

AFTER YOU HAVE RESERVED

Guidance Note

This document can be made available in braille or in large print, and is also available on the website where it can easily be viewed in larger print. Please contact us at sales@hightownha.org.uk to request an alternative version of the document.

I have submitted my application form – what happens next?

Once we have reviewed your application form we may make a formal offer to you for the property. This involves the following steps.

Getting a Mortgage	
Choosing an IFA	Your Independent Financial Advisor will handle the mortgage process. You may seek mortgage advice from one of our panel of Independent Financial Advisors (who we believe to provide a reliable and effective service), or obtain advice from other sources. Any advice provided by our panel of Independent Financial Advisors is provided without obligation (they are <u>not</u> employed) by Hightown.
Making a mortgage application	You will need to make a full mortgage application as soon as possible. Please check that your mortgage application contains the correct property address and your full name/s matching your ID passport/birth certificate.
Valuation	<p>The mortgage lender needs to be sure of the value of the property, in order to approve your mortgage. To do this the lender will appoint a surveyor to provide a mortgage valuation, which you'll need to pay for. The lender will contact our sales team directly to arrange an appointment for the valuation.</p> <p>The surveyor will send a copy of the valuation report to your mortgage lender who, if they are happy with the report and your application, will send the mortgage offer directly to you and your solicitor.</p>
Mortgage offer	Once you have received your mortgage offer please forward a copy to our sales advisor at Hightown, so that we can carry out the approval and consent paperwork that your solicitor will require. Your lender will not proceed without this.
Next steps	Once we have issued your <u>Memorandum of sale</u> (which contains all the information agreed for your purchase) and approved the mortgage offer we will instruct our solicitors to draw up legal papers and confirm the date for exchange of contracts.
Instructing a Solicitor or Conveyancer	
Finding a solicitor	Everyone who buys a home needs a solicitor to carry out the necessary legal work (conveyancing). Your application form will ask you for details of the solicitor you want to use to carry out your conveyancing. It is really important you have chosen the right solicitor. They should have experience with shared ownership sales. It is also important that they are on your lenders approved panel of solicitors - check with your IFA if you are unsure. If you have instructed a solicitor that is not on the panel you will have to withdraw and instruct another solicitor. This will delay your sale and you may incur unnecessary fees.

	<p>Hightown has a panel of solicitors who are experienced in shared ownership and charge a competitive fixed rate. If you use one of our recommended panel solicitors you are likely to save both time and money.</p> <p>Remember your relationship is with your solicitor and not Hightown. Your solicitor is working on your behalf and they will be reporting directly to you, not Hightown.</p>
Keeping in touch	<p>It is important that throughout the legal process you keep in close contact with both us and your solicitors. Shared ownership properties are in high demand and delays beyond the exchange deadline can result in your offer being withdrawn.</p> <p>We suggest that you speak with your solicitor on a weekly basis to ensure they are working on your file and to avoid any unnecessary delays which may hold up your sale.</p> <p>If you are going to be on holiday or not available during the course of the sales process please ensure you inform your solicitor.</p>
Role of your solicitor	<p>Your solicitor will handle the legal process on your behalf. They will:</p> <ul style="list-style-type: none"> ➤ conduct the searches ➤ check the contract pack and lease that will be sent from our solicitors. ➤ explain your obligations to Hightown under the lease and Hightown's obligations to you under the lease ➤ check your mortgage offer ➤ raise enquiries
Searches	<p>Please be aware that searches can take up to 6 weeks to be carried out. You must pay for these when you instruct your solicitor so that they can raise the searches immediately to avoid delay.</p>
The Lease	
What is the lease?	<p>In order to purchase a shared ownership interest in the property, you will need to sign a shared ownership lease document. This is a legal agreement between you, the purchaser, and Hightown, the seller.</p> <p>The lease:</p> <ul style="list-style-type: none"> ➤ proves that you part own the property under shared ownership and sets out all the conditions that apply to you; and ➤ outlines what we must do as the landlord and you must do as the leaseholder. <p>You will need to ask your solicitor for an explanation of the terms and conditions of the lease, which should be done before you sign and exchange contracts for the property.</p>
Length of lease	<p>You should ask your solicitor to confirm the length of your lease. The length of the lease is generally 125 years from a set date.</p>

Responsibilities under the lease	The lease contains general conditions which include the landlord's (Hightown) and the leaseholder's (your) responsibilities. For example, it states that you must pay your rent and service charge on the first of each month. If you do not pay, you are in breach of this term of the lease and can be taken to court for non-payment.
Mortgagee protection clause	An important clause in the lease is the "mortgagee protection clause". This enables the mortgage lender to recoup all its monies from Hightown in the event that you were to default on the mortgage payments and they had to repossess and sell your property. If this were to happen, Hightown would have the right to claim the amount it has to pay due to your default from you directly.
Lease plan	The lease will include a lease plan which shows (marked in red) the area that you are buying.
Parking	You will not have any entitlement to park in the development unless you are buying a space and this is referred to in your reservation. Parking may be available on surrounding public roads but Hightown cannot guarantee that this will remain available and that parking restrictions will not be introduced.
Exchange of Contracts	
What does 'exchange of contracts' mean?	"Exchange of contracts" means signing the legal paperwork to purchase your property. Please note that the sale will not be finalised until completion, which will generally not be the same date as exchange of contracts.
Deadlines	You will be expected to exchange contracts within 28 days from the date the contracts have been sent to your solicitors. You will need to ensure that your mortgage deposit money will be available by this date to send to your solicitor. If you don't exchange contracts before this 28 day deadline, we reserve the right to revalue your property and adjust the purchase price accordingly.
Handover dates	Where you are buying a new build which has not yet been completed and handed over to Hightown, you will be expected to exchange contracts before properties are handed over and ready for occupation. In such a case, a 10 day notice will be issued for you to complete (this is known as " exchanging with completion on notice ").
Authorising your solicitor	You will need to verbally give your solicitor the authority to exchange contracts on the day of exchange. Please ensure that you are available for this to be carried out.
Timeframe for completion	You will have 5–10 working days after the 28-day exchange deadline in order to complete the sale.
Completion	
Properties reserved prior to build completion	For properties reserved prior to build completion, exchange <u>must</u> take place with completion on notice. We will keep you updated with the progress of the build however you must be aware that delays can occur so we advise no arrangements for moving should be made

	<p>until you have been given notice in respect of handover and a completion date has been agreed by us and your solicitor.</p> <p>Whilst we will be sympathetic to requests for a specific completion date we cannot guarantee these dates until the builders have handed the properties over to us as complete.</p> <p>If you are renting, Hightown cannot advise you when to hand in your notice, this is something you will need to discuss with your landlord and make appropriate arrangements.</p>
<p>Completion funds</p>	<p>Your lender should make arrangements for the completion funds to be sent to our account on completion day. Hightown's solicitors will confirm when the completion funds are received in our account and when completion has taken place.</p> <p>Please note we will not be able to pass the keys of the property over to you until we receive confirmation of funds arriving in our account. It should be noted that any delay in the monies being transferred may mean that we cannot handover the keys on the day of completion.</p>
<p>Completion statement</p>	<p>Our solicitor will forward the completion statement to your solicitor which will give you a full breakdown of all the costs relating to your purchase, including the reservation fee that you have paid which will be deducted from the purchase price.</p>
<p>Receiving the keys</p>	<p>The keys are only released to you once Hightowns' solicitors have confirmed that the completion monies have been received. The sales team will call you once we have received this confirmation and to arrange a time to meet you at the property. They will then give you the keys to your new home and a welcome pack which includes full details of the property, insurances, guarantees, and maintenance repair and management services.</p> <p>Appointments will be carried out between 10am – 4.30pm. Please make arrangements to be available between these times. If you are unable to attend on the completion day, you must nominate a person to attend in your place, as we are unable to hold onto keys once the sale has completed.</p> <p>Please be aware that it can take time for money to work its way through the banking system. We cannot guarantee that it will be possible to release keys in the morning on the day of completion.</p> <p>Please do not arrange any deliveries to the property on the completion day, we cannot guarantee in advance what time we will be able to meet you to hand over the keys.</p>
<p>Direct debit form</p>	<p>You will need to complete a direct debit form for rent and service charge payments and return it to the sales team. This will be emailed to you before completion and you will need to provide a copy to the sales advisor at your key handover meeting.</p>

Making changes to your property	
Defects period	<p>Teething problems with new homes are not unusual. Defects are faults due to poor workmanship, performance or design. Quality of finish is not a defect. You will be provided with more detailed information on what is and is not a defect upon completion of your purchase.</p> <p>If you identify any defects in your property please let us know as soon as possible. During the first year after your property was built (which may not be the first anniversary of you moving in) your builder is responsible for putting defects right. This is known as the 'defects period'.</p> <p>At the end of the defects period there will be an inspection with the builders, a representative from our development team and yourself to inspect the property and ensure that any defects / repairs are signed off. After the visit all future repairs including the maintenance and servicing of your boiler if applicable will be your responsibility.</p>
Making changes to your property in the defects period	<p>When you move in you are able to put up curtain tracks, blinds, shelves, mirrors and televisions (please ensure you use the correct fixings).</p> <p>However, any other changes to your property should be left until the end of the defects period unless we agree otherwise. This is because if you make a change to your property during the defects period the builder can avoid responsibility for any defects.</p> <p>For instance, you should not to paint or wallpaper until after the end of the defects period. Please avoid changing any fixtures or fittings during your defects period, e.g. light fittings.</p>
Making changes to your property after the defects period	<p>After the end of the defects period you may change fixtures and fittings, paint and wallpaper your property and make changes such as installing a new kitchen or bathroom.</p>
Structural changes to the property	<p>If you want to carry out any structural improvements or alterations to your home you will need to get our written permission. Please contact your Home Ownership Officer for more information.</p>
Repairs and maintenance	<p>You will be responsible for any wear and tear during the defects period, as well as any repairs and maintenance in your new home after the first year of it being built.</p> <p>If you are buying a house, you will have responsibility for all repairs and decorations to the property you are purchasing and for a proportion of the cost of maintaining any communal areas.</p> <p>If you are purchasing an apartment, Hightown or in some cases the managing agent has responsibility for repairs to the common areas and the structure of the building. However, the cost of repairs will be charged back to you through the service charge. All repairs to the flat are your responsibility.</p>

	<p>A full definition of the division of responsibilities is contained in the lease. The amount of equity you purchase does not affect the division of responsibilities.</p> <p>Please note, the property is sold as seen and the initiative is with you as the purchaser to satisfy yourself as to its condition. Hightown cannot be held responsible for any repair works.</p> <p>However, please note the guidance above about defects identified in the defects period.</p>
Other Considerations	
New Home Warranty	<p>Your property will come with a new a new home warranty (issued by NHBC, or similar) which is a 10 or 12 year guarantee on the structure of the building. The warranty starts from the date of issue of the certificate and not your completion date.</p> <p>We will send the certificate to your solicitor. Please ensure that you receive these documents, as they are very important. You will also receive a booklet on the day of completion explaining the guarantee certificate in more detail.</p> <p>You may have heard of the Consumer Code for Home Builders, which is the code NHBC and other new build warranty providers require their builders to sign up to ensure buyers are treated fairly and given reliable information. Hightown has its own standards but as it is not a registered builder the code does not apply.</p>
Utilities	<p>On the completion day we will meet with you and provide you with the current utility provider information, account and serial numbers and take meter readings. On completion day or shortly after you must contact the utility companies with the reading taken on completion to transfer the accounts to you. For gas and electricity supplies we would suggest that you use comparison websites to find the supplier who can provide the best deal for you.</p> <p>It will then be your responsibility to set your accounts up, please note you are not tied to the current gas and electric provider. We are not able to provide this information before the completion day.</p>
Buildings and contents insurance	<p>Whilst you are a shared owner, your service charge covers buildings insurance. We do not provide contents insurance cover and strongly recommend that you ensure you have sufficient separate cover for your possessions.</p>
Council tax	<p>On or shortly after the completion day you should also contact the Council Tax office to register. Full details of contacts are provided in your handover pack.</p>
Appliances	<p>All guarantees on appliances will be available on completion and usually last for 12 months from handover (provided you register the guarantees on moving in). If the appliance is faulty, you will need to contact the manufacturer not Hightown.</p>

Satellite dishes	<p>If you are purchasing an apartment there will be provision for a communal satellite dish. Under no circumstances will you be able to put up your own satellite dish.</p> <p>If you are a purchasing a house after you have completed your purchase you will need to contact your homeownership officer before erecting a satellite dish.</p>
Pets	<p>If you live in a property without access to a private garden, we will not give permission for you to keep dogs or cats unless there is an exceptional circumstance.</p>
Resales	<p>Once you have completed the purchase you may sell your interest in the property back to Hightown Homes through a procedure known as a "resale". Your lease will give Hightown Homes an 8 week period to nominate a buyer to purchase your share in the property, and will detail the fees you will need to payable to Hightown in return. After the 8 week period if Hightown Homes are unable to find a buyer you will be able to sell your home in the normal way. Please note you will need to contact the homeownership team when you wish to sell your property.</p>
Staircasing (buy more shares)	<p>Once you have completed the purchase you may wish in the future to staircase (buy more shares). The more shares you own, the less rent you will pay. You will buy a further or final share based at the property value at the time of you wishing to make that change. There will be valuation fees, admin fees and solicitor and mortgage costs when wishing to buy more shares. The minimum share you can purchase is 10% and in most cases as long as your lease allows you can staircase up to the full 100% value of the property. Please note you will need to contact the homeownership team when you wish to staircase.</p> <p>Information on staircasing can be found here</p>

Queries / problems

Whilst you are proceeding with the purchase of your property there may be times when you need help and advice. Please do not hesitate to call or email your sales advisor who will be only too pleased to assist with any query, no matter how small it may seem. If your sales advisor is not available please contact Hightown on 01442 292381.

If, after you have completed your purchase, you find yourself unable to pay the rent due, it is most important that you contact the Home Ownership team immediately. We will endeavour to reach an agreement with you about repayment of the arrears and offer advice and assistance wherever possible.

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