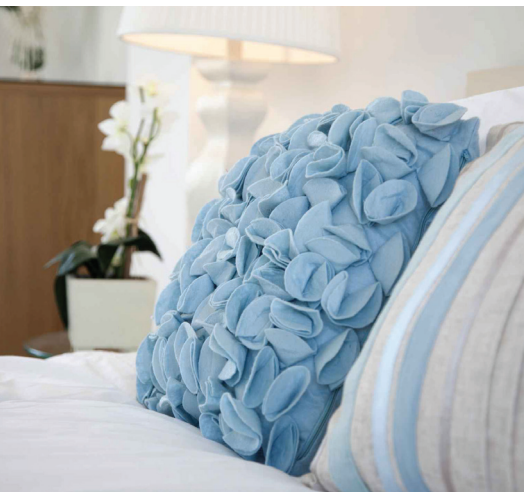
We suggest that important documents, such as a Notice of Transfer, Deed of Covenant and Service Charge Invoices, are kept in a safe place where they are easily accessible. However, we understand that from time to time, papers are misplaced and you may require new copies of documents. We are happy to provide you with copies for which an administration fee will be charged.

13 Additional/ Replacement Key Fob

Should you require an additional or replacement key fob, please contact us and we can arrange for this to be made available to you.

14 Replacement Parking Permit

If parking permits are in use at your block and you require a replacement, due to loss or damage, there is a charge.



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Shared Ownership

15 Management Pack

If your property is marketed for sale, and an offer is accepted, it is common practice for the buyer's solicitor to send a list of enquiries for us to answer. Although we are under no legal obligation to answer such questions, we are pleased to do so and will send out our standard information pack. Typical enquiries include:

- Service Charge and Major Works/Sinking Fund account balances
- Confirmation of Buildings Insurance
- The last three years actual expenditure
- Details of planned major works or cyclical works; for example, painting (where appropriate)
- Details of any breaches of lease
- Registration information

We charge an administration fee for replying to the questions. Payment must be received from your solicitor before we can deal with the request.

When your solicitors notify us of a completion date, they will usually request an up to date statement. They will use this information to apportion the charges between yourself and the buyer. Apportionment is the calculation that divides up what you are responsible for paying and what the new shared owner is responsible for.

16 Additional Enquiries

If your solicitor raises additional questions that are not covered in the standard pack, we charge a further fee for each question that is asked.

We generally advise that solicitors raise only specific additional enquiries required to clarify issues arising out of the documents submitted, or which are relevant to the particular leasehold interest, or which the buyer has expressly requested. We advise that additional queries should only be raised where answers cannot be established by the buyer's own enquiries, survey or personal inspection.

17 Resale - Selling your Shared Ownership Property

Under the terms of your lease, when you wish to sell your equity share of the property, Golding Places will for a short time, normally two months, have the right to nominate a buyer for your property. This is because we have access to people who would like to buy a home but cannot afford to do so outright. If we are successful in finding you a buyer, we will charge you a fee. However, this is normally much less than the fees charged by Estate Agents. We charge a Re-Sale fee deposit which is non-refundable where applications are withdrawn. However, the deposit will be deducted from the full Nomination Fee on completion of the sale.

You will also be responsible for paying the cost of the valuation of the property and any necessary updates to the valuation, your own legal costs and Golding Places' legal costs. Please read the terms of your lease.

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Shared Ownership

18 Staircasing

This is the term used when you purchase more equity shares in your property. There is no administration fee for this process, and Golding Places will pay their own costs and expenses. You will however have to pay the cost of the valuation report and any necessary updates, which will be instructed by Golding Places. You will also be responsible for your own legal fees.

19 Re-mortgage Consent

If you wish to re-mortgage, we must first receive a copy of your mortgage offer in order to approve it. This will be dealt with by Golding Places' solicitors whose fees are payable by you. We also make an administration charge to provide our written consent to your lenders.

Once you have completed your re-mortgage, your solicitors will need to send a Notice of Charge to Golding Places, for which a fee is payable.

Please contact us if you are considering re-mortgaging.

20 Sub-letting

In general, Shared Owners are not permitted to sub-let their property. Golding Places may however grant permission in exceptional circumstances, with applications considered on a case by case basis.

The process is broken down into two parts:

- **Part 1:** Application – a fee is payable to consider an application and associated documentation
 - **Part 2:** Consent – a fee is payable to grant consent which will allow sub-letting for a fixed term of no less than six months and no more than twelve months. If you require longer, you will need to re-apply and pay the relevant fees.
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21 Consent for Home Improvements

It is important that you check the terms of your lease.

Major Improvements: Consent will not be given to alter the property; to make any alterations or additions to the exterior of the property; make any structural alterations or structural additions to the property; erect any new buildings on the property's grounds or to remove any of the fixtures from the property.

Major Improvements where and if required to sustain your ability to remain in the property, i.e. where a disability or life changing event may require an alteration to the property will be assessed on a case by case basis.

Minor Improvements: Your lease requires that you obtain written consent prior to making any alteration or addition of a non-structural nature to the interior only of the property.

You may be asked to submit quotes for your proposed works. We will charge a fee for providing consent to you.

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21 Consent for Home Improvements

In addition, sometimes we have to arrange for a Surveyor to visit your property and/or we may need to approve your plans. If this applies, you may also need to obtain planning permission from the local authority as well as building regulations approval which you will be responsible for obtaining. You can find out some more information on the following website www.planningportal.gov.uk/permission/

A further fee, per inspection, may be payable prior to you carrying out the works, if it is determined that either a pre-inspection and/or post-inspection must be carried out by a Surveyor.

Please contact us to discuss any home improvements you may be considering.

22 Consent to Transfer of Equity

You may wish to transfer the ownership of the property. This may be, Sole to Joint ownership (adding another name to the legal documents); Joint to Sole ownership (removing one name from the legal documents) or Joint to Joint ownership (removing one name and at the same time adding another to the legal documents). Please note however, that one of the original owners must remain in the property.

You or your Solicitors must notify Golding Places of your intention to transfer the equity in your property. You and any other applicants will be required to complete an eligibility and affordability assessment, to determine if the transfer of equity can take place. We make an administration charge to process this application.

The legal process will be dealt with by Golding Places' Solicitors, whose fees are payable by you. You will also be responsible for your own legal costs.

Please contact us if you are considering a transfer of equity in your property.

23 Copy of Lease

You may be able to download your lease directly from the Land Registry website or ask them to send you a copy. Alternatively, your mortgage lender or solicitor may hold a copy of your lease. We are able to supply a copy to you, and will charge an administration fee for doing so.

24 Copies of Documents

We suggest that important documents are kept in a safe place where they are easily accessible. However, we understand that from time to time, papers are misplaced and you may require new copies of documents. We are happy to provide you with copies for which an administration fee will be charged.

25 Additional / Replacement Key Fob

Should you require an additional or replacement key fob, please contact us and we can arrange for this to be made available to you.

LEASEHOLD & SHARED OWNERSHIP ADMINISTRATION CHARGES GUIDELINES AND FEES

Summary of Tenants' Rights & Obligations

1 This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

2 An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly:

- for or in connection with the grant of an approval under your lease, or an application for such approval;
- for or in connection with the provision of information or documents
- in respect of your failure to make any payment due under your lease; or
- in connection with a breach of a covenant or condition of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

3 Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

4 You have the right to ask a First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine:

- who should pay the administration charge and who it should be paid to;
- the amount;
- the date it should be paid by; and
- how it should be paid.

However, you do not have this right where:

- a matter has been agreed to or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

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Summary of Tenants' Rights & Obligations


You have the right to apply to a First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

- 6 Where you seek a determination or order from the First-tier Tribunal you will have to pay an application fee and, where the matter proceeds to an oral hearing, you will also have to pay a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.
- 7 The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with section 29 of the Tribunals, Courts and Enforcement Act 2007.
- 8 Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.



Golding Places

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 goldingplaces.co.uk

Golding Places is part of Golding Homes

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