

Selling your
shared
ownership
home

 Moathomes

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Your home is at risk if you do not keep up rent and mortgage repayments or payments on other loans secured on it. The value of properties can go down as well as up.

Selling your shared ownership property

This booklet provides information about selling your shared ownership home with Moat. If there are any parts of the booklet that you do not understand, please ask us or your solicitor to explain in more detail. When you signed the lease to buy your home, you accepted the responsibilities within the lease and you are legally bound to honour them.

Your lease sets out who does what, the details of your property, including the share you have purchased, the length of the lease and financial details such as the rent at the start of the lease and details of the service charges.

As a home owner, you are fully responsible for maintaining your home and carrying out any repairs. This includes responsibility for carrying out essential

checks such as gas, pipes, electrical and boiler checks to ensure your home is safe. This responsibility is a condition of your lease. It is highly likely that an incoming purchaser will request a current gas/electrical certificate. If you have not had a recent inspection carried out, please arrange for this to be done. If solar panels are installed in your home, maintaining these is also your responsibility. If you are unsure of your responsibilities, please check your lease or visit **moat.co.uk**.

The information contained in this booklet is for guidance and may be subject to change. Leases vary and may contain information that is specific to the property that you are selling. The content of this booklet is not exhaustive.



The selling process

Selling instructions

Moat has one to two months, depending on your lease, in which to find a suitable buyer for your home. During this time you should not instruct an estate agent.

To start the selling process, please contact us to request a selling pack. Included in the pack will be a Shared Ownership Sales Instruction for you to complete, sign and return along with payment for the valuation. Email copies are acceptable.

If your home is owned in joint names, both parties must agree to the sale and sign the instruction form even if one of you no longer resides in the property.

We require certified identification from all sellers to include one photo ID (passport/driving licence) and one proof of address (recent utility bill/bank statement). Certification must come from a mortgage advisor, solicitor, accountant, bank manager, doctor or member of the Clergy. An energy performance certificate (EPC) will also be required.

If you purchased your home less than ten years ago, the EPC can be downloaded from epcregister.com.

Valuation

Upon receipt of the valuation fee, we will instruct your chosen Surveying Company to carry out a report and valuation of your home. They will contact you directly to

arrange a convenient time and date.

Improvements / repairs

If you have made alterations to your home, such as a new kitchen, bathroom, conservatory, extension etc., the valuation will include the value of any improvements you have carried out and you will receive your percentage share of the agreed sale price. Please note that you will only see the full benefit of your improvements if you staircase. We cannot make any special payments for improvements carried out as we are selling your share to a new purchaser. Moat's share will remain in the property and we will not receive any money for our share unless we are unable to find a buyer and your home is sold outright.

If you have been unable to maintain your home to a reasonable standard in accordance with your lease, there is a risk that your home will be undervalued. You may opt to instruct a contractor to carry out these improvements first and sell at a higher value, or sell your share at a lower price with work outstanding.

Photographs for marketing

The surveyor will take photographs when carrying out the valuation, which we can use for marketing. Alternatively, if you wish to include your own photographs, please email these to resales@moat.co.uk. Please take time to present your home to its full potential in order to encourage maximum interest from potential buyers. Photographs

should ideally be landscape rather than portrait for best display on the websites.

Agreeing a sale price

The Surveying Company will normally issue the valuation report within five working days from the date of the inspection. When we receive the report we will contact you to discuss the valuation price. Your home will be sold at current market value and is valued as if it were to be sold on the open market. The property will not be valued for any more or less because it is shared ownership.

Property details

When we have agreed the selling price with you, we will put together the marketing information which will be presented on the websites. A copy of this will be sent to you for approval prior to marketing. The agreed marketing period begins when we have received your approval of the property details and EPC confirmation.

Marketing

All our properties are advertised on our dedicated sales website, **moathomes.co.uk**, where buyers can register their interest in homes for sale. Depending on the area where your home is located, it will also be advertised on the website for the local Help to Buy Agent. Properties in Kent, Sussex, Surrey, Essex and Hertfordshire will be advertised on **helptobuyese.org.uk**. Properties in London will be

advertised on **london.gov.uk/homes** and **sharetobuy.com**. Your home can be advertised on Rightmove but this will incur an additional fee.

For Sale board

If you would like a 'For Sale' board to be placed at your property, please advise your resales officer. We will need to check your lease to make sure this is allowed before ordering.

Viewings

Interested buyers will contact you directly to arrange a viewing. If you would like viewings arranged through Moat, please let your Resales Officer know prior to marketing. If you would prefer to host an open day and have all the viewings together, we can promote this for you and organise a timetable for you to show people round. Buyers who are interested in proceeding with the purchase must contact the Moat resales team as soon as possible after viewing.

We normally allow a viewing period of one to two weeks from when the marketing starts for potential buyers to submit their application. This timescale can be flexible depending on demand.

Once a sale has been agreed, we also advise buyers to arrange another viewing just prior to exchange of contracts to ensure there has been no substantial changes since their first viewing.

Selecting a buyer

Once we have closed the viewings, we will select the applicant who has the greatest housing need in accordance with our access and allocations policy. In some areas we also have to seek approval from the Local Authority before confirming your buyer.

Normally this will be a first time buyer but on some occasions, the buyer may be an existing shared owner or owner occupier who will also need to sell their home. If your home is offered to a home owner, they will either need to be under offer with a complete chain or in a Moat shared ownership property to be placed with our resales team. We can agree a timescale for them to be in a position to proceed, after which time we can go to the next applicant if they have not sold. If you are making an onward purchase please advise any estate agents of this time period before making any formal offers on a property that you may be considering. It is advisable to secure a buyer for your home before offering on something else to avoid possible disappointment.

The successful applicant will be sent confirmation of the purchase and will be asked to return certain documents to Moat within one week to confirm their ability to proceed.

Solicitors' panel

Moat's panel of solicitors has many years of experience with shared ownership schemes. We suggest that you appoint a panel solicitor because of this experience. If you instruct a solicitor that is not on our panel, please ensure they are familiar with shared ownership to prevent any delays in the process.

Sales progression

Once we have received the required documents from your buyer, including proof of income, deposit, ID, solicitors' details and mortgage confirmation, we will issue a memorandum of sale to all parties. Your solicitor will contact your buyer's solicitor and send them a draft contract package. Your buyer's solicitor will apply for the searches and raise enquiries with your solicitor. Moat will issue a leasehold management pack at this point, the cost of which you are responsible for. This will contain information about your home, service charges and planned works (where applicable). Your buyer's solicitor may also require a pack from the managing agent if you live on a development where a separate company manages the services you receive.

Exchange

Once the solicitors have satisfied their enquiries, contracts will be issued for signature. Your buyer will sign their contract and pay a deposit to their solicitor. Once this has been done and all parties are ready, contracts can be exchanged. At this point the sale is legally binding and the completion date will be agreed.

Completion

On completion, we will request payment of any outstanding rent and service charges. The selling fee will also be requested at this point. The fee for your particular property is detailed on the Shared Ownership Sales Instruction. All monies are requested via your solicitor and deducted from the sale proceeds. You will be liable for payment of rent and service charges up to and including the day of completion, regardless of whether or not you are still living in the property.

Remember to contact the gas, electricity and water companies as well as the local council tax office and any other utilities, to let them know you have moved. Please also remember to cancel your direct debit payment to Moat after your sale has completed. If you are owed a refund for overpayment of rent, please confirm your bank details after completion so that we can request this for you.

Once confirmation has been received that completion has taken place, you may hand over keys to your

buyer directly. Please make sure that all keys, fobs, parking permits etc are handed over. If you are unable to hand over in person, please let us know as early as possible so that we can confirm the best arrangements with your buyer. Depending on location, this may be to drop keys to a Moat office, solicitor or concierge (if this facility is available).

On moving day, please ensure that you take all items of furniture and personal possessions with you, leaving the property clean and clear for your buyer. You should arrange collection of any unwanted items of furniture prior to completion and not leave these in communal bin stores. If costs are incurred in the removal of any items left behind, these will be passed to you.



The selling process at a glance



The cost of selling your home

RICS Valuation Survey fees: £174 - £330

Payment for the valuation should be made upfront, either by cheque made payable to **Moat Homes Limited**, quoting reference **94500 SORES** and your tenant reference on the reverse or by card over the phone. If payment is not made we will not be able to arrange the valuation for your property. If you are experiencing financial hardship and are unable to pay this fee, in some circumstances we can agree to collect the fee on completion, providing there is equity expected from the sale. Please note that if you withdraw from the sale, you will still be liable for this cost.

Energy performance certificate (EPC): £60 (variable)

All properties being marketed will need an Energy Performance Certificate (EPC). Moat will require a copy of the EPC before marketing can commence. If you purchased your home more than ten years ago, it is unlikely that there will be a valid EPC on record. You can visit epcregister.com for details of assessors in your area. An EPC is valid for ten years.

Rightmove: £420

We are able to advertise your home on rightmove.co.uk. The fee for this is £350 + VAT which will place your property on Rightmove for up to six months. This fee is payable up front and is in addition to the selling fee. You may instruct us to advertise your home on Rightmove at any point during the marketing, however

if it is within the first two months of marketing, just the share value will be advertised.

Solicitors' fees: £900 + extras (estimate)

Your solicitor will charge you a fee for their professional services. Usually you would expect to pay an amount up-front to enable your solicitor to proceed, with the remainder payable upon completion of the sale. If you are purchasing another property, there will be additional legal fees relating to this.

Moat's leasehold management pack: £60, £150 or £240

As part of the legal process, your buyer's solicitor will require replies to standard leasehold enquiries. To assist with this, Moat will provide a leasehold pack to your solicitor which will contain information about your property, service charges (if applicable), major works (if applicable), insurance etc. This pack will not be released to your solicitor until the fee is received.

The cost of the leasehold management pack is as follows:-

- ▶ £60 (£50 + VAT) - Flats and houses with Managing Agent charges, and houses with insurance ONLY
- ▶ £150 (£125 + VAT) - Houses with Managing Agent and Moat service charges, houses with Moat service charges
- ▶ £240 (£200 + VAT) - Flats with Managing Agent and Moat service charges, flats with Moat service charges

Managing Agent's leasehold pack: £400 (variable)

If you live on a development where service charges are paid to an external managing agent for the upkeep of communal areas and estate maintenance, a separate pack may be required. Your solicitor will need to contact the managing agent directly to confirm the cost of the pack.

Service charge retention: £50 - £1000 (variable)

If you pay service charges and the year end accounts have not been finalised when you are ready to complete your sale, your solicitor will ask for a sum of money to be held back from the sale proceeds (known as a retention) to cover any possible shortfall. This could be retained for up to 18 months (in some cases longer) until the accounts for the current year and any previous outstanding years have been reconciled.

Selling fee: up to 1.5% of full market value + VAT

Within your lease there will be a clause which gives Moat the first chance to sell your share to a new buyer. This is known as the nomination or marketing period and will normally be one to two months from when we start marketing. Alongside this, there will be a fee payable for the introduction of the buyer, which will be due on completion of your sale. If we are unable to find a buyer and you sell just your share via an agent, the fee will be reduced to £195 + VAT. You will be responsible for any estate agent's fees.

Lease extension: Variable

If your existing lease has less than 80 years remaining, your buyer may have difficulty obtaining a mortgage and could request a lease extension. In this instance, a specialist valuation would need to be carried out to work out the premium payable to the freeholder to agree this extension. Normally an additional 90 years will be added. There will also be associated legal fees. Further details can be found on our website at moat.co.uk. This process applies to flats, which will remain leasehold. A separate process applies to houses where a top up extension for the purpose of resale can be done. We will let you know if this is required during the sale process.

Staircasing fee: £240

If you sell your home on the open market for 100% ownership, this will involve simultaneously staircasing and selling. There will be an administration fee payable for this at completion.

Valuation update: £45-£192

There must be a current valuation available when your sale completes. Valuations are initially valid for three months. After three months, a desk-top valuation will need to be carried out to update this. If the valuation is more than six months old, a re-inspection will be required. If it is over one year old, a new valuation will be required. You will be responsible the cost of these updates (please refer to the surveyors list for costings).

Options after the initial marketing period has expired

Continued marketing

Success is not always guaranteed from the first mail-out. Your home will only be allocated if a suitable buyer is found. If a buyer is not found by the initial closing date, we will continue marketing your property on a first come first served basis.

Offers/price reductions

We do not encourage offers, however we are obliged to report them to you if a potential buyer wishes to make an offer on the sale price. You have the right to accept or refuse any offer made for your share. Due to varying market conditions, in some cases where property values have fallen, you may need to consider a reduction in your sale price during the marketing process.

Nomination period expiry

If we have not been able to find you a buyer within the nomination period as per your lease, you have the option to place your home on the open market with an estate agent. The agent may market your share or 100% of your home (if the lease allows). If a buyer is found for your share, Moat must approve the purchaser and oversee the sale. The buyer will need to complete an application form with the Help to Buy agent covering the area where your property is located to confirm their eligibility. If your home is in London, they will need to complete Moat's application form instead. You will be responsible for any estate agent fees that are charged. An administration fee will be payable to cover the cost of dealing with the associated paperwork.

Selling outright (100% sale)

If a buyer wants to buy your home outright (100%) and your lease allows, this will involve simultaneously staircasing and selling. Moat will not charge the full selling fee but there will be an administration charge for dealing with the sale and final staircasing. Please note that if you sell your property for 100% at a figure lower than the valuation, you will be required to make up the difference on Moat's share.

As per the terms of your lease, completion of staircasing (purchase of further shares) must take place within three months of the date of the valuation (some leases may vary). If your previous valuation is more than three months old, a new valuation will be required. You will be liable for the cost of any new or updated valuations required, and should be aware that the value may change.

The staircasing figure is calculated on the up to date market value, as determined by the valuation report. If you sell your home for higher than the valuation figure, the staircasing figure is calculated on the sale price. You will be required to provide Moat with a copy of the Memorandum of Sale.

If your property has been undervalued due to poor condition, we will request that the surveyor provides us with a figure assuming the property is in good condition. The staircasing figure will be calculated as if the property had been well maintained and kept in good repair, as per the terms of your lease.

Stamp duty

Usually a seller does not have to pay stamp duty, however, if you are selling 100% of the property, effectively you are buying Moat's share and then simultaneously selling the whole property to your buyer. If stamp duty was not paid in full on the original purchase of the property and you sell 100%, you may be liable for stamp duty on the additional shares being sold. Please check with your solicitor as to how much you may be required to pay.



Moving to another shared ownership property

Moat aims to provide affordable housing for as long as a person requires it. If your circumstances have changed and you need to move home but cannot afford to purchase outright, you may be able to apply for shared ownership again. You will need to complete an application for Help to Buy to confirm your eligibility for the scheme. For details of your local Help to Buy Agent, please visit helptobuy.gov.uk.

To be eligible for shared ownership:

- ▶ You need to be at least 18 years old.
- ▶ You should be unable to afford to buy a home suitable for your needs on the open market.
- ▶ Your annual household income must be less than £80,000 (for London boroughs this is £90,000).
- ▶ As a homeowner, you will need to sell your current property at the same time as you purchase your new home. A buyer will need to be in place before you can reserve another property.

You must be able to demonstrate a need for the move, such as the requirement for an extra bedroom to accommodate an expanding family, or a need for a property with ground floor access for mobility needs. If you are assessed as eligible and re-registered, you can search for your new home and Moat's Resales team will assist you with selling your current home.

Contact us

Online

Our website **moat.co.uk** has clear and simple details of our services and the latest Moat news. MyMoat is our secure online customer portal that lets you access a wide range of services to help you manage your account in the easiest and quickest way, convenient to you.

By email

You can contact **customer@moat.co.uk** for general enquiries. We would prefer to send you information by email so that we can get it to you quickly. The resales team can be emailed directly at **resales@moat.co.uk**.

By phone

Call our Customer Service Centre on: 0300 323 0011
The Customer Service Centre is open between 8am and 6pm, Monday to Friday. Our Customer Service Centre is able to respond to most enquiries. Alternatively, they can find the most suitable person to respond. Please tell the advisor that you are a shared owner when you call.

By text

Text us on 07786 202505

By post

Or you can write to us at:

FREEPOST
RRCB-HHJS-LXXR
Moat
Dartford
DA2 6QE

Other languages

We are a member of Language Line, the 24 hour telephone interpreting service. So, if you would like to speak to us in a language other than English, please call our Customer Service Centre and we will get an interpreter on the line as soon as possible to help respond to you.

We can also give you information in other formats to meet your needs, such as large print format.

Resales team direct contacts

Gail Hunwick – Resales officer

gail.hunwick@moat.co.uk

0845 359 6388

(Kent, excluding Dartford and Gravesham)

David O'Donovan – Resales officer

david.odonovan@moat.co.uk

0845 359 6410

(Essex and Sussex)

Max Selby – Resales officer

max.selby@moat.co.uk

0845 359 6258

(Dartford, Gravesham, and London)

Sarah Peake – Resales manager

sarah.peake@moat.co.uk

0845 359 6323

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Moat Homes Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014

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