

*Definitions:

North Norfolk – North Norfolk District Council

Equity – The amount/share of the property owned (the buyer's deposit and mortgage combined).

Peppercorn Rent – A token rent of no monetary value.

Assignment – The sale and transfer of the property.

Assignment*

In the event that the owner of the shared equity lease (tenant) wishes to sell their shared equity lease, they have to give notice to the landlord (North Norfolk) first. The landlord can require the tenant to sell the property to a person nominated by the landlord. This enables North Norfolk to ensure that the property is owned by someone who qualifies for a shared equity property. Alternatively, North Norfolk can require the tenant to surrender the lease to them whereby the tenant would be paid a market value of their equity. If North Norfolk does not nominate a potential purchaser the tenant is then free to sell the property on the open market. All these provisions are standard for shared equity leases.

Staircasing Provisions

After owning the lease for at least 5 years, the tenant may buy the remainder of the equity in the property (all plots) at any point after 5 years or before 125 years. The full amount of the remaining equity has to be purchased in one transaction, not split over several. The remaining equity is valued and the tenant can decide whether or not they then wish to proceed with the purchase. Once they have purchased the remaining equity, they are then free to sell the property at full market value. At the time of staircasing the lease, the tenant can also acquire the freehold to the property in respect of plots 14, 15, 16, 17, 61, 62, 71, 72 and 74; and the freehold subject to the carport/garage leases and rights of access in respect of the apartments plots 58, 59, 67, 76, 77, 80 and 121.

Service Charge

The tenant is obliged to pay a service charge in respect of the costs of insuring the property (All homes, plots 14-17, 58, 59, 61, 62, 67, 71, 72, 74, 76, 77, 80 and 121) and maintaining and repairing the structural and common parts of the apartments (plots 58, 59, 76 and 77). Due to the fact that Norfolk Homes will not be the owner of the property after the shared equity lease has been granted, we do not have a budget of such costs. As the property will have been recently built, repair costs are unlikely to be high.

Carports/Garages

Many of the properties have carports or garages which are separate from the house or apartment. The carport/garage will be included within the shared equity lease.

At the time that Norfolk Homes transfer the freehold of the apartment to North Norfolk, they will be granted a 999 year lease of the carport/garage. Alternatively, it may be that a shared equity apartment is sold prior to the houses that will receive the carports/garages beneath that apartment. In this case, the freehold of the apartment and carport/garage will be transferred to North Norfolk who will simultaneously grant a lease back to Norfolk Homes of the carport/garage. This lease will then be transferred to the owner of the respective house when that house is sold.