

Selling your OPSO (Older Persons Shared Ownership) Home

Selling your OPSO home is known as a resale. A new lease is not drawn up when you sell, instead you 'assign' (sell) the remaining term of lease, the rights that you have to occupy the apartment and the responsibilities of the lease to the buyer. In effect the new leaseholder 'steps into your shoes'.

We have produced this guidance to help you to understand the process that will need to be followed when you sell your home and how we will assist you in doing so.

When selling your home, you must advise us of your intention to sell by e-mail or in writing, to the following address.

Rapport Housing & Care
The Old Wharf
Station Road
Cuxton, Rochester
Kent
ME2 1AB

Kelly-Anne.Coster@rapporthc.co.uk

We will acknowledge your notice within 5 working days and provide a nominated contact who will be your main contact with Rapport Housing & Care (RHC) throughout this process.

Marketing Your Home

As confirmed in your lease, RHC will market your home for a maximum of 8 weeks from the time we have your approval, and all the documentation we need, to commence marketing. We will market your home, approve applications from potential buyers, allocate a buyer, liaise with all parties and progress the sale to completion. We will charge a sale/marketing fee for this with this based on 1% of the share value being sold. Upon confirmation of your intention to sell we will require payment of £350, which is non-refundable and will be used to cover our costs of advertising including preparing sales information. This sum will be deducted from the sale/marketing fee if a sale is secured.

If in the event that we have been unsuccessful in finding a buyer for your home in the 8 week period, you will have the opportunity to instruct an estate agent to market your property, paying their fee for the service they provide, or you may decide to continue marketing your home solely through RHC. Alternatively, you may opt to have both an estate agent and RHC marketing your home at the same time. Irrespective of who sells your home, it must be sold at what is known as a 'Red Book' valuation price, further information about which is detailed below.

Resale properties originally sold under a new build affordable home ownership scheme require any potential purchaser to meet the affordable home requirements for

a resale home as set out by HM Government (Homes England). Any potential purchaser will need to be assessed by RHC irrespective of who markets the property to comply with Government requirements

Whilst your apartment is on the market you must continue to pay all the outgoings associated with the property including the service charges as confirmed in the lease. This is the case even if the apartment is not occupied. Any service charge arrears that are due to RHC must be cleared before the completion of the sale.

What are the Costs Involved in Selling Your Home?

As with all property sales, you will have expenses to pay. Therefore, before deciding to sell your home it is worth investigating the full costs involved and considering carefully if and when to market your property. The estimated costs that you will have to pay are summarised in the table below and further information follows.

Description	Cost
Sale/Marketing Fee (Payable to RHC)	1% of the share value - please note that on instruction RHC require payment of £350 which is non-refundable-however the sum will be deducted from the sale/marketing fee if a sale is secured (see above and Marketing Your Home section below)
Valuation Fee	Estimated cost £500 to £1,000 plus VAT to be paid directly to your nominated valuer
Your Legal Fees	We suggest you obtain a number of estimates including one from the solicitor who acted for you originally
RHC's Legal Fees	Estimated cost £450 - £550 plus VAT payable to RHC's solicitor
Provision of a Management Pack	Payable to RHC's solicitor £150 plus VAT
Energy Performance Certificate (EPC)	An EPC is required when a property is put up for sale or rent. It lasts 10 years. RHC will provide this free of charge whilst the current certificate for your home remains valid and it will be included within the Management Pack. Once this expires, however, you will need to provide your own from a qualified party. Estimated cost £150 plus VAT
Applicant Assessment Fee (Payable to RHC)	Reasonable costs for the assessment of applicants/potential purchasers referred to by your estate agent if you choose to appoint one. Total costs capped at a maximum of £400.
Estate Agent Fees	Where applicable

Valuation Fee

As confirmed in the lease your home must be sold at a 'Red Book' valuation. This requirement is a condition of the government funding that was given to support the development of your home and is non-negotiable.

You will need to obtain a standard 'Red Book' Royal Institution of Chartered Surveyors Valuation (RICS) from a qualified independent (i.e. not a friend or family member) RICS valuer assessing the building and providing a report that adheres to the RICS rules and guidelines (latest addition, Royal Institution of Chartered Surveyors 2017).

The Red Book valuation report gives details about the current market value of the property, and must follow these guidelines:

The surveyor must be registered with RICS as an associate member, a Member (MRICS), or a Fellow (FRICS) and be a member of the Valuation Registration Scheme (with up to date RICS valuer registration).

- They must choose three comparable properties to rationalise the valuation.
- The three properties should have been sold in the previous 6 months and be within the same, or a similar area.
- Obtaining a Red Book valuation is a condition of the Government OPSO scheme

You should note that valuation report will only be valid for six months and if a buyer is not found within this period a new valuation report will be required for an additional charge.

It is important that three **comparable** Extra Care Housing valuations are used not simply sheltered housing or housing designated for older persons as 'retirement housing'. Please ensure you appoint a valuer who is familiar with Extra Care Housing (sometimes referred to as Assisted Living).

Examples of companies who may be able to provide you with a suitable valuation are detailed below;-

- Medhurst Commercial Surveyors - Contact Alex Medhurst
alex@medhursts.com
- Carter Jonas - Contact Barry Rea barry.rea@carterjonas.co.uk

The valuation fee is usually paid direct to the surveyor and may be collected by the surveyor on the day they visit your home. You will need to obtain a valuation report before we can begin marketing your home.

Please ensure you instruct your valuer carefully explaining that the apartment was purchased as Older Persons Shared Ownership (include the percentage of equity you

bought it at, e.g. 75%) and the nature of Extra Care Housing. Please do not hesitate to contact Rapport if you would like further information in order to do so.

Legal Fees

Selling your home will involve changes to your existing lease which will require the professional services of a solicitor. The solicitor will incur professional and disbursement fees for acting for you. You are also required to pay RHC's legal expenses.

Management Pack

In place of responding to solicitors enquires our solicitors will provide your solicitors with a Management Pack which includes:

- The last three years published service charge accounts
- Buildings insurance policy and schedule
- Service charge estimate for the current year and details of the anticipated payments on account for the property
- Copies of any notices served on the lessees under Section 20 in respect of any proposed works or any works which have not yet been paid for
- Documentation relating to any forfeiture proceedings applicable to the property
- Any additional regulations or rules affecting the property which are not contained in the lease
- General information in relation to serving notice, certificates of Compliance and deeds of covenant
- A copy of the original EPC Certificate as applicable (see above)

The information in the pack will be sufficient for the purchaser's needs and our solicitors will not need to respond to any additional enquiries as all the information that the buyer's solicitor will require will be in the pack.

Energy Performance Certificate (EPC)

Selling a home in England and Wales requires an Energy Performance Certificate – there are many companies providing this service now. An EPC will normally cost in the region of £50-£100 plus VAT and lasts 10 years, RHC will provide a certificate free of charge until the current certificates obtained when your home was first sold expires. The certificate will be included in the Management Pack as described below. A valid EPC certificate must be available before we can commence marketing your home

Applicant Assessment Fee

Resale properties originally sold under a new build affordable home ownership scheme require any potential purchaser to meet the affordable home requirements for a resale home. Any potential purchaser will need to be assessed by RHC, irrespective of who markets the property. We will require you to cover our reasonable costs for the assessment of applicants/potential purchasers referred to by your estate agent if you choose to appoint one. These costs will be capped at a maximum of £400.

Estate Agent Fee

If after the initial 8-week marketing period we have been unsuccessful in finding a suitable buyer, you may choose to instruct an estate agent to market your property for you. In this case you will be responsible for the fees the estate agent charges for their services. As confirmed previously RHC may also continue to market the property or you may opt to have the estate agent represent you on a sole agent basis.

Are there any Restrictions on Selling?

There are a number of restrictions associated with selling your home, with these being set out in your lease.

The main restrictions are;-

- All leaseholders assigned to the lease must sign and agree to sell the property.
- The Red Book valuation, as referred to previously, must be carried out by an independent RICS qualified surveyor even if you are using an estate agent to sell your property. Your home must be sold at this valuation figure and is non-negotiable (e.g. if selling a 75% share and the full market price valuation is £300,000 then it would be £300,000 x 75% = £225,000).
- The leaseholder is required to meet the valuation and legal costs and any other costs incurred in connection with selling the home.
- The leaseholder is responsible for providing an Energy Performance Certificate (EPC), (this is a Government requirement for all properties marketed in England and Wales and must be available before marketing can commence). As referred to previously RHC will provide a certificate free of charge until the current certificates obtained when your home was first sold expires.
- The leaseholder is required to allow RHC 8 weeks to market the property from assignment at a fee of 1%.
- The potential purchaser of your property must meet the requirements of the lease and the selection criteria of RHC this includes the requirement that any new buyer and any member of their household must be at least 55 years old and one household member must have a minimum 3.5 hours domiciliary care and/or domestic support need per week.

- The potential purchaser will need to meet the financial criteria that was met when the property was originally purchased including having a Help to Buy application accepted and meeting the OPSO financial criteria including being able to meet all of the weekly outgoings associated with property.
- Any arrears on service charges (remember that service charges are payable up until the sale is completed) and any additional costs incurred must be cleared before the sale can complete.

The Sales Process

Confirming your Intention to Sell

When you have decided that you wish to sell please confirm your decision to us in writing, or by e-mail at the following address.

Rapport Housing & Care
The Old Wharf
Station Road
Cuxton
Rochester
Kent
ME1 2XJ

Kelly-Anne.Coster@rapporthc.co.uk

We will acknowledge your decision within 5 working days and send you an **Intention to Sell Form** to complete and return, and a copy of this guide. We will also provide you with details of a nominated contact who will be your main contact with RHC throughout this process.

Arranging the Valuation

Under the terms of your lease you are responsible for the cost of the valuation, and any subsequent revaluations. The valuation will be valid for 6 months so if your sale completion takes longer than this, a revaluation will be required (every 6 months).

Once we have obtained all the relevant information we need from you on the Intention to Sell Form, and if you have asked us to, we will request a quote for a Red Book valuation from RHC's own valuer. To ensure this is dealt with promptly, we will instruct the surveyor within 2 working days of the receipt of your completed Intention to Sell Form. We will not instruct the valuer to proceed and value the property however until we have written confirmation from you that you accept the quote and understand how you need to make the payment for the valuation. Alternatively, you may instruct your own valuer as confirmed previously.

If for any reason you are unhappy with the valuation you receive, you may ask the District Valuation Office Agency (VOA) to undertake a second valuation, however

there will be a charge for doing so, which you will be responsible for. The decision they give would be the final decision in the case of any dispute.

Assuming that you have chosen to accept the quote provided by a valuer chosen by RHC the surveyor will contact you direct to arrange an appointment to view – please be as flexible as possible to ensure the surveyor can deal with our instruction in an effective and timely manner. After viewing your home, the surveyor will research your area and produce the valuation report with comparable of similar properties in your area which have been sold or are being marketed. This report will be sent to RHC and we will check the details and write to you with confirmation of your property's current open market value along with a copy of your valuation report.

If you decide to instruct your own valuer, RHC will require a copy of the Red Book valuation before we can commence marketing the property and approve any potential purchaser.

Please note the surveyor's report is only valid for 6 months and therefore you must act quickly to complete and return all paperwork to allow us to start marketing your home and ensure a buyer is found before the valuation report expires. If a buyer hasn't been found by this date, you will incur additional costs for a new valuation and your solicitor may charge additional fees as we will make you a new offer based on the current valuation. This valuation could be lower or higher than the original valuation dependent upon the housing market at the time.

Appointing a Solicitor

Before instructing RHC to proceed with marketing your home, it is best to select your solicitor, so that you're ready to act promptly when you receive the valuation report which is only valid for 6 months. You require a solicitor to deal with the legal work associated with the sale of your home. We recommend using the solicitor who originally dealt with your purchase as they are most likely to have a lot of your details available regarding your property.

We always suggest:

- You select a solicitor who offers a fixed fee for their services
- You obtain a quotation before instructing your solicitor
- You choose a solicitor with knowledge and experience of Shared Ownership leases

Provide an Energy Performance Certificate

An EPC will normally cost in the region of £50-£100 plus VAT and lasts 10 years. RHC will provide An EPC for your property free of charge until the current certificate obtained when your home was first sold expire. If this is the case the certificate will be included in the Management pack to be provided by RHC's solicitor (see above). If not, then you will need to obtain an EPC yourself.

In summary, before we can begin to market your property we will require:

- **The Intention to sell form fully completed**
- **Access to the property to help us compile the sales information. We will also take photos of the interior. Once we have produced the sales particulars, we will send a draft copy to you for your agreement**
- **Payment of a non-refundable initial Marketing Fee of £350 (this will be deducted from our full marketing fee if we successfully sell the property for you)**
- **A Red Book Valuation report**

An Energy Performance Certificate (EPC)

Marketing your Home

When we have received confirmation that you wish to sell your property and all the necessary documents have been completed/prepared and agreed, with this including the sales information for prospective purchasers, we will commence the marketing of your home.

The property will be advertised on the Government's Help to Buy Web site as a resale property and on RHC's own website. Marketing information will also be sent to the appropriate Local Authorities responsible for Housing and Adult Social Care. The property will be marketed on site and at our other housing schemes as appropriate.

We will ask you to show potential buyers around, however if this is impractical, we can arrange for one of our staff members to show people around on your behalf. To get the best results from the viewings, you need to follow a few simple but effective tips which you will find later in this guidance and which will have been discussed with you beforehand. All potential purchasers will have been vetted by us to ensure they are eligible to purchase your home prior to viewing.

Financial Assessment Interview

When you originally purchased your OPSO home, you had a financial assessment interview, therefore the same happens to all potential purchasers so that we know they can afford to buy your home and meet the OPSO eligibility criteria.

Selecting a Suitable Buyer

We will select a suitable buyer from all applicants who have expressed an interest in buying your home, using the same criteria as we did when you bought your home from us. This will include the completion of the financial assessment interview outlined above. Any potential buyer must be able to proceed with purchase and therefore in

most cases will be expected to provide confirmation that the sale of their current home can proceed.

Once a buyer is agreed, your solicitor will be handling the legal work required to assign the lease to the new buyer. The new buyer's own solicitor will be doing the same and ensuring where appropriate that the buyer has put in place the necessary arrangements to sell their current home.

We aim to complete the sale within 12 weeks of the contracts being issued but this can be longer dependent on how quickly the solicitors handle the transaction, and in most circumstances how quickly the sales of the buyer's current home proceeds. If at any stage before contracts are exchanged the buyer decides not to proceed with buying your home, we will then approach the other purchasers who were interested in your home and hope to quickly secure a new buyer.

Appointing an Estate Agent

As previously mentioned, if we have been unsuccessful in finding a suitable purchaser for your property within the 8-week nomination period specified in your lease, you may sell your property via an estate agent to a qualifying purchaser. Any purchaser will have to be approved by RHC and meet the criteria set down by the Government to qualify to buy an OPSO home. If you decide to appoint an estate agent, then you will be responsible for paying any estate agents fees and you will also have to meet our reasonable costs for assessing any potential purchasers referred to us by the estate agent with these being capped at £400.

Selling Process when you have a Buyer

Once you have a buyer and solicitors have been instructed what are the next steps?

Please read the information below on what you should be doing each week.

Please note that the following information and timescales are given as guidance only to help you in the sales process and is not a definitive guide for the resale legal process. Other matters could occur that are outside of RHC's or solicitors' control and result in the sale being delayed. We hope that you will find it a useful guide however.

Week 1

You should immediately contact your solicitor to provide your formal instructions. They will usually ask you to complete a Property Information Form, Leasehold Information Form and Fixture and Fittings Form. Try to complete as much of the forms as you can. If you are unable to complete some sections your solicitor will try and obtain the information from us or other organisations.

You should also send any money for fees to your solicitor straight away. The fees will include the work your solicitor will be doing on your behalf, our solicitor's fee and the fee for our solicitor to provide the Management Pack for your property. If this isn't done

straight away, it can result in the sale being delayed and contracts not being exchanged by the deadline.

If you are purchasing another property, please ensure you are progressing this sale as quickly as possible.

Week 2

Once your solicitor has received all relevant information and monies from you, they will commence drawing up the legal paperwork for the sale.

They will obtain the lease and title for your property and send these along with an 'undertaking' to our solicitor.

The undertaking is a legal letter which confirms that our solicitor's legal fee will be paid by you. In order for your solicitor to send the undertaking, they would need the fee from you in Week 1. Without the fee and undertaking from your solicitor the sale will be delayed as our solicitor will not be able to complete their legal paperwork.

Please ensure the fees are sent to your solicitor ASAP. Your solicitor will also request the Management Pack from our solicitors us and send them the fee for this service. Details of what is included in this Management Pack are included earlier on in this guidance. This information will be sent on to the buyer's solicitor at a later stage.

Week 3

Keep in touch with your solicitor for updates. You may need to provide additional documents at this stage. If the buyer is purchasing your home with a mortgage, the buyer's lender will be instructing a valuation for your property. If this is the case, we will give your details to the surveying company so that the surveyor can contact you for access to your property.

Week 4

Once your solicitor has collated all information about your property which includes the forms you completed and the Management Pack from us, they will send these papers with the draft contract to the buyer's solicitor.

The buyer's solicitor will review the papers and raise any enquiries to your solicitor. In the meantime, the buyer's mortgage offer (if applicable) will be issued and will need to be approved by our solicitors.

Week 5

Your solicitor will be liaising with the buyer's solicitor to resolve any outstanding legal matters.

Week 6

Once all legal matters are resolved, your solicitor will send you the contract, which sets out the terms of the sale.

Week 7

Having reviewed the contract, you should sign and return the contract to your solicitor. You should also discuss a proposed completion date with your solicitor. Your solicitor will be liaising with the buyer's solicitor to confirm completion dates.

If you are purchasing another property, please ensure all matters have been resolved so that you can exchange contracts.

Week 8

Contracts will be exchanged ('Agreement to Lease') – this means that you will have entered into a legal agreement with the buyer. You will not be able to withdraw from the sale at this stage without incurring significant financial penalties.

You will receive a completion statement from your solicitor which details the monies due from the buyer as well as any outstanding fees that are payable by you. If there are any arrears on your RHC account, the monies for these are taken as part of your completion funds. Your solicitor will deal with any outstanding legal paperwork. They will arrange for any money payable to us by you (including the RHC sales fee) to be sent to us on the day of completion.

Finally – Completion Day has arrived!

Congratulations – You have now sold your property!

Please remember that you are selling direct to your buyer. It is therefore extremely important that you pass on all keys and fobs. If you still hold any guides about your property, please leave these for the buyer. Please ensure you take meter readings on the day, so you can inform the utility companies you have left the property and they can close their accounts with you.

Once monies have been received by your solicitor, you will meet the buyer at your property to handover any keys. This will be arranged between yourself and the buyer, and we can provide your contact details if required.

We will be notified about completion by our solicitor and we will update our systems with the new leaseholder's details.

Frequently Asked Questions

How can I ensure that the sale progresses as quickly as possible?

It is advisable that you allow RHC to pass your contact details on to your buyers so that you can discuss possible moving dates. It is also important to liaise with your solicitors on a regular basis so that they can progress the sale with your buyer's

solicitors. If you are buying another home, you should try and ensure this sale progresses as quickly as possible. Once a buyer has been found and we have instructed solicitors, we will help you to progress the sale to completion.

When should I look for another home?

You should begin to look for another home as soon as you decide to sell. However, to avoid putting yourself under any pressure, you should not make an offer on another home to buy or rent until a buyer has agreed to buy your OPSO home. Remember that you and your buyer could decide not to proceed at any time up to exchange of contracts.

What if I have made improvements to my home?

When you sell your home, the surveyor will value the property in its current condition including all home improvements. You will sell the share you own which will be a percentage of the full market value including home improvements you have made.

If you have done any major home improvements, you will have needed our written permission. If you have done this let us know and provide copies of the estimates/receipts for the work to the surveyor who will advise us if the works have increased the value of your home or not.

Top Tips for Selling Your Home

1. First & Foremost

When showing people around your home be yourself, friendly and warm, to create a welcoming atmosphere. Before the viewing think about the best way to present your home, maybe practice on a friend how you would show a potential buyer round your home. Always greet your prospective buyer with a smile and invite them into your home. Calmly guide those viewing round your home, allowing the prospective buyer to enter the room first so they see the full size of the rooms and point out a few key points about your home that impressed you when you bought it. Always end the viewing with the most impressive room, normally the main reception room as this creates a lasting impression.

2. Inform & Persuade

If you are carrying out your own viewings, nobody likes being sold to, so when discussing your home be informative about the positive aspects of the property, etc. but never oversell and never inform buyers of items which are incorrect as this may result in the sale falling through later.

3. Spick & Span

First impressions count with the majority of buying decisions made within the first 10 seconds of entering a property. Always make sure that the property is kept tidy and is

well-cleaned. Store away personal possessions to create a more spacious environment. De-personalise your living space in order to allow your prospective buyers a chance to view the property in a less personal light. Carry out any repairs that you have been putting off and ensure that the house is spotless. Failure to address smaller items may lead your buyer to think that the property has been neglected and they may leave uninterested.

4. Bright & Breezy

A new lick of paint or new carpet if needed will help to smarten up the property. If you have them ensure that any cut flowers within the home are fresh, and that there are no unpleasant or strong smells – if so, buy some air fresheners.

5. Personal Safety

We all think of our home as a safe place and it usually is, however when selling your home, you are inviting strangers into your home. You personally don't know who is coming through your door so always try to have someone with you when arranging viewings. If it isn't possible to have someone with you, try and ensure people know when you have a viewing, always let your housing officer know and only arrange viewings in daylight.

Never let people into your home without a prior appointment. If we are selling your home, we will arrange the appointment with you

6. Outside Space

Gardens and balconies can be a real selling feature. Always ensure that your garden or balcony is kept neat, maintained and clear of debris. If you have plant pots, make sure they are filled with live plants, preferably in flower.