

# Varying a shared ownership lease

## Information for new shared owners

- 1 This leaflet is about your shared ownership lease. You should keep it with the information and paperwork relating to your home as it could save you time and money if you ever need to make changes to your lease.
- 2 The Housing Corporation is the government organisation that provides most of the money for shared ownership housing and it has to make sure that leases remain in the form agreed for shared ownership.
- 3 Your lease lets you to do a number of things, including buying more shares in your home or selling your share to somebody else, if you want to move, and tells you how to do it. It allows you to:
  - staircase, that is to purchase more shares in the property;
  - sell your share of the property to someone else;
  - transfer ownership, for example from a joint to single name;
  - remortgage;
  - exercise any of those rights which the lease gives you.
- 4 It is possible that your landlord may wish to vary the lease. The terms of leases can only be varied by agreement between you and your landlord or through an order made by a Leasehold Valuation Tribunal, or sometimes a county court. There are specific procedures that need to be followed in these instances and you will need to get legal advice.
- 5 If the change or correction to your lease involves one of the clauses that the Corporation considers to be fundamental to shared ownership, your landlord will also need to obtain the Corporation's agreement. The following list does not cover every possibility but your landlord would need the Housing Corporation's agreement to change:
  - the basis of service charge calculations or apportionments;
  - rent review clauses;
  - the landlord's right of first refusal on resale;
  - the clause that protects your mortgage lender's interest in the property;
  - clauses affecting your right to staircase;
  - clauses setting out the procedure for selling;
  - the clause that prevents sub-letting the property; and
  - any other changes that have a knock on effect on the above.
- 6 As a shared owner, your lease gives you a number of rights and responsibilities, and you should always seek appropriate advice if you have queries about your lease. The Housing Corporation publishes A Charter for Housing Association Applicants and Residents that sets out what service you can expect from your housing association. Your landlord can give you a copy of the Charter, or you can download it from the Housing Corporation's website: [www.housingcorp.gov.uk](http://www.housingcorp.gov.uk).

- 7 If you are buying a house, you usually become the freeholder when you staircase to 100%. Then the lease ceases to apply. If you are buying a flat, you continue to be a leaseholder after staircasing to 100%, but the terms of your lease usually change. The change is that the clauses to do with shared ownership drop out of the lease and it becomes like an ordinary private residential lease. For both houses and flats, your landlord normally keeps a right of first refusal on any onward sales for 21 years. Your landlord would not be able to alter that without the Housing Corporation's agreement.
  
- 8 Should you have a dispute with your landlord, they will have a complaints procedure to help resolve the situation. If there are still problems even when you have exhausted your landlord's complaints procedure, you can complain to the Independent Housing Ombudsman. Your landlord can tell you how to do this. But if your dispute is over certain matters connected with your lease, for example the level of service charges or your liability to pay them, then there are other routes of complaint and you should seek appropriate legal advice.

The Housing Corporation, October 2008