



Resales – The selling process

Introduction

Selling a Shared Ownership home is known as Resale

When selling your share of the home you must advise Peabody of your intention to sell. The Resale Team will assist you through the process of selling your home.

Peabody will market your home for a maximum of 8 weeks from the time we have approval and all documents to commence marketing. We will market your home, approve applications, allocate a buyer, liaise with all parties and progress the sale to completion. This will be for a fee based on 1.5% of the share value, plus vat.

If in the unlikely event that we have been unsuccessful in finding a buyer for your home in the 8 weeks, you will have the opportunity to instruct an estate agent to market your property, paying their fee for the service they provide, or alternatively you may continue marketing your home solely through Peabody.

Resale properties were originally sold under New Build which is an affordable home ownership scheme and therefore any potential purchaser must meet the affordable home requirements for a resale home. Any potential purchaser will be assessed by Peabody.

What are the cost involved

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 when to market your property.

Some of the expenses you will have to pay include:

The valuation fee

Surveyors fees vary but range from £240-£325 plus VAT. The valuation fee is usually paid direct to the surveyor and will be collected by the surveyor on the day they visit your home. The valuation is only valid for 3 months and if a buyer is not found within this period a new valuation report will be required and an additional charge.

Legal expenses

Selling your home will involve changes to your existing lease which will require the professional services of a solicitor. The solicitor will have a disbursement and professional fees for acting for you. You are also required to pay Peabody's legal expenses (usually between £450-£550).

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 and lasts 10 years, so you should check whether your property still has a valid certificate before arranging an assessment.

Assignment fees

Some properties, particularly those with a headlease, may require the sale to be registered with the superior landlord. This is known as a Notice of Assignment.

Pre-sale Solicitors enquiries

Your buyer's solicitor may raise detailed enquiries about your property and Peabody will provide responses to the enquiries. A fee of £175 + VAT is payable for this service.

Mortgage fees

You may have to pay penalty charges to your existing lender if you sell your home before the product end date. You must investigate this with the lender or financial advisors prior to advising us that you wish to sell.

Rent and Service Charge arrears

If you have any arrears, these must be cleared before completion of the sale. This could include underpayments on past service charges.

Estate agent fee

If after the initial 8 week marketing period, if 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.

Note: This is only a guide to costs, depending on your property there may be additional costs

Are there any restrictions on selling?

There are a number of restrictions associated with selling your home and we recommend you refer initially to your lease.

The main restrictions are that:

All leaseholders assigned to the lease must sign and agree to selling the property.

The valuation must be carried out by an independent RICS qualified surveyor.

The leaseholder is required to meet the valuation and legal costs and any other costs incurred in connection with selling your home.

The leaseholder is responsible for ordering and paying for an Energy Performance Certificate (EPC) if required (this is a Government requirement for all properties marketed in England and Wales and must be available before marketing can commence).

The leaseholder is required to allow Peabody 8 weeks to market the property from assignment at a fee of 1.5% plus VAT.

The potential purchaser of your property must meet the requirements of the lease and the selection criteria of Peabody.

You must repay any arrears on rent, service charges and any additional costs incurred whilst living in the property.

How do I sell?

Having received this brochure, you have made the first step towards selling your property.

Intention to sell

Attached along with this guide is an Intention to Sell form. We will require this and images of your property in order to proceed with marketing your property.

Valuation

Once we have obtained all the relevant information from you, we will instruct an independent RICS panel surveyor. You must select one of our panel RICS registered surveyors of your choice to visit your home and provide a current open market value for the property. This valuation will include 3 comparable properties in your area that have been recently sold.

Under the terms of your lease you are responsible for the cost of the valuation and any revaluations. The valuation will be valid for 3 months so if your sale completion takes longer than this, a revaluation will be required (every 3 months).

Your valuation fee must be paid directly to the surveyor on the day of their visit subject to their terms and conditions of business (they may ask for payment up front). If for any reason you are unhappy with this valuation, you may ask the District Valuation Office Agency (VOA) to undertake a valuation but there will be a charge. The decision they give would be the final decision in the case of any dispute.

Appoint a solicitor

Before instructing Peabody to proceed, 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 3 months. 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. If this is not possible, we can assist you by providing you with a list of our client-recommended panel solicitors. You require a solicitor to deal with the legal work associated with your mortgage and home.

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

Arrange for an Energy Performance Certificate

The Government introduced the Home Information Pack from 14 December 2007. This was required for all properties being sold in England and Wales however this was subsequently withdrawn and now only an Energy Performance Certificate (EPC) is required for marketing of your property to commence. There are many companies offering this service, to find a suitable provider visit the domestic EPC register at www.epcregister.com.



Instruct us to sell your home

In order to market your property we will require:

The attached Intention to sell form fully completed

Good quality images of your property including an external image

Signed presentation form to confirm you have read and understood the process

Copy of your Passport (each leaseholder) as an evidence of your identity

Copy of any 2 utilities bills or bank statements for the last 2 months as proof of residence of all parties who own the home.

A non-refundable initial Marketing Fee of £350 must be paid to 'Peabody Housing Trust' by card

Surveyor choice

A Copy Energy Performance Certificate (EPC)



We instruct a surveyor to value your home

Having obtained this information you now need to know how much your property is worth in the current open market. We will instruct the surveyor of your choice from our recommended panel attached, provided they are a qualified independent surveyor with the Royal Institute of Chartered Surveyors (RICS).

To ensure this is dealt with promptly, we will instruct the surveyor within 2 working days of your Intention to Sell. The surveyor will contact you 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 comparables of similar properties in your area which have been sold or are being marketed. This report will be sent to the Resident Sales Team who 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. This is your formal offer.

Please note the surveyor's report is only valid for 3 months and therefore you must act quickly to complete and return all paperwork to the Resident Sales Team 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.

We market your home

When we have received confirmation that you wish to sell your property and have received all the necessary documents including the EPC, we will commence marketing of your home. Firstly we will produce a property website listing with all the details of your apartment, this will be sent for you're approval. At Peabody, we focus all our energy on getting as many interested buyers to view your property as possible. We will market your property to people registered for affordable housing and looking for property in your area. We will also add your property details to property websites with the aim of getting as many people as possible to view your home. As the person who bought the property and who has lived there for some time, there is no one better than yourself to show people your home, so we ask people to arrange a viewing appointment. 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 brochure and which will have been discussed with you during your home visit. All potential purchasers will have been vetted by us to ensure they are eligible to purchase your home.

Financial Assessment Interview

When you originally purchased your Shared Ownership home you most probably had a financial assessment interview with one of our Mortgage Advisors, therefore the same happens to all potential purchasers so that we know they can afford to buy your home and obtain a suitable mortgage without causing you delays.

We make an offer

We use our selection and allocation policy to find 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.

The successful applicant is then issued with an offer letter. They are also required to pay a non-refundable reservation fee which gives more commitment to the purchase of your home. On receipt of this, we will issue instructions have a face-to-face financial interview to arrange their mortgage. Once we have confirmation from the Financial Advisor, we will produce the memorandum of sale to all parties of the sale so that the sale can progress. At this stage your solicitor will be handling the legal work required to assign the lease to the new buyer.

The new buyer's solicitor will be doing the same and ensuring the mortgage is in place ready for exchanging contracts which is the time the sale becomes legally binding. We aim to do this within 12 weeks of the contracts being issued but this can be longer dependent on how quickly the solicitors handle the transaction, and how quickly the buyer's mortgage offer is issued. 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.

Can I sell on the open market?

As previously mentioned, if we have been unsuccessful in finding a suitable purchaser for your property within the nomination period specified in your lease, you may sell your property on the open market via an estate agent to a qualifying purchaser. If the purchaser buys less than 100%, they will have to complete a Peabody application form and be approved by us. Potential purchasers must meet the criteria set down by the Government to qualify to buy a Shared Ownership home. If after the 8 week marketing period you nominate an estate agent the same rules apply and you will be responsible for paying any estate agents fees. If you own your home outright 100%, you may sell on the open market and sell the property to anyone who wishes to buy your home. You must however inform Peabody of the new purchaser so that service charges collections can be updated to prevent you having any issues regarding collection of fees.

Step-by-step selling process

Now 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.

Week 1

You should immediately contact your solicitor to provide your formal instructions. They will 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 us 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 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 Leasehold pack from us and send us the fee for this service. The Leasehold pack typically includes information such as three year's audited accounts, building insurance documents, fire safety reports and other key information about your property and the building. This information will be sent on to the buyer's solicitor at a later stage.

If the freehold is not owned by us, your solicitor may need to contact the freeholder to request information. There will be a cost for this information from the freeholder, which will be payable by you.

Week 3

Keep in touch with your solicitor for updates. You may need to provide additional documents at this stage. The buyer's lender will be instructing a valuation for your property. 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 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. Our solicitor would have approved the buyer's mortgage offer unless there are errors on the mortgage. If there are any errors on the mortgage offer, the buyer's solicitor will be liaising with the lender to rectify the errors. Our solicitor will not be able to approve the mortgage until these errors are resolved.

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 – 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 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 Peabody 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 Peabody sales fee) to be sent to us on the day of completion.

NB: The above 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 Peabody's or solicitors' control and result in the sale being delayed.

Finally – completion day arrives

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 keys and fobs, car park pass information. 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.

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 Peabody 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 to buy, as soon as you decide to sell. However, to avoid putting yourself under any pressure, you should not make an offer on another home until a buyer has agreed to buy your Shared Ownership home. When you agree to buy a home, it is in your best interests to make everyone involved aware of the timescales outlined in this leaflet. 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.

Not all home improvements will increase the value of your home, but may make it easier to sell. Items such as a

conservatory or high range kitchen may increase the value of your home. If you have done any major home improvements you will have needed permission from our Housing Management and Asset Management departments. 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 to help sell your home

At Peabody, we focus all our energy on getting as many interested buyers to view your property as possible. However, to get a suitable sale quickly for your property there are a number of things to bear in mind in order to make viewings successful.

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 your home i.e. the bathroom was fully tiled, the property had Gas Central Heating. 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, how you have improved 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 – remember on average 1 in 3 sales can fail to complete.

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 any toys, magazines and 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, re-grouting tiles, new carpet, vinyl flooring or tiling will help to smarten up property. Finally, ensure your home has fresh flowers, and that there are no unpleasant or strong smells – if so, buy some air fresheners.

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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 carry your mobile phone with you and only arrange viewings in daylight. When showing a potential buyer round your home, never go into a room first, always allow the potential buyers to enter the rooms first and remain near the doorway. Never let people into your home without a prior appointment.

6. Payments

Your home is at risk if you fail to keep up payments on any mortgage, rent or other loan secured on it. Please make sure you can afford the repayments before you take out a mortgage.

7. 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. Pick up any rubbish around your property and ensure the bin store and cycle store are tidy and the doors shut.

8. Making Appointments

Try to have an open day for your property, booking all appointments on the same day, that way potential buyers see that the property has a lot of interest

9. Contact & Further Viewings

You must always be as helpful as possible to potential buyers, however problems may occur when telephone numbers are swapped between you and your purchaser as communication between other parties may be lost, it is advisable to keep us and your solicitors informed on conversations you have with your purchaser.



For further information
please contact:

Resident sales
02034 789 875
resident.sales@peabody.org.uk

Peabody
Albion House
20 Queen Elizabeth Street
London SE1 2RJ

www.peabodysales.co.uk

