

# RHA



Railway Housing Association



## Leasehold Scheme for the Elderly

[www.railwayha.co.uk](http://www.railwayha.co.uk)

## What is a Leasehold Scheme for the Elderly (LSE)?

The purchase of leasehold scheme for the elderly properties is subsidised through public funds, which provides a 30% discount below market valuation. This subsidy is provided specifically to allow retired people to obtain purpose built accommodation at an affordable price.

In order to qualify for this subsidy you must be:

- In receipt of a pension or a retired person (i.e. over 55 years of age)
- In housing need, taking into account your current housing, health and any other relevant factors

The degree of housing need is determined by the Association.

## What is Leasehold?

A leasehold is a very long tenancy. It gives you the right to live in your home for a fixed number of years.

## What is a Lease?

The lease is an important legal document. It's a contract between a leaseholder and Railway Housing Association, setting out what each of us has agreed to do. It sets out the leaseholder's rights and responsibilities as well as the rights and responsibilities of the Association.

If you are thinking of buying a leasehold property, it is important that you

understand the lease and the conditions in it. Breaking the conditions could have serious consequences. If there is anything in the lease that you don't understand we will try and explain it to you. However, we can't give you any legal advice. You should get independent legal advice from a solicitor or an advice service such as the Citizens Advice Bureau.

## Rights & Responsibilities Leaseholder's Rights

*A leaseholder has the right to:-*

- Information about the Association
- Assign the lease
- Be consulted about any major works and any long term agreement for work or services, that affect their home
- Use any shared parts of the building- stairs, corridors, drying areas and gardens
- Live in their home for the length of the lease, as long as they keep to the conditions of the lease
- The quiet enjoyment of their home
- Be told about any costs towards repairs and maintenance
- Information about service charges and the right to challenge how reasonable these are
- Information about insurance
- Seek recognition of a residents' association
- An independent management audit

## Leaseholder's Responsibilities

*A leaseholder is responsible for:-*

- Paying the service charges that are referred to in Schedule 2 of the lease
- Repairing and keeping in good condition the inside of the property, including the fixtures and fittings
- Using the premises as a private residence only
- Allowing access to the Association or our contractors for any inspections or repair work
- Not making any changes to the structure or main timbers of the property
- Not making any changes to the internal structure of the property home without written approval from the Association
- Not damaging the property
- Making sure that they and visitors to their home behave in a way that doesn't cause any annoyance or nuisance to neighbours
- Insuring the contents of their home including fixtures and fittings
- Not jeopardising the insurance of the building, for example, by storing dangerous substances
- Not subletting or parting with possession or part of the lease
- Paying the sums as detailed in Section 7(4)(e) of lease on completion of any sale or transfer of the lease
- Leaving the property in a good state of repair at the end of the lease

## The Association's Responsibilities

*Railway Housing Association is responsible for:-*

- Making sure that the building is fully insured
- Repairing the structure and exterior of the building
- Repairing and maintaining all of the shared parts of the building, including equipment such as lifts and door entry systems
- Main services to the building
- Paying into a sinking fund monies deducted under Section 7(4)(e) of the Lease

The costs of the repairs arranged by the Association are recharged to all leaseholders. Full details are included in the lease.

## Service Charges

A service charge is a payment made by leaseholders for the services provided by the Association. Service charges are divided equally between all of the properties in the scheme. The service charge will vary depending on each scheme and may include:

- Handyperson
- Gas safety checks and servicing
- Day to day repairs and emergency repairs
- Cleaning of communal areas
- Window cleaning in communal areas

- Maintenance of communal gardens
- Electricity supply to communal lighting
- Smoke detectors
- Buildings insurance
- Maintenance of lifts
- Maintenance of door entry systems
- Maintenance of warden call alarm systems
- Management and administration \*

\* Please note that we charge a management fee to cover our costs, not to make a profit

## Emergency Alarm System

The properties at Ernest Hill Court in Hull and St Gregory's Court in South Shields are linked to an emergency alarm call centre that offers assistance 24 hours per day. Help can be obtained by pulling an alarm cord or pressing a button. All calls are answered by operators who are trained to quickly assess the situation and respond appropriately.

If necessary they will call a doctor, friend or relative, one of the emergency services (Police, Ambulance or Fire Service) or arrange emergency repairs that are the responsibility of the Association.

The cost of this service is included in the service charges for these properties. Leaseholders who have a low income

may be entitled to receive Supporting People subsidy towards the cost of this service. For further details please contact our Housing Manager, your local council's Supporting People team or Housing Benefit Department.

## Pets

Written permission must be obtained from the Association before keeping a pet. The number and type of pet that may be kept are:-

- Flats, houses and bungalows with communal gardens - a maximum of two small birds; a small aquarium; two same sex rabbits, hamsters, mice, gerbils, rats or guinea pigs.

Permission will be given for a disabled resident to keep an assistance dog.

## Selling a Leasehold

A leaseholder may re-sell the lease at any time by giving written notice to the Association. On receipt of the notice the Association will begin the process of granting a new lease:-

- A valuation will be arranged to obtain the value of the property on the open market with vacant possession.

Once the valuation is agreed the sale price will be 70% of the valuation. The valuation fee is recovered from the sale proceeds.

- The Association holds a waiting list for each scheme and the lease allows the

Association to nominate a person from this list to buy the lease. All applicants on the waiting list meet the conditions of the LSE scheme.

- If the Association is unable to nominate a buyer from the waiting list, or the person offered the property is unable to complete the sale within 7 weeks of the draft contracts being drawn up, then the leaseholder may sell the lease to any third party (providing that they meet the conditions of the LSE scheme).
- On completion of the sale the following deductions are made from the proceeds -
  - Any arrears of service charge due at the date of surrender
  - Valuation fees
  - Any costs incurred in carrying out essential repairs in accordance with the leaseholder's obligations
  - The Association's solicitor's fees for preparing, completing and registering surrender of the lease
  - Up to two and a half percent of the purchase price to cover the Association's costs in finding a buyer (this includes advertising and estate agents costs)
  - A deduction of 1% of the vendor's original purchase price for each year (apportioned on the basis of complete months) of occupation, to provide a sinking fund.

## Sinking Fund

The sinking fund is a fund set up to budget for major expenditure, for example, replacement of window frames or central heating boilers. This should avoid leaseholders having to find large sums of money at short notice to meet such costs.

The amount held in the fund is reviewed annually, taking into account any planned works that are likely to be needed in the future. The fund is held in a separate interest earning bank account.

## Forfeiture or Repossession

There are certain circumstances when the Association or a mortgage lender could apply to the courts for repossession of a lease.

## Forfeiture

If a leaseholder breaks any conditions of the lease, the Association may apply to court to end the lease agreement. This could happen if a leaseholder doesn't pay the service charges or causes a serious nuisance or annoyance to other residents. The Association would only apply to the court if all other measures had failed to resolve the situation.

The court may make an order that allows the Association to end the lease and give possession of the property back to the Association. This would mean that the

leaseholder would lose their home and be liable for payment of all legal fees and any other costs that the Association incurs.

## Repossession

If a leaseholder took out a mortgage to buy the lease, their lender has a legal charge on their home. This means that they can apply to the court to repossess the property if the leaseholder doesn't pay the mortgage. If the court grants repossession then the lender will have the right to evict the leaseholder, sell the lease and take the amount that the leaseholder owes from the proceeds. Mortgage lenders will only apply to court for repossession if a leaseholder owes a serious amount of mortgage and hasn't kept to an agreement to make payments.

## Resident Consultation & Involvement

### 1. Consultation

Twice yearly meetings are held with leaseholders to discuss the budget, service charges and any issues affecting the scheme and the services that they receive. We give a minimum of 14 days notice of meetings and send any papers or documents to each leaseholder at least 7 days in advance of a meeting. Minutes of meetings are sent to each leaseholder and any recognised residents' association.

A newsletter is provided for leaseholders at least once a year. This is to provide each leaseholder with information on any changes in legislation, contact details for the Association, and any issues raised by residents. We also welcome any articles and views from leaseholders, which may be of general interest to other leaseholders.

The Association will consult leaseholders before making decisions about changes in management policy or practice that may affect leaseholders.

The Association will recognise and give specific rights of consultation to a residents' association that represents at least 51% of leaseholders.

Leaseholders will be consulted prior to any major repairs, improvements or before we enter into long term agreements for works or services.

### 2. Resident Involvement

The Association is committed to the rights of residents' to be involved in the management of their homes. To do this the Association offers a choice of ways for residents' to get involved and have a say in how things are run and in planning for the future.

These range from completing one off questionnaires to joining a focus group to becoming a member of the Association's Board.

## About Railway Housing Association

Railway Housing Association was established in 1919. We are a registered charity and housing association regulated by the Charity Commission (reg no.216825) and the Tenant Services Authority (reg no.A1855). We are a non-profit making organisation.

When the Association was set up it was originally for railway workers but that is no longer the case. It started as the 'North Eastern Railway Cottage Homes and Benefit Fund' using a levy on the wages of railway workers to build properties. We now have a stock of about 1400 properties, mainly in the North East covering a large geographical area from Berwick to Doncaster, as well as one sheltered scheme in Hereford. Most of our properties are for older people, a mix of rented and leasehold.

The Association is governed by a voluntary Board of Trustees who determines our objectives and policies, set targets and review performance. A full list of current Board members is shown on the Association's website and published in the Annual Report.

### Mission statement

We aim to be an excellent landlord that puts people at its heart and provides services that are value for money and meet the aspirations of current and future residents'.



### Contact Details

We provide a management service to residents' from our Head Office at Bank Top House, Garbutt Square, Neasham Road, Darlington DL1 4DR

Telephone: 01325 482125  
Free phone number 0800 0287428

Local call rate number 0300 1230734  
Website: [www.railwayha.co.uk](http://www.railwayha.co.uk)

The office is open from 8.30 am to 4.30 pm Monday to Friday. Our offices are closed at weekends, on Bank holidays and between Christmas and New Year.

## English

Information can be made available in other languages, or other formats such as Braille, large format or audio tape, on request.

## Arabic:

يمكن توفير المعلومات بلغات أخرى و صيغ أخرى مثل طريقة بريتل أو شرائط سمعية ، حسب الطلب

## Bengali:

আপনি অনুরোধ করলে এই তথ্যগুলি অন্য ভাষাতে, অথবা অন্য কোনো মাধ্যমে যেমন ব্রইল-এ বা অডিও টেপে, পাওয়া যেতে পারে।

## Somali:

Faahfaahinta waxa kale oo aad ku heli kartaa luuqadaha kale, ama siyaabo kale, sida Farta waaweyn ama canjal maqal ah, waana in aad soo codsato.

## Turkish:

Talep üzerine bu bilgi diğer dillerde veya görme engelliler için kabartma alfabesi ve ses bantı formatında da temin edilebilir.

## Urdu:

یہ معلومات دیگر زبانوں اور دوسری صورتوں میں (مثلاً افراد کے لیے مخصوص عبارت) یا آڈیو ٹیپ پر بھی فراہم کی جاسکتی

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# Railway Housing Association

Bank Top House, Garbutt Square, Neasham Road, Darlington DL1 4DR  
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Registered Social Landlord: A1855 Registered Charity: 216825

MEMBER OF THE HOUSING OMBUDSMAN SERVICE

