

Buying your
new build
**shared
ownership**
home

 **Moat**homes

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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.

Congratulations

on taking the first steps towards buying a home of your own!

This booklet provides information about shared ownership. It also outlines the main responsibilities (yours and Moat's) when you buy your shared ownership home with Moat.

If there are any parts of the booklet that you do not understand, please ask us or ask your solicitor to explain in more detail.

When you sign your lease to buy your home, you accept the responsibilities 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 what the service charges cover.

Your solicitor will send you a copy of the lease.

He/she should also outline to you the terms of the lease, your rights and responsibilities as well as explain your legal status as a shared owner. It is important that you understand all of this, therefore please ask your solicitor any questions if you are unsure.

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

How does shared ownership work?

Shared ownership is a government-backed initiative that helps you to become a home owner. Sometimes known as part buy part rent, you buy a percentage share in a brand new home (or a resale) and pay rent on the remaining share.

Shared ownership is one of the most affordable home ownership options. Other options are outlined at **HelptoBuy.gov.uk**.

If you buy a home through shared ownership:

- ▶ Your monthly mortgage and rent can work out cheaper than buying outright. Sometimes the costs of shared ownership are the same, or cheaper, than privately renting. It is a good idea to work out your own calculations and comparisons, depending on where you wish to live. An independent mortgage advisor (IMA) can help you work through these calculations.
- ▶ You can buy a larger share in the property at a later date (this is called 'staircasing'). You can either staircase all the way to 100% ownership in one go, or in stages. The more shares you buy, the less rent you pay. We will help you when you are ready to staircase.
- ▶ We will help you find a buyer for your home when you are ready to sell.

If you wish to own your home outright, we recommend you make plans early to buy more shares. In many cases, and depending on a number of factors, property prices have a tendency to rise at a more rapid rate than incomes; consequently, some shared owners who delay decisions to staircase become less likely to be able to afford extra shares as the price of these could rise outside of their affordability range. You don't have to staircase if you don't want to – the choice is yours, but if you want to, our advice is to plan early to make this happen. Talk to your independent mortgage advisor about your intentions and talk to us to find out more about how it works.

As a charitable housing association, Moat supports the development of mixed tenure communities and is proud to provide homes for affordable rent and shared ownership across the South East of England. We are here to guide you through the process and to help you find a suitable and affordable home.

Who is eligible and how to apply

In line with government priorities, priority for shared ownership homes is awarded to serving military personnel and former members of the British Armed Forces honourably discharged in the last two years. People who live or work in the local area also receive priority. We welcome applications from everyone and will try and help if we can.

To be eligible for shared ownership:

- ▶ You must be at least 18 years old.
- ▶ You cannot 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).
- ▶ You must be a first time buyer or existing shared owner*. If you already own a home and you need to move but cannot afford to, then please discuss your situation with us. There are some circumstances under which you could be eligible.

*If you have a property to sell, we are happy to accept your reservation provided that you have a complete and secure chain and are in a position to purchase a home within our required deadlines. We will ask you for a memorandum of sale confirming details of your buyer, their solicitors and the estate agent handling the sale.

How to apply

First of all have a look for a home that suits your needs. You may already have spotted one of our sales signs outside a new development. Details of the homes we have available for shared ownership sale are on our website. Visit moathomes.co.uk and follow us on Twitter [@loveloathomes](https://twitter.com/loveloathomes). Details of properties in London will be advertised at London.gov.uk/homes. You can search for properties on these websites and register your interest by clicking on the property details.



Getting a mortgage

A vital part of purchasing your own home is arranging the right type of mortgage. The mortgage advisors (MA) on Moat's panel are here to help and have been selected because of their high levels of customer service. IMAs on this panel are professionally qualified and will help you make the right choice so that you can afford to enjoy your new home into the future.

We will ask you to speak with one of the MAs on Moat's panel for an initial affordability assessment.

There are many different types of mortgages, offering varying terms and conditions. Moat staff are not authorised or qualified to provide you with financial or mortgage advice.

You will need savings for a mortgage deposit of at least 5% of the share value that you purchase (100% mortgages are not accepted). The higher your mortgage deposit, the more favourable your mortgage interest rate is likely to be. The maximum interest rate we will allow is 6%.

*If you require a longer term, your mortgage advisor will need to confirm the reasons for this in writing before Moat can approve your mortgage.

Important things to remember:

- ▶ You will need to take out a mortgage from a high street bank or building society to cover the cost of the share (minus your deposit). If you have sufficient cash or savings to purchase the share outright, please discuss your situation with us.
- ▶ We will require that you buy as much of the property as you can afford.
- ▶ The term of your mortgage should be for no more than 25 years*.
- ▶ Guarantors are not acceptable when purchasing through shared ownership.
- ▶ The type of mortgage you commit to must be a repayment mortgage. Interest only mortgage are not accepted.
- ▶ You will only be able to borrow money on your mortgage up to 95% of the value of the share you are buying.
- ▶ If you are purchasing in joint names, you must both be named on the mortgage to have shared rights and responsibilities for the property. If you are not named on the mortgage, you will not be named on the lease/transfer and you should seek legal advice regarding your rights.
- ▶ We cannot accept mortgage interest rates greater than 7%
- ▶ The maximum mortgage arrangement fee we can accept is £1,000

The costs of buying your home

Reservation deposit: £500

A £500 deposit secures a reservation of the property that you wish to buy, subject to our confirmation that you are eligible to proceed. At the point when your reservation deposit is taken, the price of the property is fixed and this will remain so with an expectation that you will exchange contracts within 33 days. This deposit is non-refundable if you withdraw but is deducted from the purchase price of the property upon completion.

Survey and mortgage arrangement fees

Your mortgage advisor will give you more information about the costs associated with the mortgage. Your lender will charge a fee for arranging your mortgage and also for a chartered surveyor to complete a valuation report. This varies depending on the mortgage option you choose. The mortgage arrangement fee can only be added to your mortgage if the total borrowing is less than the share value.

Solicitors' costs: up to £1200 (estimate)

Your solicitor will charge you a fee for their professional services. Usually you should expect to pay an amount up-front to enable your solicitor to proceed (approximately £200), with the remainder payable upon completion of the purchase.

Notice fees: £84-£120 per notice

Your solicitor will need to serve a legal Notice on Moat to confirm the change of ownership and to register your mortgage following completion. Additional fees may be payable to a managing agent.

Engrossment fees: £120-£180

The fee is charged by our solicitors to you for preparing the final version of the lease for signature.

Other fees

There may be other fees payable to third party managing agents or management companies dependent upon the type of development on which you are buying.

Stamp Duty Land Tax (SDLT)

This is a government tax that is payable when someone buys a property. Your solicitor will be able to tell you if the tax applies and if it does how much it will be. We are unable to give advice on stamp duty queries.

Exchange of contracts

Exchange of contracts is a key point of the process when you buy a property. It means that you are legally bound to purchase the property and Moat is legally bound to sell it to you.

Prior to exchange, you will need to ensure that you have signed your contracts and transferred your mortgage deposit to your solicitor in order for exchange to go ahead. Once contracts are exchanged, the sale is legally binding and a completion date will be agreed.

In some cases, exchange of contracts happens on the same day as you complete on the purchase. Your solicitor will need to have requested the mortgage funds in advance in order for this to happen. Sometimes, especially if you reserve off-plan, exchange will happen on a date well in advance of completion.

Rent on purchase completion

From the day your purchase completes you are responsible for paying your mortgage, rent and any service charges. You will need to pay for the remainder of the month in which you complete plus the following month in advance in your completion monies. Your solicitor will tell you the amounts. It is important to always pay your mortgage, rent and service charges on time or you risk losing your home.

Other costs

Other costs that you should consider include the cost of moving in (removals van, etc), broadband set up costs, connection fees for water, gas and electricity, Royal Mail redirection charges, contents insurance etc.



The purchase process

The buying process and timescales

You will need to read this booklet and return the signed declaration (back page of this booklet) within seven days of receiving it. We will not exchange contracts without a signed copy of the declaration on our records.

Prompt survey and mortgage application

Your mortgage lender will complete a number of checks on your application before sending a surveyor to assess the property. Please ensure that the lender receives all of the required documents from you in order to process your mortgage application and to ensure that you meet your exchange of contracts deadline. Once the mortgage lender is happy to approve your mortgage application and the valuation has been carried out, you will be sent a mortgage offer.

Mortgage expiry dates

Mortgage offers have an expiry date (typically six months) and this may expire before the property is ready for you to move in (for example if there are delays in the construction process). We call this the handover stage. If the mortgage offer expires before handover you may incur extra costs to renew it or have to apply for a new mortgage.

Mortgage valuations

The purchase price of your property must match the full market value stated in your mortgage offer. If your mortgage lender down-values the property, your mortgage advisor will work with Moat and your lender to try to resolve the matter. We may ask you to apply to a different lender.

If resolution cannot be achieved, your purchase may be cancelled and your reservation deposit will be refunded.

Mortgage offer approval

After the surveyor has completed their valuation report, the lender will issue a mortgage offer. Please forward a copy of your offer and valuation report to Moat. Your mortgage offer requires approval from us to ensure that it meets the requirements set out in the shared ownership lease and correctly reflects the details of the sale. If your mortgage offer is not approved, Moat is not liable for any costs you may incur associated with delays, the production of a revised mortgage offer, or cancellation of the sale. Mortgage advisors on Moat's panel are well placed to advise you in this regard.

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.

Buying off plan

If you are purchasing a property off plan (ie. a property which is not yet complete), the date at which the property is likely to be available will depend on the construction period. Delays can and do occur and we will always endeavour to update you as the build progresses. Moat is not be liable for any additional costs should any delays occur.

Pre-completion customer care

A Moat representative from our New Homes Customer Care Team will contact you prior to completion day to provide you with information about your new home and to explain the defects process. Please can you take the time to read the information as soon as this is received, as this will help you to understand how your home works before you move in.

Exchange and completion

If the property you are buying is ready for occupation, you can exchange contracts and complete on the same day, moving into your home all on the same day. If you wish to do this, please ensure that you advise your solicitor in advance so that arrangements can be made for it to happen.

If you are buying a property off-plan, our solicitors will serve 'Notice to Complete' on your solicitors as soon as the property is ready for you to move in. Completion must then be arranged within ten working days. Your solicitors will advise you of these arrangements.

We try to avoid completions on a Friday so that we are on hand to assist with any issues you may have once you have moved into your new home.

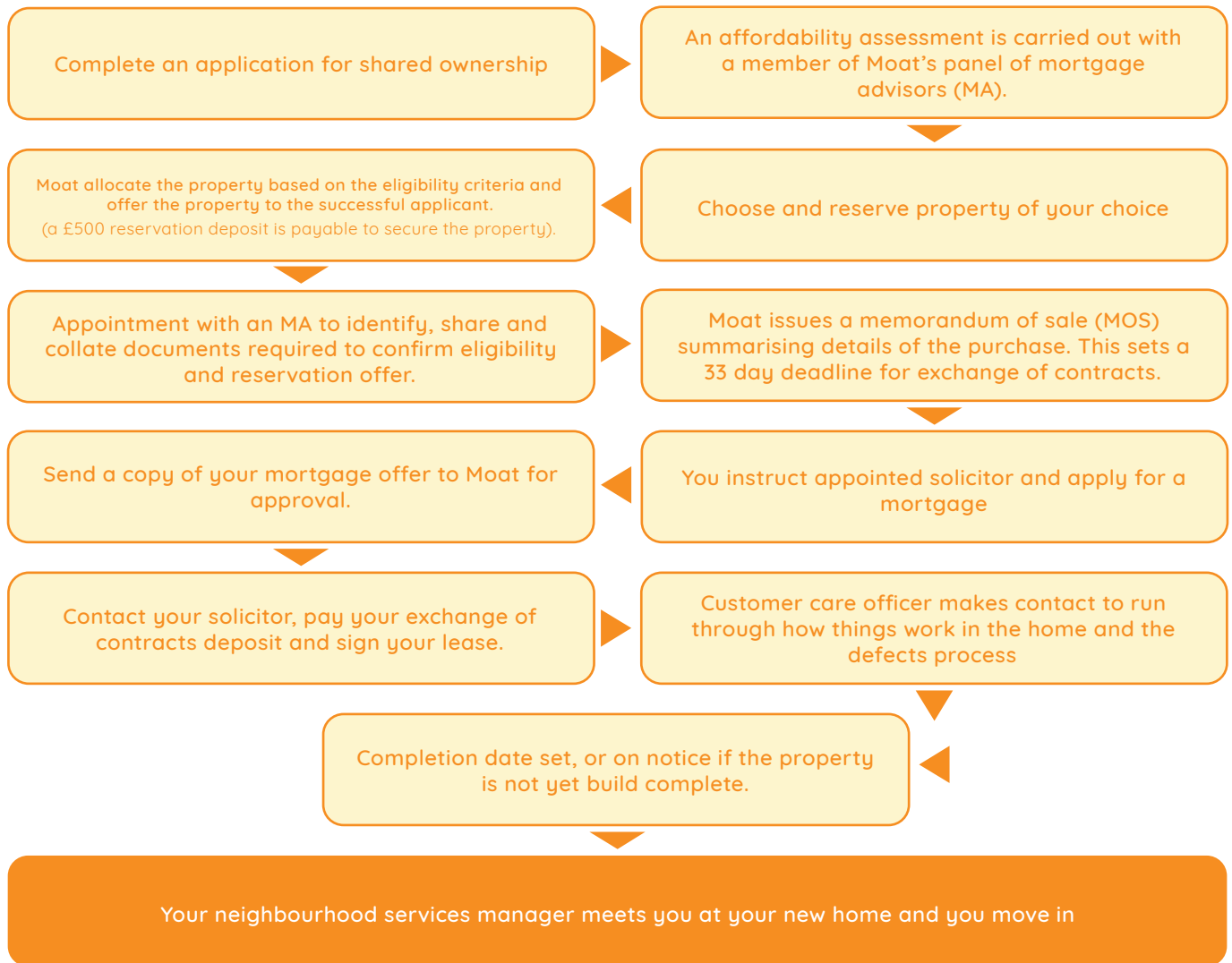
Completion day

Your solicitors will send Moat's solicitors all monies due on the day of completion. Once these monies are received your purchase is complete and you can move in.

Your Moat Neighbourhood Services Manager will welcome you at your new home normally around mid-afternoon (a specific time will be confirmed to you in advance). The keys to your new home will be handed over to you and, if necessary, they will do a final property check through with you. Any cracks, chips or scratches should be reported immediately otherwise we cannot be sure whether this type of damage occurred before or after you moved in. Defects of this nature that are not reported on the day of completion will be your own responsibility to put right and at your own cost.

Remember to contact the gas, electricity and water companies as well as the local council tax office and any other utilities you require, to let them know you have moved in.

The purchase process at a glance



Your responsibilities

Many of the responsibilities that come as part and parcel of owning a shared ownership home are no different to those that would apply if you buy a home on the private market. There are some differences, however, and it is important that you are aware of these.

Repairing and maintaining your home

Like any home owner, you are fully responsible for the day to day maintenance of your home. If you live in a house, it is your responsibility to keep both the interior and the exterior of your home in good repair.

If you live in an apartment, the freehold owner of the block is responsible for the maintenance of the common parts and the exterior of the building. The cost of any work will be passed on to you in your service charge payments. You are responsible for undertaking any maintenance or repairs to the inside of the apartment including any pipes, electrical wiring and glass in all windows and doors.

If you are purchasing a house, maintaining the doors, windows and window frames to your property is also your responsibility. Please note that any replacement of external doors and/or windows requires permission from Moat. Your lease will set out repair and maintenance responsibilities for your home in more detail. Please make sure you understand and accept these responsibilities before signing your lease.

If purchasing an apartment, the window frames or external doors may be the responsibility of the freeholder to repair or replace. Please check your lease to ensure you are clear on what your obligations are before signing.

If solar panels are installed at your house it is your responsibility to maintain them. Solar panels installed on communal roofs such as blocks of apartments will be the responsibility of the freeholder to maintain.

Pets

There are restrictions that prohibit you from keeping pets that need outdoor space (such as dogs and cats). Smaller pets in cages are usually not a concern, however you should check your lease to be certain about any restrictions. It is important that pets do not cause a nuisance to your neighbours. If complaints are received about a pet we can ask that the pet be removed from the property. If you have a pet, you must check with us that your pet will be allowed before proceeding.

Car parking

If the property has allocated parking, this will be defined in your lease. Please check with your solicitor which space(s) come with the property, if any. It is your responsibility to manage your allocated parking space. Should someone park in your space without permission, you should try to work out an amicable and mutually agreeable solution. Your lease should determine if you are also responsible for maintaining your allocated space and any areas surrounding your parking space. Some car parks may require an entry fob or parking permit and you should check whether this applies to you.

Gardens and open areas

If your new home has a private garden, then you are expected to look after it, keeping it clean and tidy. Any shared or communal areas will usually be maintained by a management company (this could be a Moat service). You and your neighbours are asked to keep these areas clean and tidy. Your service charges will include a charge relating to the upkeep and maintenance of any shared or communal areas.

Cleaning

The same applies to any internal areas that are shared with others, usually within blocks of flats or maisonettes, such as staircases, corridors etc. Either Moat, or a management company, will clean and maintain these communal areas. We expect you and your neighbours to keep these clean, tidy and free from items that may obstruct the way. Your service charges will include a charge for the upkeep and maintenance of these internal communal areas.

Rubbish

We do not supply rubbish bins. However, some local authorities do and you should check with your own council. If you do not have rubbish bins please ensure your rubbish is properly secured in strong polythene bags when disposing in communal refuse facilities. Please do not allow rubbish, which refuse collectors will not collect to accumulate in your home or garden. Bulk items such as cookers, fridges, and sofas should be taken to the nearest official rubbish tip or arrangements made with your local council to make a special collection (a small charge is usually made for this service).

Loft space

If your home has loft space, it will not be boarded out and therefore unsuitable for storing your belongings or for standing in. If you wish to use your loft space, it is up to you to make sure it is made safe before you do so.

If you purchase an apartment then there could be loft access where equipment relating to the block may be installed. This access is for contractors only and not safe or suitable for storage.

Satellite dishes

Most of Moat's new homes come with digital television capabilities fitted as standard. Individual satellite dishes are not usually permitted on apartment blocks although they may be permitted on the rear elevation of houses in some cases. Your solicitor will need to check the stipulations in the lease.

Permission for major building works

If you want to make any major changes to your home, such as building an extension, removing walls, changing kitchens, replacing doors and windows or adding a conservatory, you must ensure that you get permission from Moat before starting any work. If applicable, we will need to see planning consent/building regulations. Once works have been carried out, evidence will need to be provided, ie receipts, paid invoices.

Some improvements to your new home that add to its value are also taken into account in your favour when you staircase (buy more shares in the property). These improvements will need to be registered with Moat if you wish to benefit from them when staircasing. There will be an administration fee for this.

If you are purchasing an apartment and plan to install solid flooring, the lease may state that permission is required and adequate sound proofing may be needed. There will be other restrictions preventing you from carrying out certain types of works in an apartment. Cosmetic alterations such as decorating, carpeting/flooring, landscaping etc do not normally require consent as these are not considered to add substantial value and are unlikely to affect the value of the property when you staircase.

Lease (Title) amendments

We understand that situations change over time and this may require you to have amendments made to your lease. For example, if you bought the property with someone else and after a period the relationship

ended. Your lease should be amended to reflect changes of this nature.

Covenants

Restrictive covenants, contained within your lease, may relate to things like permission to keep pets, parking requirements or other restrictions that may apply to your home or neighbourhood. Please make sure you are aware of these and check with your solicitor for specific details.

Your lease is likely to include a covenant that restricts commercial vehicles being kept on your property, even in your own parking space. If you own a commercial vehicle, please ensure your solicitor checks the lease to determine the conditions. The parking of caravans and mobile homes is not allowed either.

Shared ownership – permission to sub-let your home

Shared ownership homes are provided (often with public subsidy) as a way of helping people in housing need to purchase a home they would otherwise not be able to afford. Sub-letting is not in the spirit of shared ownership and is not allowed except in very rare circumstances, defined as ‘exceptional’. We are duty bound to protect public funds and ensure that people allocated affordable homes are not benefiting from commercial gain.

Renting out your home through Airbnb (or similar) is considered a form of sub-letting and is not permitted.

If you sub-let your home without written agreement from Moat then you would be in breach of the terms

of your shared ownership lease. We will take action to ensure that the sub-let is terminated. Sub-letting without permission is very serious and, if we have to, we will take legal action and pursue this through the Courts. This could result in you losing your home. More information is available in the 'I'm a customer' section on our website moat.co.uk.

Shared ownership – taking in a lodger

The terms of your shared ownership lease do not stop you from taking in a paying guest or a lodger, provided that it is your main home and you are still living there.

Renting out a spare bedroom in your home through Airbnb (or similar) is considered the same as taking in a lodger/paying guest. Some head leases prohibit this so please check beforehand.

If you take in a lodger or paying guest, you should seek proper advice. Issuing a lodger or paying guest with any form of tenancy agreement could grant them legal rights of occupation and should not be done. Please tell us if you want to take in a lodger or a paying guest. You should also tell your mortgage lender, insurance companies, managing agent and local tax office.

A pleasant environment for your neighbourhood

We hope that you will enjoy living in your home and local community. It is appreciated that everyone has their own individual way of living. However, here are some tips and advice that you might find helpful:

Consideration for neighbours

Everyone has different tolerance levels for noise, be it music, late night noise or an individual's behaviour. We ask that our customers have consideration for their neighbours, especially those living in apartments or sharing access-ways. If you have difficulties, always try to have a friendly chat with your neighbour about it before approaching us.

Nuisance/harassment

We place obligations in your lease to promote good neighbourly relationships and to enable us to take action if someone causes or allows a serious nuisance to others. If you experience any serious nuisance (eg. unbearable noise, harassment, etc) you should:

- ▶ Try to approach the person responsible in a polite and reasonable manner if you feel it is safe to do so.
- ▶ Keep a log detailing dates, times and the nature of the nuisance.

You may also choose to discuss the matter with your Moat Neighbourhood Services Manager or to contact the police, your Citizens Advice Bureau, solicitor or your local council.

You are responsible for your visitors

The behaviour of people who visit your home is also your responsibility. Please make sure your visitors also respect the neighbourhood you live in.

Payments to Moat

Paying rent on your shared ownership home

The rent on the share that you have not purchased is subsidised and charged at around 3% (or less) of the share value. If you buy more shares in your home then the rent you pay reduces (although your mortgage payments may increase if you borrow more money to fund the staircasing).

Rent and service charges payable in advance

After you complete on your purchase we will contact you to set up your direct debit. Your monthly payment to Moat is broken down into rent, buildings insurance (if applicable) and service charges (if applicable).

You can make the payments on any day of the month. However, if you decide not to pay on the first day of each month, you will need to make two payments in the month after purchase, to ensure your rent account remains in credit.

Review of rent levels

The rent is reviewed annually and increases on the 1 April each year at the rate of the Retail Price Index (RPI) + 0.5%.

Rent arrears: don't risk losing your home!

Please contact us immediately if you think you may be facing financial difficulties. The sooner you let us know, the more options there are likely to be available to help you. It is important that you keep up your payments to Moat as well as your lender.

If you do not pay your rent, Moat can approach your mortgage lender for payment of the rent arrears. You will have to pay interest on any rent arrears. If non-payment persists you could lose your home.

Buildings insurance

Where Moat is the freeholder, we put in place buildings insurance. You are required to cover the cost of the buildings insurance which is usually included within your service charges. Insurance premiums can vary year on year and you will be notified of any changes. If you make a claim, an excess is payable; this is currently £200* for most claims and £1,000* for claims relating to subsidence. (*As at July 2017).

If in the future, you need to claim under the policy, please contact Moat who will put you in touch with the insurers. You will need to take out your own home contents insurance as this is not covered by Moat.

Service charges

Services charges are the charges you pay each month for the management services you receive in your new home and neighbourhood (estate).

In general terms, service charges are no different for shared ownership homes to any other similar homes that are bought privately. The fees you pay include the costs of, for example, cleaning and/or gardening of communal areas, maintaining and repairing lifts, etc. The more services you receive, the higher the charges.

We will provide you with information about the services and the fees for the home that you are buying.

Service charges vary depending on the nature of the development and the communal facilities that are provided either to a building or the estate grounds. They can apply to houses as well as to apartments. Some estates may have a managing agent that provides services with associated costs recharged to you.

We endeavour to apply the best known estimate for service charges at the time that a new development is handed over into management; however, the charges for the first year may increase in subsequent years due to warranties and guarantees expiring or due to contributions to reserve funds (funds put aside for future repairs or replacement items) being increased due to more detailed information becoming available.

Your service charge estimate is reviewed annually on the anniversary date indicated in your lease and not necessarily a year after you move in. This may mean that your charges change within the first year of occupation.

Once a year, the Moat's Service Charge Team compare the estimated and actual costs of providing the services and send you accounts detailing any variances. This usually happens in the September following the end of the accounting year (April to March). As a recipient of the services, you will have the right to question the reasonableness of the charges

as well as to request sight of invoices that support the actual costs.

At the point of this annual reconciliation of estimate service charges against actual costs, any excess charges that you may have paid will be credited to your Moat account. Conversely, any shortfalls identified at this point will require payment.

Your service charges may also include an amount each month contributing towards a future repair fund (also called the reserve fund or the sinking fund). This fund accumulates over a number of years and is kept towards replacing major items such as lifts, roofs or road re-surfacing works.

Combined heat and power (CHP)

Some leases contain provision to make payments to Moat for gas/heating costs – please check with your solicitor if this applies to your purchase. You may also be required to enter into a separate supplier agreement which your solicitor will confirm.

Newly built homes (less than one year old)

A lot of care and attention goes into making sure your new home is as beautiful as you would expect it to be. Our Moat teams take pride in ensuring that the new homes we provide are built to a high standard. We invest a lot of time and effort into overseeing the build process and also in ensuring that the specification items provided within your new home are of good quality.

Moat shared ownership homes are built to the same high standards as those constructed by house builders for private/open market sale. High standards are required for these homes to adhere to building regulations as well as planning conditions set by the local authorities.

Snagging

Moat will have snagged the property ahead of the completion date and there will be no opportunity for you to undertake any snagging at the property ahead of or after completion, this includes you appointing a professional to undertake any snagging on your behalf.

Construction defects and the defects period

There are checks in place to record items that may require fixing either just before, or after you move in. We call these items 'defects'. The period by which we would expect them all to be fixed is usually one year (this may vary from one builder to another) from the date when the builder hands over the property to Moat, this is called 'the defects liability period'.

A defect is a building flaw or failure that is the builders' responsibility to put right as it does not meet contractual standards in:

- ▶ Quality
- ▶ Workmanship
- ▶ Performance
- ▶ Design

Moat's dedicated New Homes Customer Care team is committed to working with you and with the house builder (the developer) to rectify construction defects.

See the declaration page at the back of this booklet for the defects liability period expiry date. It is important that you report any defects to the New Homes Customer Care team before this expiry date.

An inspection will take place just before the end of the defects period. It is important that you are available to attend this inspection as it is a chance to agree and finalise the list of items that may still require fixing. The developer (not Moat) is responsible for putting any agreed defects right at no extra cost to you. Our New Homes Customer Care team will monitor all the defects that you report to us and act as a liaison between yourself and the developer.

If you purchase a property after the defects period has expired, then you will accept responsibility for any defects that may remain unfixed. In other words, you will be buying the property 'as seen' in its existing condition and you will not benefit from any defects period.

Once the defects period expires, you can no longer make new claims through the defects process. The exception to this is called a latent defect: this is a fault that may be in a hidden place, and that could not have been discovered by a reasonably thorough inspection before you bought the property or before the end of the defects period.

Depending on their nature, latent defects may be covered by the warranty on your home.

Reporting defects to Moat

If any faults occur with the systems or fixtures and fittings installed in your home, once you have moved in, please report these faults to Moat's Customer Care team on 0300 323 0011 (Monday to Friday, 8am – 6pm). Alternatively, if the fault is not an emergency you can email these through to **defects@moat.co.uk**.

When you report a defect, we may ask you a series of questions to make sure it is a defect and not a repair. If it is a defect, we will, where possible, tell you how long it will take for the defect to be fixed. The developer who built your home will contact you to make arrangements to carry out the work.

Please do not report any defects to workmen who may still be on site where you live. We cannot guarantee that defects reported through any channels other than directly to Moat will be logged and managed properly.

Appointment dates/times to fix defects will be agreed with you. You may incur a fee if you do not turn up at the agreed date/time and the developer is unable to access your property to carry out the work.

Some defects may not be fixed until the end of the defects liability period when it is more appropriate or practical – this depends on the nature of the defect.

Putting defects right is a free service, but it is not a day to day repairs and maintenance or wear and tear service. Please make sure that when you report an issue as a defect, you describe the matter to Moat's team as clearly as you possibly can. If the developer attends to fix your defect and discovers that it is not actually a defect, you could be charged a fee to cover the associated costs. At the end of the defects period, we will contact you to ensure that the works have been completed to your satisfaction and to seek feedback from you regarding the service.

Building warranty

Your new home comes with a warranty for a given period from its build date. For most homes this is through Premier Guarantee (info@premierguarantee.co.uk) or the NHBC (nhbc.co.uk). A certificate detailing information on the warranty for your new home will be provided to you when you move in. This will include details of how to make a claim and the excess charge that you would have to pay if you do need to claim under the warranty.

Common issues in a new build home

All brand new homes require a period of 'bedding in' whilst the materials used to construct your home start to shrink and settle.

Cracks in walls and ceilings are commonplace in brand new homes and should not cause alarm to you. These cracks are not an indication of poor workmanship or poor quality construction. It normally takes a year or so for these to settle.

Any cracks in the walls or ceilings that are thin lines (hairline cracks) are your own responsibility to make good. We will monitor any substantial cracks and will confirm to you during your home's end of defects inspection what cracks the developer will put right.

It is more commonplace for cracks to appear between plasterboard and wood, for example, between the walls, the skirting boards and above doorways.

Floorboards and staircases may creak when you first move in. We would expect these to settle over the defects period.

Doors and windows may appear stiff to open and close at first. A degree of stiffness is quite normal and often rectifies itself over a short period of time. Applying lubricant to joints on a regular basis will minimise problems that can occur with windows and doors and form part of a good maintenance regime.

The effects of poor ventilation can also be detrimental to your new home, causing condensation on windows and mould or damp patches on walls and ceilings. This is not something that we can fix for you as it is not deemed a defect.

To avoid this, it is important that you ventilate your home, allowing fresh air to circulate around all its rooms. Use extractor fans where these are provided, particularly in bathrooms and kitchens. Drying wet clothes inside your home should be avoided as it is a common cause of mould, damp patches and condensation. Consider investing in a dehumidifier if you think you may need one.

Your appliances/white goods

The appliances in your kitchen as well as the washing machine (or washer/dryer) are provided brand new in most Moat new homes. We will provide user's manuals. Soon after you move in, you should complete the appliance manufacturers' registration cards to register the items and invoke the guarantees. If your new home has been vacant for a period before you move in, please make sure you ascertain whether the

guarantees have expired or not.

If a fault does occur with any of your appliances, you will need to contact the manufacturer direct to arrange for the fault to be rectified.

Be mindful of any appliances that require regular servicing in order to ensure they remain safe to use and to remain within warranty.

Heating system, boilers, ventilation systems, solar panels, gas and electricity

You will be given a user's manual for your heating/hot water system and any other utility services provided in your home. It is essential that you read and familiarise yourself with these.

Checks are carried out on your boiler before you move in. The date that your boiler will require its next service is shown on the declaration page at the back of this booklet.

If your home has a gas supply, you will be provided with a valid gas certificate. It is very important to have your gas supply checked properly at least once a year to make sure your home continues to be safe to live in – it is your responsibility to arrange this.

When you complete on your property, you become responsible for servicing and maintaining any of these items to ensure they are safe and functioning efficiently and properly. You should also make sure all electrical items in your home are safe.

TV and satellite services

In some Moat new homes, we provide connections to TV and satellite services. It is up to you to arrange to take out a contract with a service provider if you wish to.

Moat's role after you move in

Once your purchase is complete and you move into your new home, you begin to live there as a home owner. Your mortgage payments commence, as do your monthly payments of rent and service charges to Moat. You assume full responsibility to repair and maintain your home; Moat's role as your landlord differs to that of a landlord providing services to rented tenants because the rent you pay is a form of interest on the part of your home that Moat continues to own, and not a payment in return for landlord-related services.

Although we reserve a right to come and visit your home if we choose to, in most cases this is not something that we would necessarily do unless we wanted to carry out checks, for example to make sure you are living in the home and it is not being sub-let. In other words you move in and live in your home independently as a home owner.

Should any queries arise after your move in, please contact your Moat Neighbourhood Services Manager. You can do this via our Customer Contact Centre (details are on the contacts page of this guide).



Staircasing (buying more shares in your home)

Staircasing is the process by which you can increase the percentage share that you own in your home. Details of staircasing are provided to you within your shared ownership lease.

It is a good idea to make plans for staircasing at the time when you first buy your shared ownership home. Talk to your independent mortgage advisor about your plans and intentions. You can staircase by buying further shares in your property, with the amount you pay based on the market value of your property at the time you apply to staircase. The value is determined by an independent RICS (Royal Institution of Chartered Surveyors) qualified surveyor. As the share you own increases, your rent reduces proportionately. You can take your ownership up to the full 100% value of the home if you choose, and your lease allows, meaning you would then pay no rent. You would still be liable for service charges where applicable.

If you cannot afford to staircase up to 100% in one go, then think about staircasing in chunks and make longer term plans to achieve this. Talk to us and we'll explain how it works.

At Moat, we encourage home owners to increase the shares in their homes, so they can build a better future for themselves and their families. This is especially important as you approach retirement age if you are close to paying off your mortgage and wish to avoid paying rent out of your pension.

The more shares you buy, the less rent you pay – although your mortgage payments may increase for the period of the mortgage term. Service charge

payments and buildings insurance payments remain the same.

We recommend you make plans early to increase your shares to eventually own your home outright. Historically and generally-speaking, house prices have a tendency to rise at a more rapid rate than incomes; as a result, shared owners who delay decisions to staircase are less likely to be able to afford to buy extra shares in their homes as the price of these could be outside your affordability range.

If you sell your property within three months of staircasing to 100% ownership for more than the value that you staircased at, you will be required to pay Moat back its percentage of the increase in price. You will be liable to pay any associated costs, ie solicitors, surveyors, mortgage costs.

In some rare cases, it may not be possible to purchase more than 80% of your home due to local restrictions. Your solicitor would have made you aware of this when you purchased the property.

We are happy to discuss staircasing options with you at any time, with no commitment to proceed on your part. More information is available in the 'I'm a customer' section on our website moat.co.uk.

Improvements (taken into account on value)

If you wish to make improvements to your property, such as installing a new kitchen or bathroom, or replacing your windows with double glazing, you

will need our written permission before proceeding. Additionally, if you wish to make any structural alterations to your property, such as an extension or loft conversion, you will need to enter into a 'Licence for Alterations' with us, as well as seeking planning consent and/or building regulations from your local authority. Once the work has been completed, we can register these improvements on your file (you will need to provide us with copies of paid receipts/invoices, and relevant guarantees/consents). The added value of these improvements (not the actual cost of the works) can be taken into consideration if you later choose to purchase further shares in your property. You will not be repaid for the costs of your improvements.

When you apply to staircase, you must confirm whether you have made any improvements to your home. This would be improvements such as new fitted kitchen/bathroom, loft conversions, extensions and/or conservatories. General maintenance, repairs and decoration are not regarded as improvements. When your home is valued, the surveyor will identify the value of your home both with and without these improvements. The latter figure is then used to calculate the value of the additional shares.

Under the terms of your lease you are required to maintain your home in good condition. If the value of your home is less than it could be due to essential repairs, Moat's share will be calculated on the higher value (based on it being in good condition).

Improvements and alterations to your home - shared owners and leaseholders

By becoming a shared owner you sign up to a 'fully repairing lease'. This means you accept responsibility for all repairs and maintenance on the property as a condition of the purchase.

Administration fees apply for some services offered

Some additional services provided by Moat, such as registering improvements, obtaining a 'Licence for Alterations', staircasing, amendment of your lease, re-mortgaging etc, require you to pay a fee. This is because of the administrative work required and the changes to the legal documentation. Fees for any services that you require will be outlined to you at the start of the process.

More information about staircasing is available in the 'I'm a customer' section on our website [moat.co.uk](https://www.moat.co.uk).

Selling or transferring to another home

If you need to move to a different sized property or to another area, you will need to market your home for sale through Moat's Resales team for a period of one to two months, depending on your lease. Information about resales is available in the 'I'm a customer' section on our website moat.co.uk.

Moat's Resales team will offer your home to other people who are looking for affordable home ownership so that they buy your share from you.

Costs

A fee is payable when we sell your share in your home, which will be confirmed to you when you apply to sell. This is outlined within your lease and can be up to 1.5% of the full market value of your home plus VAT. You will also have some upfront costs which include a RICS valuation to determine your home's market value, and also the cost of an energy performance certificate if one has not been carried out within the last ten years. You will also need to appoint a solicitor to act on your behalf.

Valuation

When you sell your home, the price is based on the current market value at that time. This could have fallen or risen since your original purchase, depending on the property market conditions. Your property will be valued by a chartered surveyor (RICS), the cost of which you will be responsible for. Your property will then be sold for the current market value including any value that may have been added following improvements made. Please note that you will only

see the full benefit of your improvements when 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 the property is sold outright.

Apportionment of proceeds from the share

On completion, you will receive an apportionment of the value of the property, dependent on the share percentage that you own. For example, if you own 50% of your home and sell for £200,000, you will receive £100,000 (less any mortgage that is redeemed on completion and associated fees).

If Moat is unable to find a buyer for your share and you sell the property outright through an estate agent, you must sell for a minimum of the valuation price. If you sell for less, you will be required to meet the difference on Moat's share. If just your share is sold on the open market, Moat must approve the purchaser. Improvements you make to your property may or may not affect its resale value.

Applying to purchase again

If your circumstances change and your home no longer meets your needs, you can apply to purchase another shared ownership property. You will first need to complete an application to confirm that you meet the eligibility criteria. You need to demonstrate a need for the move, such as the need for an extra bedroom for an expanding family, or a need for a property with ground floor access for mobility needs. If you are assessed as eligible you can search for your new home and Moat's Resales team will assist you with selling your current home.

Further advances / re-mortgaging

If you wish to re-mortgage to another lender in the future, to gain a better rate of interest for example, you are only able to do this with Moat's consent, providing you are not borrowing more than the original mortgage amount. You are not able to consolidate debts into the mortgage.

Further advances are only agreed if they are to carry out essential repairs or maintenance that are not covered by buildings insurance or to buy out a joint leaseholder.

Always check with Moat before applying for any borrowing. Please bear in mind that if you miss any repayments for loans secured against your property, your home may be at risk.

The good news - help to spread the word

Occasionally purchasers are asked to help promote Moat's homes by taking part in case studies. This entails answering some questions and having photographs taken in your new home.

We use case studies for publicity in relevant housing magazines, for press releases and occasionally on our website. If you are willing to participate, please let us know and we will contact you.

Our commitment to you

Moat exists to provide a service to you, our customers as individuals and within communities. We always put our customers at the heart of everything we do - we take time to listen, so that the decisions we make are fair.

About Moat

Moat is a housing association working across South East England to provide high quality homes and services to around 20,000 homes. For over fifty years we have sought to help people in housing need to have somewhere they can call home; somewhere they can be proud of.

Our communities include people with varying tenures; we offer affordable homes for rent and we have a very strong focus on home ownership. For nearly three decades, we've developed homes for shared ownership to help people make their first move onto the property ladder. We encourage our shared owners to buy more equity in their homes to become leaseholders or freeholders, and we offer homes in supported and retirement living schemes for those with additional care needs.

Our ambition is to bring an end to housing need. We're determined to continue developing new homes while using our strong policy focus to give a voice to our customers, always striving to improve the services that we offer.

Contact us

Online

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.

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 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.





Moat Homes Limited is a charitable housing association.

Declaration

Please read this booklet, then complete and sign this declaration form and return it to us within seven days of receipt. The easiest way is to scan in your signed declaration and email it to your New Homes Officer or you can post it to us using the FREEPOST address.

- ▶ I/we* acknowledge that the information has been read and understood and I/we* understand the responsibilities that I/we* will be undertaking in reserving this property.
- ▶ I/we* confirm that I/we* have been informed of the defects liability period (if applicable).
- ▶ I/we* acknowledge that Moat will snag the property ahead of the completion date and there will be no opportunity for you or an appointed professional to undertake any snagging.
- ▶ I/we* confirm that I/we* understand that Moat is not liable for costs incurred should delays in the purchase (including build delays) occur.
- ▶ I/we* confirm that I/we* understand that if the sale does not proceed, I/we* will lose the £500 reservation deposit, as was explained to me/us at the time of making the reservation payment.
- ▶ I/we* confirm that Moat can liaise with my/our mortgage advisor or mortgage lender to aid my/our* purchase progress.
- ▶ I/we* confirm that Moat can liaise with the house builder/contractor and provide them with my/our* contact details to aid in resolving any defects.
- ▶ I/we* confirm that Moat can provide the utility suppliers for our new home with my/our* contact details - **YES / NO**
- ▶ I/we* am/are willing to take part in a case study with Moat for publicity purposes - **YES / NO***
- ▶ I/we* understand that the offer of purchase is made subject to contract

Your parking type is (please circle parking type):

Allocated - Right to park - First come, first served
No parking - Other

Your defects period expires on _____

The boiler service is due on _____

You have reserved this property off-plan: **YES / NO**

* Delete where applicable

Property address / reference

First applicant

Full name, block capitals please

Signed
Date

Second applicant

Full name, block capitals please

Signed
Date

No stamp
required

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