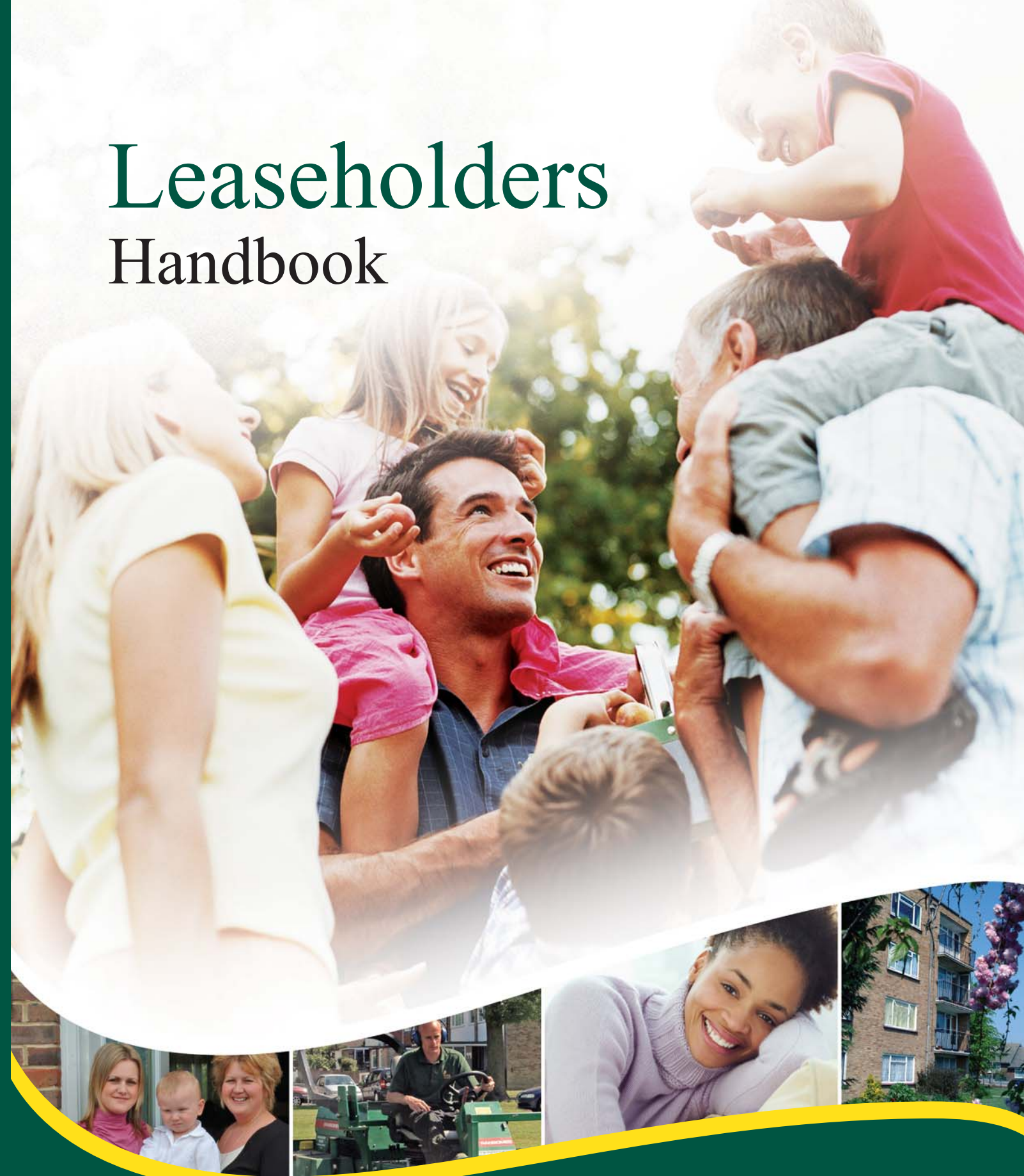


Leaseholders Handbook



THIS HANDBOOK HAS BEEN
READ AND APPROVED
BY A CUSTOMER PANEL



INVESTORS IN PEOPLE



Certificate number 2338/06

A guide to the duties and obligations of **mhs homes** and the leaseholder

mhs homes believes this document to be accurate at the date of publication but no responsibility can be accepted for errors or omissions.



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Introduction

This handbook provides useful information about your lease and how **mhs homes**, as your landlord, manages the building of which your flat or maisonette is part.

The handbook is only a summary of the broad terms of your lease, and does not override your lease or any other legal agreements (including a mortgage deed). You should not rely on this handbook if any difficulty or dispute arises in connection with your lease. If this does happen, you should take independent advice from a solicitor, law centre, Citizens' Advice Bureau or the Leasehold Advisory Service.

The Company's policies and procedures may change from time to time, as does the law. We will inform you of any relevant changes as they occur.

mhs homes will treat all lease enquiries in professional manner and always strive to provide the best advice to our customers.

mhs homes' core purpose is the provision of homes at affordable rents.



Our Aim

We aim to be a leader in the supply and professional management of housing.

Our purpose

mhs homes exists for three main purposes:-

- To meet the housing needs and aspirations of its tenants and prospective tenants.
- To expand its portfolio and to diversify into allied areas of business in order to support the two purposes above.
- To manage its existing property portfolio in accordance with best practice.

Our values

Our values shape our culture:

- Pride in our product
- Passionate about our service
- Honest in our dealings
- Making work fun

Housing Business Objectives

The business objectives for the housing service are:

- To provide homes to be proud of in neighbourhoods where people want to live
- To increase our portfolio of owned and managed homes
- To deliver amazing customer service
- To manage our assets effectively

Terminology

This gives an explanation of the terms used in the lease.

Block

The block is the building as described in the lease for which you are responsible for paying your share of the costs.

Breach

A failure to do or carry out a duty.

Consents

Written permission for you to alter the property.

Consultation

Your right to be asked about and given the opportunity to comment upon works and services to the block.

Covenant

A promise to do something.

Demised Premises

The parts of the building you have purchased and are responsible for (Clause 1 of Lease).

Easement

A legal right over someone else's land.

Freeholder

The Landlord, the person who granted the lease (**mhs homes**).

Ground Rent

A fee paid by the lessee to the freeholder as a condition of the lease.

Improvement

The provision of something new to the building or a change to the building that improves what is there.

Lease

The agreement between you and **mhs homes**.

Leasehold Valuation Tribunal

An independent and impartial review panel.



Major Work

Examples of major work are repainting, re-roofing and concrete repairs.

Deed of Variation

An agreement between the landlord and the lessee to change the terms of the lease.

Qualifying Long Term Agreement

An agreement for more than 12 months to provide works or services, such as grounds maintenance or buildings insurance, for which any leaseholder covered by the agreement may have to contribute £100 or more for any years covered by the agreement.

Qualifying Works

Works that will cost £250 or more upon which you have the right to be consulted.

Quiet Enjoyment

Allow the tenant to use land and buildings without interference.

Repairing Responsibilities

The repairs which, under the terms of the lease, the leaseholder and landlord agree to do.

Section 20

Section 20 of the Landlord and Tenant Act 1985 that gives the right to be consulted about works and services.

Section 146

A notice served under section 146 of the Law of Property Act 1925 to end a lease.

Sinking or Reserve Fund

Collection of advance payments for future major works projects.

Sub-letting

When you let the flat to someone else. This means that you become a landlord and are responsible for the acts of your tenants.

If there are any terms that you do not understand or require further explanation of please contact your legal adviser, CAB, Leasehold Advisory Service or **mhs homes** for advice.



Lease Agreement Guide

Why Leasehold

Your home is a flat or maisonette which is part of a larger building that is divided into individual units. There will usually be some communal elements within the structure, such as roof, stairways, halls and landings together with other residential and/or commercial units.

The shared parts of the building are maintained and renewed for the benefit of all the occupants of the building. The cost of looking after the communal areas is shared amongst the residents in the proportions given in the leases. **mhs homes** pays the cost of the works and you are required to contribute towards this cost.

Long Leasehold is a mix of ownership and tenancy. **mhs homes** is the freeholder of the building and you own part of the building and have rights over other communal areas for a fixed period.

The lease is a legal agreement between you and us. It allows you to live in the property for a fixed period for a fee, paying the rent and service charges as shown in the lease.

Both you as leaseholder and **mhs homes** as freeholder have certain duties and responsibilities which are defined by the lease.



The Lease Agreement

This gives a brief note of what is covered by the clauses and schedules in the lease. You should keep a copy of your lease so that you can check any details.

The information below is based on the lease currently in use. If your lease was originally granted before 1990 the clauses may be slightly different, please contact **mhs homes** for advice.

The first part of the lease gives the date of lease, the original vendor's and original purchaser's details.

Clause – Brief Explanation

- | | |
|--|---|
| <p>1. Amount to be paid and property details, easements and rights, expiry date, ground rent and payment due dates.</p> <p>2. (a) Discount conditions given on original Right to Buy
(b) Disposal explanation</p> <p>3. The Lessee will:</p> <p>(1) pay the ground rent</p> <p>(2) pay rates taxes assessments charges impositions and charges on the property</p> <p>(3) not to make alterations or additions without written approval</p> <p>(4) (a) to pay the society all costs charges and expenses incidental to forfeiture</p> | <p>(b) to pay all expenses, costs and fees for all notices and schedules in respect of wants of repair</p> <p>(5) Send a copy of any notices served on the premises to mhs homes</p> <p>(6) Within one month of assignment to give notice to society with fee.</p> <p>(7) Lessees repairs duties</p> <p>(8) Decorate interior</p> <p>(9) Clean windows</p> <p>(10) Not to be used for trade or business, and not to be over occupied</p> <p>(11) Nuisance and animals</p> <p>(12) Reasonable rules and improvements</p> <p>(13) Allow mhs homes access to fulfill obligations</p> |
|--|---|

- (14) Allow **mhs homes** and others entry after a notice has been served
- (15) Not to render Insurance void
- (16) Not to obstruct stairways/passageways
- 4.** (1) (a) Pay the estimated percentage of costs shown.
(b) Estimated charge to be paid quarterly
(c) Balancing account
(d) Dispute arbitration
- (2) **mhs homes** will provide account summary
- 5.** The Society will
- (1) Allow quiet enjoyment of the property provided the lessee carries out obligations
- (2) Insure the block
- (3) Ensure all leasers in the block have the same provisions
- (4) Subject to receiving payments in 4 above keep in repair decorate and renew
- (a) Structure including drains gutters windows external communal doors balcony doors and pipes
- (b) Access decks walkways railings boundary walls and fences
- (c) All communal gas and water pipes drains electric cables and wires, entrances passages landings and staircases communal aerials
- (5) Subject to receiving payments in 4 above
- (a) Decorate clean and light passages landings staircases lifts and other communal parts of the block including windows. Keep forecourts gardens ways in good condition
- (b) Redecorate the exterior of the block
- (6) Lessee will indemnify mhs to cover costs of enforcing covenants
- 6.** Rent not paid or clauses breached can result in forfeiture of property
- 7.** (1) Definitions
(2) Services
(3) Structural defects
(4) Party walls
- 8.** Method of service of notices
- 9.** Not part of a larger contract (relates to original purchase of property)
- 10.** This lease is not linked to any other leases / agreements



First Schedule

1. Access
2. Road paths
3. Use of communal grassed areas
4. Drying area
5. Dustbin area
6. Parking spaces
7. Support and shelter
8. Water soil gas etc
9. TV connection
10. All subject to payments being made

Second Schedule

1. Rights and privileges over along and through the flat
2. Landlords right of entry with workmen
3. TV Aerial and wires

Third Schedule

Reference period


Fourth Schedule

1. Insurance
2. Expenses incurred in carrying out obligations clause 4 & 5
3. All rates taxes and outgoings
4. Expenses incurred in 5(5)
5. Managing agents fees
6. Costs and charges
7. Pay VAT or other taxes appropriate to service charges
8. Communal bins
9. Playground equipment
10. Costs of managing
11. Enforcement costs
12. Reserve funds

Below is an example of a colour coded plan of a property showing the areas covered by the lease.



Key

 The Flat/Maisonette and Garden	 Communal Drying Areas
 Communal paths, landings etc	 Bin areas/stores
 Communal Garden Areas	 Communal Parking areas

If the lease has been changed there will be a deed of variation to the lease that gives details of the changes, examples would be structural changes such as moving a door, adding a conservatory etc.

The lease gives **mhs homes** and you as lessee certain rights and duties. The lease should be used to clarify these rights and duties, this document is intended as a general guide and is not part of or replace the lease.

When you purchase a leasehold your legal adviser should have explained the terms of the lease to you. If you have any queries you can approach your legal adviser, advice agencies or **mhs homes** for clarification.

By accepting the lease you have agreed to

Clause 1 Pay the Ground Rent

Clause 3 (7) Keep in good and tenable repair:

All doors door frames and door furniture (excluding any balcony doors and entrance doors to the block)

Window furniture and glass

Internal fittings (fittings includes the water, gas, electricity and central heating apparatus)

Keep the property in a tidy condition

Clause 3 (8) Decorate the interior once every 7 years and in the final year of the lease

Clause 3 (9) Clean the windows of the flat

Clause 3 (11) Not to cause a nuisance or annoyance

Clause 3 (13) Allow access to allow repairs to etc

Clause 3 (14) Allow access to examine the premises after notice served

Clause 3 (16) Not to block staircases and passageways

Clause 3 (1) & (4), Clause 4 (1) and the Fourth Schedule

You have agreed to pay the contribution towards the costs of managing, maintaining and improving the block.

mhs homes will:

Clause 5 (4) Repair decorate, renew and make good any defect to the structure and exterior including:

- drains, gutters, windows, external doors, balcony doors and pipes.
- access decks, walkways, railings, boundary walls and fences
- communal gas pipes, water pipes, drains, electric cables and wires
- entrances, passages, landings, staircases and other communal parts of the block
- communal aerial including cables and associated fittings

Clause 5 (5) Decorate, clean, maintain and light communal entrances, passages, landings, staircases, lifts and other areas.

Keep the communal garden areas, paths and areas where there is right in good condition/cultivation.

Decorate the exterior of the block.

Note: you are required to contribute towards the cost of all works done to the communal areas communal services and the structure of the Block or Estate as defined in the lease.





Repairs

Any repairs that are the responsibility of **mhs homes** should be reported to the Repairs Hotline on 0845 113 3001 (which is a local rate number). Staff will check that **mhs homes** is responsible and instruct a contractor and/or a surveyor to attend.

You are responsible for maintaining the items shown in clause 3(7) of the lease and **mhs homes** is responsible for the items shown in clause 5(4) and (5).

The simple explanation is that you are responsible for the inside of the flat, the front door of the flat, all pipes and wires in the flat, window and door fittings and window glass. **mhs homes** is responsible for communal and structural items.

Alterations

You are not to alter the property without the express permission of **mhs homes**.

When you wish to alter the property you must submit plans and supporting paperwork to **mhs homes**. We will look at your proposal and will, whenever possible give permission subject to certain conditions.



If you carry out any repairs or decorating you must consider that asbestos might be present. Minimising the creation of dust from asbestos containing materials is the key as breathing in the dust particles is when it is dangerous. Using manual tools is preferred to power tools and not scraping or sanding these materials is important. Using wetting methods to prevent dust is also useful.

If you are unsure or require further advice on this subject please contact us on 0845 113 3000 - and remember if you carry out modifications or structural alterations you will need permission from **mhs homes**.

Asbestos

Asbestos is not a danger if it is intact and not disturbed.

The materials containing asbestos have been used in properties throughout the UK and in particular during the 1960's and 1970's. The reason it was used was because it provided protection from fire, improved thermal insulation and added strength to materials. It can be found in:

- suspended ceilings and Textured coatings ("Artex")
- floor tiles
- door linings
- duct panels
- soffit boards at roof eaves
- boilers
- storage heaters
- gutters and down pipes
- garages and shed walls
- corrugated roof panels
- window cills

Our contractors are trained to be aware where there might be asbestos and to make sure that any work they carry out in your property is done safely and the material taken away properly. Sometimes a specialist contractor will be used.

Estate Management

All of **mhs homes'** estates are inspected periodically to ensure all residents are following their lease agreements and communal areas are being maintained.



If you do not adhere to your lease agreement then **mhs homes** can take further action against you to make you carry out the duties.

Your family and visitors to the property are expected to behave in a reasonable manner. You are responsible for their actions under clause 3(11) of the lease. If you, your family or your visitors cause an annoyance or nuisance you are responsible.

Rubbish must be stored in the storage cupboards/rooms/bins provided or kept in your premises until the day of collection. You must not leave any items in the communal areas as these are to be kept clear at all times. This is for your and your fellow residents safety.

You should maintain any gardens included in your lease to a reasonable condition. You should not allow anything to grow over the communal areas and public footpaths. You must not plant anything in the communal gardens or change the use of the areas without **mhs homes'** permission.

You must not add or fix anything to the property without the permission of **mhs homes**. This includes aerials and satellite dishes. **mhs homes** will not grant permission for aerials or dishes in blocks where a communal aerial is in place. To check if there is a communal aerial system contact us on 0845 113 3000. If you have added anything to the building without permission it may be removed.



Communal areas must be kept clear at all times. These areas are not for the maintenance or construction of fixtures, fittings and furnishings. Items must not be stored in these areas.

Other Duties

- The premises is only to be used as a private residence.
- You must not keep pets in any flats.
- You must allow **mhs homes**, trades people and other residents access to inspect and repair as required.

Ground Rent

The ground rent is a fee for having a premises which is on the **mhs homes'** land and/or premises. The ground rent acknowledges that the property is not held by the leaseholder on a freehold basis. The lease specifies the amount to be paid each year and the dates upon which payment is due.

It does not reflect any service provided as contributions are required to the running costs of the block under other clauses in the lease.

A Section 166 Notice to Long Leaseholders of Rent Due is issued each year and should be retained as it will be required should you sell the property. The notice gives details of the amount and dates it is due. This notice is in a format set by the government and is required by the Commonhold and Leasehold Reform Act 2002.



Service Charges

Service Charges are set to cover the costs of maintaining, repairing and improving the communal areas and services of the building.

The legal definition of Service Charges includes the following items: Ground Rent, Buildings Insurance, Services, Repairs, Maintenance, Improvement and Landlord's Costs of Management.

The amount you pay is calculated by applying the percentage shown in your lease (clause 4(1)(b)) to the total cost of the works/services for the block. You are only required to contribute towards the cost of items included in the lease.

The estimated cost of the services provided are shown in the Notice of Service Charge Estimate sent to you shortly after the start of each service charge year. For Lift Replacement, Roof Replacement and Planned Maintenance sinking fund contributions may be included if applicable. The balances on these accounts are used to offset the cost of these works, thus reducing the actual bill when these works are carried out.



The first bill you receive each year is an estimate, shortly after the end of the financial year you will receive a further invoice or a credit note subject to the level of the actual expenditure for the year.

As your landlord **mhs homes** has a duty under s19 Landlord and Tenant Act 1985 to ensure that the charges are reasonable and that the works are to a reasonable standard.

You have the right to inspect the records to ensure that you are being charged correctly. You can make copies of documents but will be charged for the copies.

If you do not understand or are unhappy with any demand you should contact the Leasehold Manager at **mhs homes**. If you dispute any of the charges you should pay for the items not contested in the normal way. Items that are in dispute can be referred to a Leasehold Valuation Tribunal or an arbitration panel if you are unhappy with the responses received from **mhs homes**.

If you are experiencing difficulty in making any payments you should contact the Leasehold Manager at **mhs homes** who will try to assist whenever possible.

Reference Period

If you have purchased your property from **mhs homes** under the preserved right to buy you will have received a Notice of Purchase Price and Service Charge. This notice gives the details of the service charges due for the reference period, to which inflation will be added. You will only be charged for the items shown in this notice during the reference period.

Once the reference period has expired you will be charged the proportion of the costs of the block as shown in 4 (1) (b).

Structural Defects

Should any structural defects be found during the first five years after the original purchase from **mhs homes** then you will not be responsible for the costs of repairs. If the defect is found after the five years has elapsed then you will have to contribute towards the cost.



Consultation

You have the right to be consulted on works where any leaseholder will be or is likely to be charged £250 or more.

You will also be consulted on long-term agreements, which is an agreement for one year or more where any leaseholders covered by the works, services or goods is likely to be charged £100 in any year of the agreement. You will have the right to make your comments about the works and services and to propose contractors in some cases.

If you purchase your property whilst the consultation process is running you will receive the notices issued from the date when **mhs homes** is notified of the change of ownership. You should pass copies of any notices to the purchaser when you are selling.

Please note that the consultation gives you the opportunity to comment on the works and the costs. If you let us know what you think we will try to accommodate your requirements in the scheme.

Community Involvement

mhs homes values all of its customers regardless of tenure. In order to build sustainable communities it is important that all residents are able to contribute to the community.

Leaseholders can be involved by:

- Joining the Speakeasy Scheme where views of residents are sought via telephone surveys
- Joining the list of lessees who are happy to help by reading documents and policies to check they are understandable and reflect the views of both lessees and mhs homes
- Forming a leaseholder group to represent the views of leaseholders

mhs homes is keen to encourage leaseholder and tenant involvement in all aspects of our service delivery. So if you wish to be involved contact the New Initiatives Team on 01634 354260.





Other Rights

Enfranchisement

You have the right to buy the freehold of the building with your fellow lessees if

- The building has two or more flats, if there are only two flats both must participate in the process
- At least two-thirds of the flats in the building must be held on long leases
- Not more than 25% of the floor area (excluding the communal areas) of the building is in non-residential use
- The number of tenants participating must also equal at least half the flats in the block.

So in a block of 12 flats, 8 must be on long leases and at least 6 long leaseholders would need to participate in the enfranchisement process.

Your building does not qualify if:

- more than 25% of the internal floor area (excluding communal areas) is in non-residential use;



Right to Manage

As a leaseholder you have the right to manage (RTM) the block.

To qualify the building must meet certain criteria

- At least two thirds of the total number of flats contained in the premises are let to qualifying tenants
- The premises contain two or more flats held by qualifying tenants
- The premises consists of a structurally detached building; or
- The premises consists of a self contained part of a building, which can include other property enjoyed by qualifying tenants under the lease, such as gardens and garages.

A self-contained part of a building may also qualify if:

- It constitutes a vertical division of the building
- The structure of the building is such that it could be redeveloped independently from the rest of the building; and
- The services are provided independently from the occupiers of the rest of the building; or
- They could be provided independently without carrying out works which would result in a significant interruption to the services provided to the occupiers of the rest of the building.

Services are those that are provided by means of pipes, cables and other fixed installations.

The building will not qualify if:

- More than 25% of the internal floor area is in non-residential use;
- It contains separate self-contained parts where the freehold of those parts is owned by different landlords;
- It is a converted property of four or fewer flats where either the landlord or an adult member of the landlord's family lives in one of the flats as their only or principal residence;
- The local authority is the immediate landlord of any qualifying tenants; or
- RTM has already been acquired and continues to be exercised.

Are you a qualifying tenant?

A qualifying tenant is any leaseholder whose lease was originally granted for a period exceeding 21 years. It does not matter if a lease has less than 21 years left to run. All of **mhs homes'** leaseholders will qualify as they are for 125 years from the date of the first sale in the block.



A leaseholder with a shared ownership lease will only be a qualifying tenant for the purposes of RTM if he owns 100% share of the lease. (A shared ownership lease is a special type of arrangement, which is not the same as a leasehold flat that is owned jointly with someone else).

What is a RTM Company responsible for?

Where a RTM Company has acquired RTM, it will be responsible for the management functions under all of the leases held by qualifying tenants in the building. You will need to look at all the leases of the qualifying tenants to establish what it provides for in relation to management. But in most cases a RTM company would become responsible to all leaseholders for:

- services;
- repairs;
- maintenance;
- insurance; and
- management of the whole or part of the premises.

Will a RTM Company manage flats let to renting tenants?

A RTM Company will not be responsible for the management of any flat that is not held by a qualifying tenant. This will include flats that are rented and used for commercial purposes, although a RTM Company will be responsible to all parties for the management of the common parts and the fabric of the building.

Leasehold Valuation Tribunals(LVT)

Lessees and Freeholders may apply to a LVT if there is a dispute involving residential leasehold property. A LVT will consider disputes on many issues including: The Lease, Service Charges.

LVTs are independent and impartial bodies. They normally consist of three members: a lawyer, a valuer and a layperson. LVTs may determine applications without a hearing, but where hearings are held they are less formal than court hearings, in particular evidence is not given on oath. The LVTs were set up to provide a quicker and simpler option to court proceedings.

The tribunal that covers this area can be contacted
 Southern Rent Assessment Panel
 Residential Property Tribunal Service
 1st Floor
 1 Market Avenue
 CHICHESTER
 PO19 1JU
Tel: 0845 100 2617
Fax: 01243 779389
Email: southern.rap@odpm.gsi.gov.uk

Applicants to an LVT do not have to be represented by a solicitor or barrister at a hearing, although professional assistance is recommended in some types of cases, such as enfranchisement.

A LVT, whether constituted for an oral hearing or a determination, will examine both sides of the argument before determining the issue. The determination may be given orally, and in all cases is issued in writing as soon as possible after the hearing.

What can I do if:

I'm in dispute with **mhs homes**

This depends on the nature of your dispute. You can:

- Contact **mhs homes** and request a meeting and discussion of the issue
- Use the **mhs homes** complaints procedure
- Use the arbitration procedure, clause 4 (1) (e)
- Seek the determination of a LVT with regard to the following issues
 - The purchase price and terms of enfranchisement (buying the freehold), and lease renewals (flats)
 - The liability and reasonableness of variable service charges
 - Issues relating to the insurance cover provided
 - For landlords who are required to consult leaseholders about particular works, determination of whether that consultation requirement can be waived
- Issues relating to the acquisition of the RTM by an RTM company
- For tenants who have problems with the management of their building
- Variation of leases for a number of issues including repair or maintenance, and insurance. (Any party to a lease may make such an application)
- For tenants whose leases make provision for recovering the landlord's costs, determination of whether those costs may be included in the service charge



You and Your Neighbours

Neighbour disputes are usually best resolved between the parties. So it is best to speak to the neighbour to try to get a mutually agreed solution.

If this fails you can try using the Medway Mediation Service, but both parties must be happy to use this service to produce a lasting settlement of the dispute.

If the dispute involves violent behaviour then you should contact the Police and **mhs homes**. Such behaviour is contrary to both the tenancy agreement and the lease so you should inform **mhs homes**.

If the behaviour is not violent then contact **mhs homes** on 0845 113 3000 or use the **mhs express** office in Chatham High Street. Details will be taken and the appropriate action will be taken against the cause of the behaviour in accordance with **mhs homes'** current policy.



Other Issues

Car Parking

Where parking areas are provided they are shown on the lease plan as areas in yellow with black lines.

You can park your vehicle there provided:

- The vehicle is roadworthy
- The vehicle is taxed and insured

These areas are not for lorries, vans, caravans, boats or trailers. You must not park on any grassed area. The area must not be used for dumping of rubbish.

Pets

The lease does not allow you to keep pets in the premises.

Garden Areas

The property can have either a communal garden, a private garden or both, the lease will give the details.

Communal gardens are for the enjoyment of all residents. Any use of these areas should not cause a nuisance to other residents. If a nuisance occurs it is usually better for the parties to resolve the issue themselves. If this is not possible then the Housing Officer and/or Leasehold Manager should be informed. A mutually acceptable solution will be sought but if this is not possible one of the legal remedies will be pursued.

Private gardens are as shown in the lease. If you have a private garden area you must keep it in a reasonable standard. Any shrubs or trees should not encroach onto communal areas or other residents gardens.

Community Involvement

mhs homes values all of its customers regardless of tenure. In order to build sustainable communities it is important that all residents are able to contribute to the community.

Bulky Refuse

Medway Council operate a free collection service for bulky items of refuse, please ring 01634 333333 to arrange a collection.

If items are left in communal areas, alleyways or gardens and **mhs homes** has to clear these items a charge will be made to the individual or to all residents of the block.





Insurance

The building you live in is owned by **mhs homes** so we are responsible for insuring it. The cover we have is for the structure and common parts of the block, not the contents of your home. You should take out separate cover for your contents and personal effects.

What does the Building Insurance policy cover?

The Building Insurance covers the communal elements of the building which are **mhs homes'** responsibility to maintain. These include the structure, the exterior and the services and installations of the block.

The 'fixtures and fittings' within your property are also covered by the Building Insurance. These can be explained as 'anything you would not be able to remove and take with you, were you to move'. Examples of these are:

- the plaster on the walls and ceilings in your flat
- floorboards
- window glass (Tenants responsibility but is covered by insurance)
- doors
- bathroom and kitchen fittings
- decorations

The cover generally applies to alterations and improvements provided that you have received written permission to carry them out.

The insurance includes damage caused by the actions of another lessee or tenant. This only applies to damage caused to the structure of the building, or other elements covered by the Building Insurance (i.e. fixtures and fittings).

If damage is caused to your personal belongings and possessions such as furniture, carpets or clothing you will have to claim on your own contents insurance, regardless of the cause of the damage. To make things easier for you the **mhs homes** has negotiated a home contents insurance policy which has been specifically designed for our tenants and lessees. Details are available from **mhs express** on 0845 113 3000.

The policy covers damage to buildings (including fixtures and fittings) caused by unforeseen events known as risks or 'perils', and includes

- Fire
- Lightning
- Impact
- Subsidence
- Flood
- Theft damage
- Riot
- Earthquake
- Burst pipes
- Terrorism
- Storm
- Explosion

In the case of theft damage you should report the matter to the Police immediately and obtain a crime number.

The policy does not cover every situation. These include faults caused by mechanical breakdown, hidden defects or wear and tear which are all treated as normal repairs.

What is the excess on the policy?

In the majority of cases the insurance cover does not meet all the costs of repairing the damage. The Insurers will only meet costs above a certain amount, known as the excess, this is £200.00 at January 2007.

The amount of excess is important because it helps to decide if it is worth making a claim. For example, **mhs homes** is responsible for repairing a vandalised communal entrance door. However, the excess for this would be £200 whereas to get the repair done by a contractor might only cost £150. In cases like this there would obviously be no point in making a claim.



Making a claim

If **mhs homes** is responsible for the repair (e.g. in the case of damage caused to the structure), we will make the claim and organise the repair. In these cases you will pay your share of the excess through your service charges. Where you are responsible for the repair you should claim directly from the Insurance company within 30 days of becoming aware of any damage to your fixtures and fittings.

You will need to ensure that what you are claiming for is covered by the policy (i.e. it is an insured peril) and that the item damaged is something that you are responsible for maintaining (e.g. fixtures and fittings).

You can get a claim form from Farr Insurance Brokers, **telephone 0845 1298000**. You should provide photographs of the damage if you can. If you can't, you should keep the damaged items or get the damage witnessed by an independent person.

Getting the repairs done

If you intend to employ someone to do the repair work you should send in two written estimates for different builders. If possible, send these at the same time as your claim form to the address shown on the form.

If you intend to do the repair work yourself you must send estimates for the costs of materials plus reasonable costs of personal labour for consideration by the Insurers.

Important note: You should not start work to repair the damage until you have received written permission from the Insurers.

Claims checklist

- Complete a claim form giving full details of the incident
- Provide two estimates
- Send the form direct to the address on the claim form

The sooner you make the claim and the more information you provide, the quicker the Insurers will be able to make a decision on your claim.

What happens next?

Once you have completed the claim form and provided two written quotations, the Insurers will examine the claim and either:

- Give you the go ahead to do the repairs
- Appoint a Loss Adjuster, if you start repairs before you have received the go-ahead in writing you may jeopardise your claim
- Or explain why the claim has not been agreed

If the claim is accepted, the Insurers will specify which estimate has been agreed.



Paying mhs homes

The following methods of payment are available for payment of service charges and ground rent.

Direct Debit

This is the easiest and most convenient way to pay and allows you to pay by monthly instalments. Please contact the Housing Contact Team on 0845 113 3000 for the appropriate mandate to be sent. You have the option to pay on either the 16th or 28th of each month.

All Pay

You will be able to pay your service charges and ground rent at any Post Office or PayZone outlet. You can pay by cash, cheque or debit card. Please contact the Housing Contact Team on 0845 113 3000 if you wish to commence payment by this method and a card will be sent to you.

Telephone Payment by Credit/Debit Card

Please telephone the 0845 113 3000 with your card details and account number.

Cheques or Postal Order

Cheques and Postal Orders should be made payable to mhs homes ltd and can be sent to the our head office. A receipt will only be sent if requested.

PLEASE DO NOT SEND CASH BY POST

If you have any queries regarding the above please contact the Housing Contact Team on 0845 113 3000 or at **mhs express**, The High Street, Chatham.

Selling the Property

When you sell the property you will be required to provide information to the purchaser. This will be part of the sellers information pack.

The information will usually include details on the expiry date of the lease, service charges, insurance, major works and any disputes.

This information is available from **mhs homes** if you are unable to provide the information yourself. There will be a charge for providing this information.



Sub-Letting the Property

As a leaseholder you can sub-let the property if you wish. Should you chose to sublet you will become a landlord and so be subject to the rules and regulations imposed on landlords. You should seek independent legal advice as to your responsibilities as a landlord.

When you sub-let you must

- Give **mhs homes** up to date contact details for you, your tenant and any Management Company.
- Ensure that your tenant does not breach the conditions of the lease.
- Pay the fee, currently £40.00 plus VAT, for registering the sub-lease each time the property is re-let and inform **mhs homes** as shown above.
- Service the gas supply and appliances in the property annually.
- Pay the leasehold contributions demanded by **mhs homes**.
- Supply copies of documents, including tenancy agreement, lease and gas and electric safety certificates as requested.

Contact Details - Appendix 1

Age Concern Gillingham

The Mackenney Centre Woodland Road
Tel: 01634 572616
www.ageconcern.org

Citizens Advice Bureau

www.citizensadvice.org
www.adviceguide.org.uk

46 Green Street Gillingham

Tel: 0870 1264095
Housing Unit Line: 01634 573525

5A New Road Avenue

Tel: 0870 1264095

Housing Ombudsman

Norman House
105-109 Strand
London WC2R 0AA
Tel: 0845 7125 973

Leasehold Advisory Service (LEASE)

31 Worship Street, London EC2A 2DX
Tel: 0207 374 5380
www.lease-advice.org

mhs homes

Head Office
Broadside
Leviathan Way
Chatham Maritime
Chatham
Kent ME4 4LL
Tel: 0845 113 3000
www.mhs.org.uk

mhs express

115 High Street
Chatham
Kent ME4 4DH
Tel: 0845 113 3000

Repairs

Tel: 0845 113 3001
Email: repairs@mhs.org.uk

Housing and Estates (Incl Leasehold)

Tel: 0845 113 3000
Email: info@mhs.org.uk

Medway Council

Homelessness, Advice and Housing Applications

Tel: 01634 333500
MiniCom 01634 333111

Noise Nuisance

Tel: 01634 333333
www.medway.gov.uk

Bulky Refuse

Tel: 01634 333333

Transco (for gas leaks)

Tel: 0800 111 999

Farr Insurance Brokers

Tel: 0845 129 8000

Crimestoppers

Tel: 0800 555 111

Medway Mediation

Tel: 01634 832285

Medway Police Station

Purcer Way
Gillingham ME7 1NE
Tel: 01634 827055

Law - Appendix 2

The following Acts have set the rules within which leasehold properties and tenancies operate

Landlord and Tenant Act 1985

- Definition of variable service charges
- Definition of a tenant
- Reasonableness of service charges
- Consultation
- 18 month limit on charging
- Inspection of accounts
- Insurance matters
- Residents Associations
- Managing Agents
- Right of First Refusal

Landlord and Tenant Act 1987

- Variation of leases
- Demands to include landlords details

Leasehold Reform, Housing and Urban Development Act 1993

- Management Audit
- Collective enfranchisement
- Secretary of State's power to approve Codes of Practice
- Role of Leasehold Valuation Tribunal

Commonhold and Leasehold Reform Act 2002

- Right to Manage, Collective Enfranchisement, Lease Extensions and New Leases, Service and Administration Charges, Notices to Accompany Demands, Variation of Leases, Insurance, Ground Rents, Forfeiture, Leasehold Valuation Tribunals

Housing Act 1980

- Limit on RTB leaseholders being charged for structural defects

Housing Act 1985

- Right to Buy for Local Authority and non-charitable housing association tenants
- Requirements of the sales process
- Limitations of leaseholders liability to pay service charges in the first five years
- Right to a loan for leaseholders under Housing (Service Charge Loans) Regulations 1992

Housing Act 1996

- Right to Acquire for tenants of Registered Social Landlords
- Limitation on forfeiture for non-payment of service charges
- Role of Leasehold Valuation Tribunal
- Collective enfranchisement
- Power of Secretary of State to waive charges

Property Misdescriptions Act 1991

- Created offence of providing misleading advice or information to purchasers

Consumer Protection Act 1987

- Landlord not to give artificially low estimates of service charges

Housing and Planning Act 1986

- Valuers to take into account 5 year estimates for service charges

Financial Services and Markets Act 2000

- Rules governing investment advice

Law of Property Act 1925

- Forfeiture provisions and notices to mortgages regarding relief from forfeiture

Arbitration Act 1996

- Powers of arbitration tribunals

The lease details the rights, duties and obligations of the parties to the lease.

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