

Sellers' Information Sheet

Leasehold Schemes for the Elderly (LSE)



Sussex Housing & Care

Downash Court, Rosemary Lane, Flimwell, TN5 7PY

Tel: 01580 879454

Nevill Close, Beacon Road, Crowborough. TN6 1UW

Tel: 01892 662087

Sackvill Court, Hastings Road, Bexhill. TN40 2HY

Tel: 01424 220496

Waldron Court, Mutton Hall Hill, Heathfield. TN21 8NZ

Tel: 01424 866445

1. I want to sell my property, what do I need to do?

Firstly, a valuation needs to be carried out by an independent RICS qualified surveyor; this is to ensure that all LSE properties are marketed at 70% of the market value. Please contact our Allocations & Sales Officer (details below) to instruct SHC to commission a valuation report. The seller will need to make an immediate payment to cover the cost.

The next step is for the seller to inform the Scheme Manager (SM) that the property is being sold. The SM will need to know details of the property, acting estate agent, asking price and a contact number for the seller. Please also inform your estate agent that the property is to be sold at the 30% discounted value. This is NOT shared ownership; the buyer will own 100% of the property.

Once an offer is accepted, please send the Housing Officer a copy of the memorandum of sale. You can obtain this from the estate agents and forward to the email address below.

Rosanne Jones, Housing Officer is based at Support Services, Sussex Housing & Care, 24 Sutton Avenue, Seaford, East Sussex. BN25 4LG.

Phone: 01323 875583

Email: rosanne.jones@sussexhousing.org.uk

1. What is the sales process?

Once a memorandum of sale has been received, the Scheme Manager will carry out an assessment of the potential buyer. This is to ensure the person is eligible for sheltered housing. Eligibility includes age, independence and financial ability to afford service charges and long-term maintenance. Once the Regional Manager and the Director of Housing & Care approve the buyer, SHC will instruct their solicitors to act on their behalf.

In many respects selling your property operates like a normal sale, where the seller and the buyer mutually agree a purchase price between both parties. However, there is one

significant difference, you will sell your property back to Sussex Housing & Care and we grant a new 99-year lease to your buyers on the same terms. The sale of the lease back to Sussex Housing & Care and creating a new lease for the buyer takes place at the same time to ensure there is no delay between the two.

2. Why should the purchase price be 70% of the market value of the property?

Sussex Housing & Care is a registered housing association and received grants of 30% of the original cost to build the leasehold properties. These grants were received on the condition that we make our housing affordable in perpetuity. These are aimed at people who may not otherwise be able to afford to purchase a retirement home. That is why the purchase price of your property is 70% of the current market value. Although the purchaser only pay 70%, they own 100% of the property.

3. What will I need to pay to sell the property?

You need to budget for the following:

- Independent RICS Qualified Surveyor Valuation Report, £475 + VAT (based on current charges and may vary at any time).
- Your solicitors' costs, they will advise you of their fee.
- Your estate agents costs, they will advise you of their fee.
- Sussex Housing & Care's solicitors costs of £650 plus VAT, plus Official Copy Entries for each registered freehold & leasehold title and lease which needs to be obtained if they are not supplied to our solicitors by your solicitors (£3 per document). Prior to completion there will also be bankruptcy searches carried out against all sellers of the property (£2 per person), a Land Registry pre-completion search of £3 and a Land Registry registration fee determined on the sale price of the property.
- SHC's solicitor will request an undertaking from the seller's solicitor for both their legal costs and disbursements and for SHC's administration fee of £400. This covers dealing with the assessment and enquiries from the purchaser, including the completion of the management pack. It is normal procedure for the seller to cover this cost for the purchaser when selling a residential leasehold property. In some circumstances (i.e .where a transaction falls through) the full administration fee may not be charged.

You will also need to make sure that any arrears of rent or service charge are paid up to date on completion. Sussex Housing & Care will be able to advise you of any outstanding sums on request. Your solicitors will also be notified prior to completion.

Please also note that the buyer will need to pay Sussex Housing & Care's solicitors costs of £650 plus VAT, plus any other costs, for the grant of the new lease.

4. What tasks do Sussex Housing & Care's solicitor fees cover?

The fixed charges above are calculated based on the estimated time spent to complete the transaction. This estimate is based on Sussex Housing & Care's solicitors having acted for the organisation for many years and knowing how much work is involved. Sussex Housing & Care's solicitors make a fixed charge in order that you have certainty over the cost. Here are the tasks Sussex Housing & Care's solicitors do for this cost:

- Take instructions from Sussex Housing & Care.
- Write to your solicitor and the buyer's solicitor to confirm their requirement for the transactions.
- Verify the purchase price of the property for sale.
- Request a management pack from SHC.
- Obtain a copy of the property's registered title from the Land Registry and provide this to the buyer's solicitor together with other documents they will need.
- Draft the documentation and agree this with the seller's solicitor and buyer's solicitor.
- Prepare formal copies of documents for signing by the parties.
- Liaise with us about any queries and find out whether any service charge money is outstanding from the seller.
- Arrange and deal with the exchange and completion on both transactions.
Deal with pre-completion enquiries.
- Tell Sussex Housing & Care whether any money is owed to us at completion.
- Draw up a form for Sussex Housing & Care to collect any stamp duty land tax on the sale of the apartment.
- Deal with any Land Registry requisitions.

5. What tasks are covered by Sussex Housing & Care's administrative fee?

As follows:-

- Agree the selling price following the receipt of the RICS report
- Provide information to agents marketing the property and respond to queries.
- Carry out an assessment of the buyer to ensure the purchaser meets Sussex Housing & Care's housing criteria.
- Provide answers to the 'Landlord & Management Company' questionnaire, including copies of requested documents, including for example the last three years' service charge accounts, insurance documents and fire assessments.
- Respond to queries from buyers, sellers and their solicitors.
- Seal and obtain signatures for the relevant legal documents.
- Calculate any arrears or refunds due on completion.

6. How long will the process take?

The process, from an applicant passing their assessment with Sussex Housing & Care through to completion of the sale, generally takes around six to eight weeks. Sussex Housing & Care's solicitors work as quickly as possible to make sure all the documentation is prepared and sent to the relevant parties.

However, delays do occur and it is usually for reasons unconnected with Sussex Housing & Care's solicitors. Delays can be caused by:

- The time that your searches take to come back and the time your solicitor takes to turn things around.
- Where relevant, delays caused by your property being in a chain.
- The seller taking time to finding or get a moving date for new accommodation.
- The parties agreeing a mutual convenient completion date.
- Last minute notification by the seller of the sale

If there is a deadline by which you would like to complete your transfer you will need to ask your solicitors to inform the solicitors of Sussex Housing & Care. We will do our best to meet this timescale where reasonable.

Once the documentation has been agreed between the parties, it can take up to two weeks to for signatures to be obtained by Sussex Housing & Care. The documents need authorised signatures from either Sussex Housing & Care's directors or from voluntary Board members.

Sussex Housing & Care's solicitors are Lawson Lewis Blakers, 11 Hyde Gardens, Eastbourne, BN21 4PP. 013234 720142

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