

*Definitions:

Broadland Housing – Broadland Housing Association

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.

Tenure – Type of ownership.

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 (Broadland Housing) first. The landlord can require the tenant to sell the property to a person nominated by the landlord. This enables Broadland Housing to ensure that the property is owned by someone who qualifies for a shared equity property. Alternatively, Broadland Housing can require the tenant to surrender the lease to them whereby the tenant would be paid a market value of their equity. If Broadland Housing 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 plot 14, the freehold subject to the carport/garage leases and rights of access in respect of the apartments plots 15, 19, 20, 71, 92, 98, 121, 122, 125, 131-133 and 158 and the long lease (999 years) in respect of the apartments plots 10-13, 138 & 139.

Service Charge

The tenant is obliged to pay a service charge in respect of the costs of insuring the property and maintaining and repairing the structural and common parts of the apartments (plots 10-13, 138 & 139). A service charge budget will be produced.

Carports/Garages

The garage or carports will be included within the shared equity lease.

At the time that Norfolk Homes transfers the freehold of the apartments to plots 15, 19, 20, 71, 92, 98, 121, 122, 125, 131-133 and 158, the freehold will be subject to the 999 year leases granted for the other car ports and garages under the apartment, and not included in the ownership of the apartment above. These other car port and garage leases will be transferred to the owners of the respective home when that home is sold. Any purchaser acquiring the freehold to plots 15, 19, 20, 71, 92, 98, 121, 122, 125, 131-133 and 158 will become the landlord of the other car ports or garages under their apartment and will be responsible for insuring, maintaining the building and collecting any financial contributions from the owners of the car ports and garages below.



the low cost homes scheme

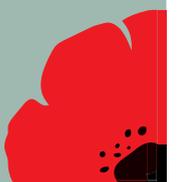


Manor Reach SPROWSTON



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Norfolk Homes



the low cost homes scheme

The following homes form part of the scheme:

Homes available on a 80% Shared Equity Tenure (except plot 14, The Nichols at 75%)

Plots 10 & 12 Salmon

1 bedroom ground floor apartment with allocated parking space

Plot 92 Peyton

1 bedroom first floor apartment with garage and parking space

Plot 131 Riley

2 bedroom first floor apartment with allocated parking spaces

Plot 15 Riley

2 bedroom first floor apartment with garage and parking space

Plot 20 Riley 'A'

2 bedroom first floor apartment with garage and parking space

Plot 98 Riley 'B'

2 bedroom first floor apartment with garage and parking space

Plots 121 & 122 Riley 'A'

2 bedroom first floor apartment with carport and parking space

Plots 11 & 13 Tarrant

2 bedroom first floor apartment with allocated parking spaces

Plots 71, 125 & 158 Atkinson

2 bedroom first floor apartment with garage and parking space

Plot 19 Atkinson 'A'

2 bedroom first floor apartment with garage and carport

Plot 132 Atkinson 'C' & Plot 133 Atkinson 'B'

2 bedroom first floor apartment with garage and parking space

Plots 138 & 139 Lucas

2 bedroom second floor apartment with allocated parking spaces

Plot 14 Nichols (75% Shared Equity Tenure)

3 bedroom end terrace house with garage and parking space



The Riley shown here.

The Atkinson 'A' shown on the front cover.

Details of homes sold on the Shared Equity* Scheme:

- This exciting new provision of low cost homes will give people who would not otherwise be able to afford an outright purchase the opportunity to buy a high quality new home.
- The homes will be built by Norfolk Homes to our usual high standard and will be externally indistinguishable in style.

What is a Shared Equity Property?

A Shared Equity Property is when the buyer purchases a share in the equity of a property and the remaining share of equity is owned by a separate person or organisation. The buyer can purchase the initial share with the aid of a mortgage and upon completion is granted a 125 year lease on the property. During the course of that lease, the buyer does not have to pay any form of rent on the remaining share of equity, whereas they would, had it been a shared ownership property.

If the buyer wants to sell the property, they are free to do so, but would only receive the market value of the share they own. The buyer has the opportunity to purchase the remaining share of equity in the property, but only after a period of 5 years of owning the initial share. This is known as "staircasing".

How will the homes be sold?

Norfolk Homes will be selling the shared equity lease to the individual buyers and drafts of the leases have already been agreed with Broadland Housing Association, the owners of the remaining share of equity, in respect of both apartments and house (plot 14).

The Company's Solicitors, will deal with the granting of the shared equity leases to buyers and so will be issuing contract documents in the usual manner. On the date of legal completion of the sale of the shared equity lease to the buyer, completion of a transfer of the freehold or long lease of the property to Broadland Housing will take place. Therefore, Broadland Housing will be your landlord upon legal completion of the property. Under the terms of the agreement with Broadland Housing, 21 days notice must be served on them of the date it is intended to complete the sale of the shared equity lease. As a result, there will have to be a period of at least 21 days between exchange of contracts and legal completion.

Who qualifies for a shared equity property?

Prospective buyers must earn less than £60,000 (sixty thousand pounds) per household per annum and the property to be purchased must be their sole residence and they must not own any other property.

Terms of the shared equity lease

The shared equity leases are based very closely on the Housing and Communities Agency Model Shared Ownership Lease which have been approved by the Council of Mortgage Lenders. The lease will be for a term of 125 years at a peppercorn* rent.