

# Your new lease

Issued September 2017

# ■ Introduction

We are committed to building the better homes that current Lambeth residents need, plus more new homes to help tackle Lambeth's housing crisis.

No one at Lambeth underestimates the stress that building works or moving to temporary accommodation while we regenerate an estate could cause. We want to help. We will give you all the information and support you will need to make the best choice for you and your family's future. Our Key Guarantees are an essential part of this and mean that:

- Every council tenant will be able to move to a brand-new home at council level rent
- Affordable options will be provided to assist resident homeowners to stay on the estate
- All secure tenants and homeowners will have the opportunity to be involved in shaping the masterplan for each new estate

Homes for Lambeth will offer new leases for new homes on the new estate. We understand how important the lease is to resident homeowners. We want to know what you think about the draft and how we can improve it.

We have already talked with your Independent Resident Advisors. We have paid for them to get independent legal advice on the new leases. We have included most of their recommendations. You can see this in the new draft leases. You can also read this independent advice on the link below:

[estateregeneration.lambeth.gov.uk/lease](http://estateregeneration.lambeth.gov.uk/lease)

Copies of the advice are available in each estate's engagement hub if you don't have access to the internet.

## ■ Homes for Lambeth and your new lease

Your lease agreement for your new home will be with Homes for Lambeth, not the council. Homes for Lambeth is a new group of companies wholly owned by the council. It will build homes at council rent, intermediate rent and market rent levels, with options for long tenancies and stable rents.

Homes for Lambeth will sell and rent some homes at market rates. This will pay for new and better homes, and allow the council through Homes for Lambeth to reinvest the 15-20% development surplus (money that private developers normally make) back into more affordable housing.

The structure of Homes for Lambeth puts its governance firmly within the council's democratic structures. All decisions made by the council's cabinet will be based on recommendations from a new 'Ownership and Stewardship' panel made up of 4 cabinet members and a tenant. Cabinet decisions will also be subject to the normal checks and balances of the council's constitution.

Each new estate can set up its own Tenants and Residents Association (TRA), which can engage with the estate's housing management services supplier.

## ■ Service charges

All homeowners pay service charges for the upkeep of communal spaces, gardens, lifts, caretaking, repairs, landscaping, and lighting. The service charges for leaseholders are set specifically for the estate the leaseholder lives on. (Unlike service charges for tenants, which are averaged across the borough.)

Homes for Lambeth will also set your service charges based on the costs of maintaining the estate you live on. It is likely that your service charge will contain one part for the wider estate and the second part specific to the building where you live. Your service charges will be listed as a separate item in bills so you can see the costs.

We will be able to estimate the level of service charges for each estate when design work reaches an advanced stage. These will remain estimates until we have completed the design for each part of an estate, finalised the leases and selected a future housing management provider for the estate.

# ■ Having your say on your new lease

There will be different types of lease. The type of lease you hold will depend on the option you take up. These three options (laid out in the Key Guarantees) are:

**A** Leasehold, buying a home outright

**B** Zero Rent shared ownership

**C** With Rent shared ownership

All three kinds of lease are derived from the current 'Right To Buy' lease that you have. This is still the case if it was not you who originally bought your home from the council. The additional clauses required for shared ownership are based on the standard Homes and Communities Agency standard shared ownership lease, to make these new leases as acceptable as possible to mortgage providers. You can see additional information on this on the link below:

[www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership](http://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership)

Copies are available in each estate's engagement hub if you don't have access to the internet. Copies of the three different leases, which highlight the changes can found at: [estateregeneration.lambeth.gov.uk/leases](http://estateregeneration.lambeth.gov.uk/leases)

Copies can also be found at your estates engagement hub. You can also get in touch with your local Independent Resident Adviser, who will have copies. To have your say please read the summary of changes below and use the boxes to have your say and please return it to:

FREEPOST PLUS RTTG-SZLT-RCZJ

Have your say – leases

C/O Consultation and Engagement Team

Third Floor

Olive Morris House

Brixton Hill

London SW2 1RD

Or in the Freeport envelop in this mailing.

You can also complete the survey online at [estateregeneration.lambeth.gov.uk/lease](http://estateregeneration.lambeth.gov.uk/lease)

**All feedback will need to be received by 5pm on the 3rd November 2017.**

# Summary of the new leases

## 1. Subletting

We propose to introduce a clause which prohibits paying holiday guests, such as those booking through AirBnB. This is because of the disruption that such guests can cause to other residents, including damage to communal areas as suitcases bash into walls, excessive noise at night etc. We are also considering adding a clause which would require leaseholders to offer the flat to Homes for Lambeth for letting through its own lettings company before subletting directly by other means. There would be no obligation to accept HfL's offer, which would be made at a competitive rate. This would help the Council meet housing need. We also think we should add new clauses requiring anyone subletting to let Homes for Lambeth know details (name, age, sex, etc) of those who they are subletting to, to provide Homes for Lambeth with a copy of the tenancy agreement, and to obtain necessary landlord insurance.

**Do you have any views on this?**

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## 2. Flooring

The current lease requires leaseholders to cover floors with suitable material to stop the transmission of noise. The tenancy agreement is more specific and generally bans the use of laminate flooring other than on the ground floor. We propose to do the same in new leases. Should laminate flooring also be prohibited for shared ownership and leasehold flats?

**Should laminate flooring also be prohibited for shared ownership and leasehold flats?**

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### 3. Pets

In the current lease, the only restriction is that domestic pets should be kept under control. The tenancy agreement goes much further, requiring written permission for keeping dogs, and gives details of when and why permission is unlikely to be granted.

**Should the lease be updated with the same restrictions on pets as the tenancy agreement?**

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### 4. Lease term

Your new lease term will be for 125 years from the date of grant of the lease. Unless you or the previous owner have extended your current lease, your current lease will be 125 years minus the number of years since the Right to Buy was first exercised.

**Do you have any views on this?**

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### 5. Ground rent.

Your ground rent remains at £10 / year for the duration of the lease.

**Do you have any views on this?**

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## 6. Reserve fund.

The new lease allows for the creation of a reserve fund to cover future costs. Homes for Lambeth will be responsible for making contributions to the reserve fund (and service charges) for void (empty) properties.

**Do you have any views on this?**

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## 7. Repair obligations.

These remain generally the same, although Homes for Lambeth will be responsible for all window repairs and for your front door. This is because the modern construction of the windows will mean that replacement of window glazing would be difficult for individuals. We want Homes for Lambeth to be responsible for front doors for fire safety reasons. Leaseholders will not be responsible for the maintenance of the 'heat exchanger' within their property.

**Do you have any views on this?**

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## 8. Alterations.

External alterations are prohibited, and the lease has been strengthened about carrying out internal alterations without permission. Alterations must not be carried out without landlord permission, and even then only between 9-5 Monday to Friday.

**Do you have any views on this?**

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## 9. Insurance.

The lease now clarifies that insurance costs can be calculated based on numbers of bedrooms. This mirrors the way that insurance companies apportion costs.

**Do you have any views on this?**

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## 10. Property Access

The new lease still includes the general provision that Homes for Lambeth can access the property within 48 hours with written notice or without notice in case of emergency. New clauses have been added to allow emergency access where it is believed that the property is the source of damage to adjoining premises (eg, flooding)

**Do you have any views on this?**

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## 11. Disputes

This clause makes Homes for Lambeth responsible for settling disputes between residents (where appropriate). This reflects the current lease where the council resolves disputes. The independent legal review suggested that we might consider an independent arbiter but in our view this would be an expensive approach.

**Do you have any views on this?**

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## 12. Permission to park trade and other vehicles

This is currently prohibited in the existing lease, but to bring the terms in line with those in the tenancy agreement, the lease will be amended to allow the parking of such vehicles subject to permission from Homes for Lambeth.

**Do you have any views on this?**

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## 13. Miscellaneous obligations

The new lease firms up several miscellaneous obligations including:

- A requirement to do any works or actions as directed by local or national authority (such as where an abatement notice has been served)
- Leaseholders cannot allow others to act against the terms of the lease
- Liabilities for costs, expenses etc. have been clarified
- Clarifying the requirement to pay service charges

- Not to or permit any form of harassment or intimidation of any other person, including Homes for Lambeth’s staff and contractors
- Clarifying that the flat is for single occupancy – i.e. not split up for different households
- The location plan on the lease will show garden areas and fences

**Do you have any views on this?**

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**14. Rent on un-owned share**

Where rent is payable, the lease confirms that this is limited to either Homes for Lambeth’s borrowing costs or 2.75% of the amount borrowed in order to pay off your mortgage on your existing home, whichever is lower.

This rent charge is fixed at the point you purchase your flat, and will only be varied if you ‘staircase’ up, i.e. buy an additional share of your home. Obviously, if you have a ‘Zero Rent’ lease, staircasing has no effect on the rent you pay on the unacquired percentage, which stays at zero.

**Do you have any views on this?**

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## 15. Service Charges

Shared owners are responsible for 100% of service charges, regardless of the proportion of the flat that they own.

**Do you have any views on this?**

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## 16. Protection from losing your home

Your agreement is regulated by the Housing Act 1988 and can only be brought to an end in accordance with the Act. This gives you the ‘protection of the Housing Act 1988’. So long as you continue to occupy the property as your only or principal home, Homes for Lambeth can only bring your lease to an end by relying on one or more grounds for possession in the act. This protection is further strengthened contractually. Homes for Lambeth’s automatic right to possession in the case of rent arrears, grounds 8 and 11 in the Act is excluded. Possession can only be granted further to a court order.

**Do you have any views on this?**

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## 17. Improvements

As a shared owner, you should not carry out improvements to the flat without permission until you have finally staircased to outright ownership. The value of any improvements you make will not be considered during any valuation for staircasing purposes.

**Do you have any views on this?**

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## 18. Sub-letting

Shared owners, whether on a 'With rent' or 'Zero rent' lease, cannot sub-let the whole property. Sub-letting is prohibited by the Housing Act 1988. The HCA model lease prohibits sub-letting. We are offering shared ownership to allow existing residents to continue living on the estates. If current leaseholders wish to have the flexibility to sub-let, to allow them to work abroad or for other reasons, shared ownership is not appropriate and it is recommended that leaseholders look to buy a home outright on the estate or elsewhere.

**Do you have any views on this?**

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## 19. Selling / Passing on your shared-ownership property

You will need to let Homes for Lambeth know if you want to move. Homes for Lambeth will either buy your share from you or agree for the home to be sold on the open market. When you die, you will be able to pass on your 'Zero Rent' or 'With-Rent' shared ownership lease to your spouse, civil partner or your children who has been living with you for more than a year at the time of your death.

**Do you have any views on this?**

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## 20. Mortgagee protection

The new draft lease includes mortgagee protection so that mortgage indemnity insurance is not required and to encourage banks and building societies to lend to shared owners,

**Do you have any views on this?**

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**Do you have any other comments on the new leases you would like to make? Please specify the number of the clause your comment relates to where possible.**

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## ■ More ways to have your say

You can attend an event on your estate and talk to your local estate regeneration team. Information on these events can be found at:

[estateregeneration.lambeth.gov.uk/events](http://estateregeneration.lambeth.gov.uk/events)

You can also go and see your local independent resident adviser and tell them your views. They will pass on your comments. Their contact details are available via:

[estateregeneration.lambeth.gov.uk/estates](http://estateregeneration.lambeth.gov.uk/estates)

or by going to your estates engagement hub. You can give feedback about this issue on the webpage itself, or at the hub if you would prefer.

**All feedback will need to be received by 5pm on the 3rd November 2017.**

### Spanish

Si desea esta información en otro idioma,  
rogamos nos llame al 020 7926 1369

### Portuguese

Se desejar esta informação noutro idioma  
é favor telefonar para 020 7926 1369

### French

Si vous souhaitez ces informations dans une autre  
langue veuillez nous contacter au 020 7926 1369

### Bengali

এই তথ্য অন্য কোনো ভাষায় আপনার প্রয়োজন  
হলে অনুগ্রহ করে ফোন করুন 020 7926 1369

### Somali

Haddii aad jeclaan lahayd in aad warbixintan ku hesho luqad  
kale, fadlan annaga nagala soo xiriir lambarka 020 7926 1369

### Polish

Aby otrzymać niniejsze informacje w innej wersji językowej,  
prosimy o kontakt pod numerem 020 7926 1369

■ **W:** [estateregeneration.lambeth.gov.uk](http://estateregeneration.lambeth.gov.uk)

■ **E:** [estateregeneration@lambeth.gov.uk](mailto:estateregeneration@lambeth.gov.uk)

■ **T:** 020 7926 1369