

DUNEDIN CANMORE

GROUP

Ethical • Commitment • Excellence

Sharing Owners Handbook



**Leaders in Building Communities
where People Choose to Live**



Contents

Introduction	1
Rights & Responsibilities	1
Moving into a Brand New Property	4
Moving House and Selling Your Share	4
Changes in Your Household.....	6
Buying Further Shares.....	7
Changes Within Your Home	7
Service Improvements	8
Advice and Assistance.....	8
Your Housing Costs.....	9
Property Maintenance.....	10
Energy Advice	10
Insurance.....	11
Glossary of Terms	12
Useful Contacts	13

Introduction

The legal documents that you have signed to become a sharing owner are lengthy and may contain legal phrases that you are not familiar with. We have developed this handbook to help make the information more clear and easy to understand and hope you will find it helps to clearly explain your rights and responsibilities. If you have any questions regarding your tenure or would like to discuss anything further, please contact our Customer Services Centre and our staff will be happy to provide you with assistance.

However, we cannot stress strongly enough that when you become a sharing owner you are making a serious legal commitment. Your solicitor should give you legal advice on the nature of the agreement you are entering into. It is your responsibility to make sure you know and understand the contents and responsibilities of your Occupancy Agreement. Sharing Owners have a different type of legal agreement from our 'social housing' tenants and it is important that you are aware of the differences between the two types of tenure.

All information or guidance in this handbook is only for purposes of giving a general background to the services we provide for sharing owners and all matters requiring legal clarification are covered in your Occupancy Agreement with Dunedin Canmore and ultimately this will be where any final clarification of rights and responsibilities will be determined.

Rights & Responsibilities

When you purchased the share in your home it was a condition of the sale that you enter into an Occupancy Agreement, which was signed by you and the Association. This document sets out the rights and responsibilities of both parties and details the Occupancy Charge that you are due to pay the Association.

The Occupancy Agreement is for a period of 20 years. Basically the Occupancy Agreement envisages either the Sharing Owner or the Association buying out the other party's interest at the end of the 20 year period. However, at the end of this period you may enter into an entirely new agreement with the Association for a further period, by signing a new occupancy agreement or by arranging for a joint sale of the property.

The table over the page shows how responsibility for the repairs and maintenance is divided between you as Sharing Owner and the Association.

If you have any questions about repair and maintenance responsibilities, please contact our Customer Service Centre staff on **0131 478 8888**.

Repair Responsibilities of Resident and Association

	The Sharing Owner	Dunedin Canmore	Comments
Defect liability faults occurring within the first 12 months of a newly built property		✓	During the first 12 months after handover of properties – irrespective of when the home is purchased, the original contractors responsible for building the homes are responsible for most of the defects or minor repairing issues which arise. During this time, repairs or defects should be reported to the Association in the normal way, but responses are prioritised by the contractor and may on occasion take longer than expected or not be completed until the end of the defect liability period.
All repairs within the flat/house	✓		The Shared Ownership Occupancy Agreement specifies the repairing responsibilities of either party. Notwithstanding the Association’s partial ownership of the property, the Sharing Owners are responsible for all internal repairs and decoration.
Minor communal repairs in flatted developments only		✓	These matters are addressed by the association. Sharing Owners pay via their Occupancy Charge and Service Charge a small annual fee to address the repair of communal facilities such as entry phones, TV aerials, door closers and gutter cleaning.
Buildings insurance		✓	Buildings insurance (concerning the fabric of the property including common areas) is provided to sharing owners via the association. Details about insurance cover can be found in your handbook.
Household contents insurance	✓		Occupiers of Shared Ownership Housing are responsible for organising their own contents or personal insurance.
Decoration within the flat/house	✓		Sharing Owners are wholly responsible for decoration within their own homes.
Maintenance of door entry system		✓	Where communal door entry or security systems exist, the maintenance, repair and eventual replacement of such systems are paid for from services charges which constitute part of the Occupancy Charge
Maintenance of communal aerials		✓	Where communal TV aerials operate, the cost of repair, servicing or replacement is met from service charges paid by Sharing Owners as part of their monthly charges.
Decoration in communal areas		✓	Is the responsibility of the Association – and takes place as part of a planned cycle.
In flatted properties: stair walls, stair doors (inside and out), stair windows (inside and out) front doors (external) and external windows		✓	The Association will also undertake external window painting, roof inspections and rhone cleaning on a 5 yearly cycle.

Repair Responsibilities of Resident and Association

Maintenance of communal landscaped areas		✓	Dunedin Canmore is responsible and Sharing Owners pay a charge for the maintenance of communal open space. Private gardens and their maintenance are the exclusive responsibility of Sharing Owners.
Stair cleaning (where applicable)		✓	In most common stairs the Association provides a common stair cleaning service
Disposal of household refuse	✓		Is the responsibility of the householder
Private garden maintenance	✓		Where private or designated gardens exist, their maintenance is wholly the responsibility of the Sharing Owner
Alterations within the property	✓		Although in accordance with the provisions of the Occupancy Agreement, any alterations must receive the approval and meet the standards of the Association before commencing. Alterations do not include household decoration but rather situations like installation of a new kitchen or bathroom, gas central heating or the building of a conservatory.
Servicing of appliances and facilities	✓		Sharing Owners are responsible for the servicing and maintenance of extractor fans, electrical goods supplied as part of the sale and gas appliances. We strongly recommend that Sharing Owners have their gas boilers serviced by a competent and professionally qualified gas engineer at least annually.
Windows	✓		With the exception of common stair windows, all windows, glazing and mechanisms are the responsibility of the sharing owner. Sharing Owners should ensure windows are serviced regularly. Information can be provided by the Association.
Burst pipes, hot water vessels and tanks	✓		Unless located within common areas, the repair of pipes and water tanks are the responsibility of the Sharing Owner. Such repairs can be notified to and would normally be eligible for assistance via the building insurer.

This is indicative information and the specific responsibilities may vary between different schemes. Please check your occupancy agreement and title deeds to confirm responsibilities.

Moving into a Brand New Property

If you are the **first person** to occupy a new property, you should be aware that the maintenance procedures are slightly different during the first 12 months after completion of the property.

Firstly, prior to moving in, the Association inspected the property and issued a report to the developer listing any faults or items that required attention. These items have now been rectified by the developer. Any damaged fixtures or fittings which are reported after this inspection will be presumed to have been damaged after you moved in and the Association will therefore not take responsibility for them.

Moving House and Selling Your Share

Moving house when you are a sharing owner means selling your share. No matter how quickly this happens it will normally take longer than giving up a rented house and you should bear this in mind if you are planning to move.

Please note that selling shares in houses is a legal process: you will require a solicitor to represent your interests, and you will have to pay for their advice and assistance.

You must let us know, in writing, first if you wish to sell

You cannot conclude a sale without the Association's permission. Three options

are available, at the Association's discretion:

- The Association may buy back your share, but only in special circumstances
- The Association may permit your share to be sold to another person, or
- The whole property is sold by joint agreement

The options are summarised below and there are set procedures for selling your share and detailed guidance notes are available from your Housing Officer.

Selling your share to a new sharing owner

This is the option preferred by the Association. If we know there are people looking for shared ownership housing in your area we will facilitate sales by sharing information with prospective purchasers. We may also ask you to advertise your property. Once you have found someone to buy your share they must apply to the Association, if they do not meet our current criteria we are entitled to reject the proposed sale.

Please note that you must meet any marketing costs incurred in the sale of the share. You would also be responsible for negotiating with any potential purchaser the price to be paid for your share, date of entry and any inclusions in the sale.

Selling your share to the Association

Dunedin Canmore Housing also has the first option to buy back your share. After you have informed us you wish to sell we will write back within 28 days to let you

know whether or not we wish to buy your share back. Please note that we will only buy back in certain special cases, such as the following:

- Where advertising does not elicit an interest in shared ownership
- Where a current sharing owner is affected by violence or harassment or develops an illness or disability which makes their current home unsuitable
- Where the sharing owner dies

Selling the Property with Joint Agreement

If there is no interest in buying your share and the Association itself does not wish to purchase it, then we may in exceptional circumstances agree to the whole property being sold.

If you have to move home and need to sell your property, you have to continue to pay the occupancy charge until the property is sold.

Your written notice of intention to move should be addressed to your Housing Officer, who will then advise you of the next step.

The 20 year rule

The Exclusive Occupancy Agreement that you enter into with Dunedin Canmore is initially for a 20 year period although you will have the opportunity to extend provided certain technical legal issues can be satisfactory overcome.

The overall process is outlined in the Application Form for Shared Ownership but the process of sharing owners having to complete 'outright ownership' within 20 years or the association to either buy back the property or the landlord sell the property and divide the proceeds has been changed by the Scottish Government in recent years.

The main points in this process at the end of the 20 year period are as follows:

If the owner buys outright

- The property is independently valued
- Current sharing owner purchases Association's share, buying and owning the property outright (each part meet their own legal costs)
- Recognition is made of any modernisations undertaken by the sharing owner
- Any outstanding debts are reflected in the sales process
- Factoring/management arrangements remain in place and are to be paid by the owner

If the Association buys back the share

- The property is independently valued
- Current sharing owner vacates property
- Sales proceeds are divided proportionally between the parties
- Property sold independently on open market



- New owner purchases on open market basis and pays on-going management and factoring fees

If the existing Occupancy Agreement is extended

- The sharing owner is notified
- Independent legal advice is sought
- Sharing owner suggests by how much they would like the occupancy agreement to be extended by
- Both parties meet their own legal and registration costs

The recommended guidance for sharing owners is as follows:

- The association writes to each sharing owner at least 12 months prior to the 'lease termination'
- A standard letter is provided by the Scottish Housing Regulator
- Copies of current Occupancy Agreement provided for all parties
- Any other information is available from our Customer Service Centre

Changes in Your Household

If there is a change in your household composition – for example if you are joint sharing owners and one of you intends to leave, or has left - you should inform your Housing Officer.

If you have reached an agreement about who is to stay in your house you may wish to legally separate your interest in

your shared ownership property. You will need to make sure that both your lender and the Association have no objections to this change. We would wish to speak to whichever of you wishes to become the sole sharing owner, so that we can be sure that as a single person you will continue to meet the required criteria.

Once all parties are agreeable we will arrange a Minute of Agreement to be drafted by your solicitors. This legal document transfers interest to the proposed sole sharing owner. You will need to pay for the costs of preparing this Minute of Agreement. Your lender may also require you to amend legal documents to separate joint interests in your loan or mortgage.

If there is a dispute as to who wishes to stay in the property the Association cannot get involved and you must resolve this matter before any changes are agreed. If necessary, you may both have to take legal advice.

Requesting a change to your Occupancy Agreement

Should you request a change to your Occupancy Agreement for example, due to relationship breakdown, change of name due to marriage or transferring ownership of share to another family member, you will be responsible for paying the costs incurred in making these changes to the agreement.

Buying Further Shares

Sharing owners can buy further shares in their homes in 25% blocks. You are not limited to buying 25% at a time. You can if you wish buy a multiple of 25% or purchase the property outright. However you can only buy an additional share if it is at least 12 months since you last bought a share in your property.

If you wish to proceed, you must advise us in writing. We will arrange for an independent valuer to value your house. They will undertake a market valuation and the cost of the valuation will be charged to you. We will then write to you to let you know the outcome of the valuation, and the cost of the share you wish to purchase.

If the valuation is acceptable to you, and provided you can secure finance to buy the additional share, you should then write to the Association to inform us that you wish to proceed with the purchase. We will then instruct our solicitor to proceed with the sale of the share. You pay your own legal costs and the Association pays for its legal costs. Once the sale has concluded, we will adjust the rent you pay to reflect the reduction of our percentage share in the property.

If you purchase 100% share you retain a liability to contribute towards the upkeep of common areas, communal repairs, buildings insurance and a proportion of the Association's management expenses for as long as you remain in that property. Future

owners will also be liable for these charges.

Our Customer Service Centre will issue you with details of these charges (Factoring Charges) and you will receive a quarterly invoice.

Changes within Your Home

Lodgers

You must ask for written permission to take in a lodger. Apart from our permission, you may also require permission from your mortgage lender, if you have one.

Leasing

If you are to be away from the house for a short time you may decide to rent it out to someone else.

Approval will be given on condition that we receive a letter from your lender (if applicable) giving their consent and you must provide, for approval a copy of the tenancy agreement which is to be used.

This must be a Short Assured Tenancy agreement.

The period of any sublet and of any subsequent Short Assured tenancy is to be no greater than 6 months, although this may be renewed. You must also notify the Association of an address and telephone number where you can be contacted during the period of sublet.



Running a business from your home

Generally, planning requirements and conditions attached to your house are likely to prohibit you from running a business from your home. However, if you want to work from home, and could do so without disturbing your neighbours, it may be possible to get permission for your business. You should also inform your Mortgage lender and your insurance company. For further information you should contact the Association to arrange an appointment to discuss the matter with your Housing Officer.

Service Improvements

We aim to get things right first time. However, despite our best intentions and efforts, we acknowledge that from time to time people may be unhappy with the way we have dealt with an issue.

We want to know about this so we can put it right promptly and informally and make sure it doesn't happen again. If you are dissatisfied with our services, you can make a complaint.

You can raise a complaint with any member of staff, who will try to resolve your complaint straight away. The person dealing with the complaint will want to know:

- What should have happened?
- What did happen?
- What led to any identified problem?
- What can be done to resolve the problem?

We hope to be able to deal with all complaints and problems in this way and improve our services by identifying the causes of the issues raised and making sure they don't happen again.

If for any reason your complaint cannot be dealt with straight away, we will make sure that the matter is fully investigated by a member of our service improvement team and a satisfactory solution achieved as quickly as possible.

Advice and Assistance

Although you will not receive the same housing management service provided to tenants, our **Customer Service Centre Staff** will be more than happy to assist in the following areas:

- Advice on occupancy payments and assisting with any temporary difficulties you may have paying on time
- Giving you advice on your rights and obligations under the Occupancy Agreement
- Clarifying all service charge payments and the service you receive for these charges
- Administration and advice on moving house and selling your share in your home
- Administration and advice on buying additional shares in your home
- Advice on how to deal with neighbour problems

Customer Service contact details:
0131 478 8888

customer.service@dunedincanmore.org.uk

Help with Neighbour Problems

If you should encounter problems with a neighbour, you should first of all try speaking to them to make them aware of the matter. This will usually resolve the problem.

However, if it continues, contact our Customer Services Centre for advice. They will then arrange for a member of staff to contact the person concerned and try to resolve the issue. If the problem is a simple disagreement between the two parties the association may offer mediation to direct you both to an independent mediation service.

If the matter is a more serious one, where one of the parties concerned is in breach of their occupancy agreement (or tenancy agreement in the case of tenants in mixed schemes), then the Association may consider legal action to repossess its property.

Your Housing Costs

Your housing costs will normally be made up of two payments. An Occupancy Payment (payment to the Association for services and the exclusive occupancy of the property) and a payment to your bank or building society for the mortgage or loan you have on your house. If you have purchased a share without a mortgage then you are liable for the Occupancy charge only. The amount you pay to the Association depends on the percentages of your share of the property and takes into account that you have responsibility for paying for repairs within the property.

The Occupancy Payment is due monthly in advance, on the first calendar day of each month. A breakdown of the various elements of your Occupancy Payment is included in the Occupancy Agreement. The preferred method of payment is by Direct Debit. Forms are available from our Customer Service Team.

Your Occupancy Payment is reviewed annually. You will be given at least four weeks advance notice of any proposed change and will have the right to appeal against it.

What Happens if You Don't Pay

Non-payment of charges laid out in your Occupancy Agreement is a serious matter and could lead to the loss of your home. A co-operation agreement obliges the Association and your mortgage lender to act together if you fall behind either with the mortgage repayments or with the Occupancy Payment.

If a sharing owner keeps up to date with mortgage payments but allows arrears of their Occupancy Payment to build up, we would inform the lender of the situation. They would be compelled to join us in taking action – including legal action – to force a sale or repossess a property.

How to Get Help

If you fall into difficulty with payments contact your Housing Officer or one of the Customer Service Centre Staff immediately.

Arrangements may be made for you to pay off what you owe in regular manageable amounts. These amounts will depend on how much you owe and your household income.

If you are experiencing financial difficulties – for example as the result of a drop in your household income – our Welfare Rights Team may be able to help. You can contact them on 0131 478 8888 or ask our Customer Service Centre Staff to make a referral.

Please remember that neither the Association nor your lender wish to see anyone lose their home. If you are falling into debt please contact us as soon as possible. You will find that our staff are genuinely keen to help and advise and if it is not left too late, the problem can usually be sorted out.

Property Maintenance

If you have an issue regarding maintenance you should first of all check to find out whether it is your responsibility or is included as part of the Association's factoring service. There is a guide to help you on Pages 2 and 3 of this handbook.

If you establish that the issue is one for the Association, you should contact our Customer Service Centre by telephoning **0131 478 8888**

The lines are open from:

Monday, Tuesday & Thursday
8.30am to 5pm

Wednesday 10am to 5pm

Friday 8.30am to 4pm

By email:

customer.services@dunedincanmore.org.uk

Office opening times are:

Monday, Tuesday & Thursday
9.00am to 5.00pm
Wednesday 10.00am to 5.00pm
Friday 9.00am to 4.00pm

Alterations and Improvements

Before you carry out any alterations or improvements to the property you should complete an application form, available from reception or by calling our Customer Service Centre on 0131 478 8888.

An information leaflet about upgrading your property is also available at our offices on request. The Association may refuse, grant or apply certain conditions to any proposed alterations, but permission will not be unreasonably withheld.



Energy Advice

Your home is probably the most important and the largest investment you will make. You will want to ensure that you and your family can live comfortably and keep your home warm without having to pay fuel bills that you cannot afford.

There are free sources of advice and funding available to help home owners like you to keep your home warm, dry and



in good condition but also to keep your energy cost down.

For more information and help on heating your home, you can visit Home Energy Scotland website:

<http://www.greenerscotland.org/warm-homes>. If you prefer to speak to someone over the telephone, there is a free telephone number: 0808 808 2282.

This website will provide you with lots of resources for energy advice, tips to save energy, potential funding to improve energy efficiency of your home, and support that you may be entitled to.. You can also request a Home Energy Check that could save you up to £250 a year on energy bills.

Grants and getting help

There are organisations that can help with home maintenance and all sorts of grants and special offers are available for energy efficiency improvements, so it is worth checking if you are eligible before starting work.

For more information, call Changeworks on: **0131 555 4010**

Or email:

energyadvice@changeworks.org.uk

If you live in Edinburgh and are over 60 years old, or have a disability, Care and Repair Edinburgh may be able to carry out maintenance work for the cost of the materials only.

Call Care and Repair on: **0131 220 7630**

Insurance

The Association is responsible for insuring the buildings. Sharing Owners must contribute towards the Buildings Insurance, as specified in the Occupancy Agreement. Your Housing Officer can tell you what amount of your Occupancy Payment will go towards insurance.

The Association will insure and keep insured the property for the full reinstatement value under a comprehensive policy and can produce a certificate from the insurers stating for what sum the property is insured.

This means you do not have to arrange your own Buildings Insurance.

In addition, Dunedin Canmore Housing Association will provide you with claim forms should you need to make a claim. This is then forwarded directly to the Insurance Brokers (Farr Insurance).

At the time of writing, an excess of £100 applies but the Association has the right to vary this amount.

The Association will record the fact that application forms have been dispatched but take no part in the claim process or the resolution of claims unless rented property is directly affected or the Association has a public liability responsibility.

If you need to contact anybody from FARR to discuss our insurance arrangements then their contact details are as follows:

- **Account management queries**
Steve Higgins 01245 341 224
- **Claims queries**
Dean Connor 01245 341 218
- **Cover queries**
Julia Barber 01245 341 237

Please note that as before, DCG is still responsible for the first £500 of any property claim so it is very important that we continue to do all we can to minimise these losses.

Contents Insurance

For your own peace of mind, we strongly recommend you take out adequate insurance for the contents of your property. Dunedin Canmore does not insure the contents of your home.

The Scottish Federation of Housing Associations has an insurance service that offers discounted rates to tenants and sharing owners. For more information or to request a leaflet about the scheme please contact our Customer Service Centre.

Glossary of Terms

Conclusion of Missives

The point where the property sale becomes binding. This is when an offer has been made and accepted, normally between your solicitor and the other party's solicitor.

Co-operation Agreement

This is an agreement between the Association and your mortgage lender. Basically, the Agreement obliges the Association to co-operate should the lender wish to take legal action in the case of default by the sharing owner and vice versa.

Date of Entry

The date when the sale of the share is completed. The money is handed over in exchange for the keys and the Occupancy Agreement applies from this date.

Deed of Conditions

Sets out the conditions attached to the development, irrespective of tenure. Typical clauses cover the common areas, factoring arrangements, parking of caravans and commercial vehicles and the height of hedges/fences, etc.

Disposition

Details the exact extent of the property being sold and the identity of the purchaser.

Equity

The total value of your share, less the amount of the mortgage. For example, if your 25% share is worth £40,000 and you have a mortgage of £35,000, equity on the share is £5,000.



Missives

Is the legal name for the binding contract letters between buyer and seller. The missives regulate the conditions of the transaction, including the price, the entry date and the granting of Title. Once missives are exchanged, the **missives are concluded** and the parties are committed to the contract and if a party breaks the contract they will be liable for any loss incurred by the other party.

Mortgage

A loan to buy a property or a share of a property. The property acts as security for the loan and so can be repossessed and sold if the mortgage repayments are not made.

Occupancy Agreement

Details the rights, interests and obligations of the proprietors. It covers who has the right to occupy, payment for occupancy, maintenance responsibilities of proprietors.

Standard Security

The legal term for a loan secured on heritable property in Scotland.

Staircasing

Buying further shares in your home in 25% blocks. This is available any time after the first anniversary of purchase. You can purchase 25%, 50% or all of the remaining share. You cannot increase ownership more than once in any twelve months.

Useful Contacts

Dunedin Canmore

Customer Service Centre **0131 478 8888**

customer.service@dunedincanmore.org.uk

Utilities

Gas Leaks
TRANSCO **0800 111999**

Scottish Power
Emergency Service **0845 2727999**

Scottish Water **0845 6008855**

CLARENCE
(street lighting, highways, drainage etc.)
Freephone **0800 232323**

Local Authorities

For Council services such as building control, refuse disposal, bulky uplifts, environmental health, noise complaints, social work, education, etc.:

Edinburgh Council **0131 200 2000**

Fife Council **03451 55 00 00**

East Lothian Council **01620 827827**

West Lothian Council **01506 7770000**

Midlothian: **0131 270 7500**

Stirling Council **0845 277 7000**



DUNEDIN CANMORE HOUSING LTD

Scottish Charity No. SC034572
Industrial & Provident Society 1823R(S)
Registered with the Scottish Housing Regulator. HAL 116
A Member of the Scottish Federation of Housing Associations

8 New Mart Road, Edinburgh EH14 1RL
Tel: 0131-478 8888 Fax: 0131-624 5766
www.dunedincanmore.org.uk