

# heylo Connect

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24 July 2024

Your lease –  
rent, staircasing,  
repairs and  
maintenance



Hello from us



# Introducing today's speakers



## Melissa Toomey

Director of Sales

Melissa leads Heylo's national sales team to support housebuilder partners as they deliver the Home Reach Shared Ownership to eligible buyers, helping more first-time buyers and home movers to find a home they truly love.

Melissa has been a part of the housebuilding industry for over 25-years, most of which working in the affordable homes sector. From Peabody to Hastoe, Melissa is passionate about helping more people to realise their home ownership aspirations.

# Introducing today's speakers



## Rachael Swales

### Director of Property Management

Rachael leads Heylo's property management team, taking day to day responsibility for delivering customer services to both leaseholders and tenants during their time as a Heylo customer.

Rachael has been working in social housing for over 20 years. From the delivery of regeneration scheme to leading customer service teams across various Council and Not for Profit housing associations alike Rachael has a passion for delivering high quality housing for all.

# Introducing today's speakers



## Tabitha Kassem

### General Counsel & Director of Governance

As General Counsel, Tabitha provides legal advice to ResiManagement (the managing agent for Heylo) as well as the Heylo Group itself. In addition to her role as General Counsel, Tabitha also works as Heylo's Director of Governance. In this role she ensures excellence in Heylo's decision making frameworks and processes. If that wasn't enough Tabitha also supports Heylo in the delivery of HR and Sustainability Strategies.

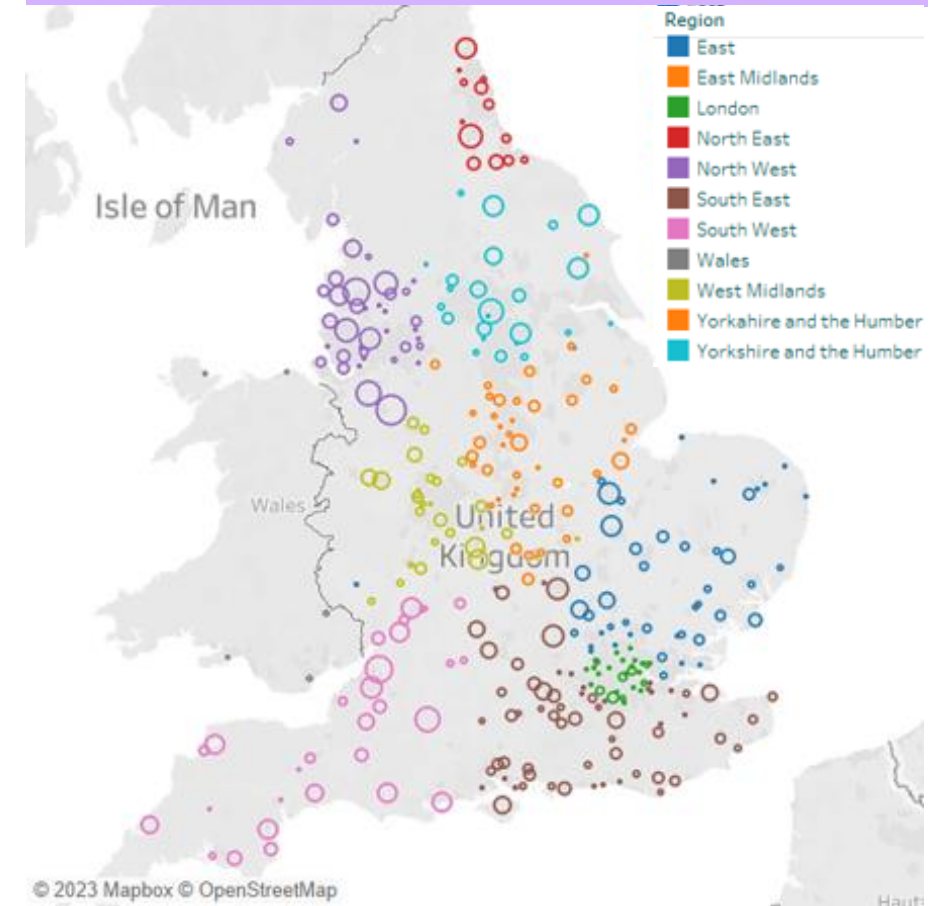
Tabitha is an experience Executive and Non-Executive Director in the social housing not for profit sector and has experience in leading teams and delivering Regulator of Social Housing compliant governance arrangements.

# Get to know Heylo Housing better

# Is Heylo like other Shared Ownership providers?

- Established in 2014, growing to become the UK's leading Shared Ownership provider, Heylo works in partnership with national, regional and local housebuilders, as well as local authorities, estate agents and mortgage advisors.
- Heylo provides Shared Ownership via various products of which the majority of our products are Home Reach and Your Home.
- Heylo has Register Provider status and Investment Partner status with Homes England, who provide grant funding to help us deliver more new homes.
- As of 31 March 2024, Heylo has delivered or is contracted to deliver circa 10,732 properties across 853 sites.
- Heylo owns properties across the country in 200+ local authorities.

## Units location buy local authority (coloured by region)



# Is Heylo like other Shared Ownership providers?

## Where Heylo is like other providers of Shared Ownership:

- Heylo provides affordable homes for people priced out of their local market
- Heylo is in receipt of Homes England grant funding; using Shared Ownership leases in standard form
- Heylo Housing RP is Regulated by the Regulator of Social Housing
- Heylo has experienced board directors and sitting below them are a team of executive directors who are running departments including customer facing teams like Property Management, Sales and Transactions and Resales and Staircasing.
- Strong focus on delivering for customers, ensuring they feel safe and secure in their home, and they can feel part of their local community.
- We reinvest money generated from staircasing back into buying more Shared Ownership homes.

## Where Heylo is different to other providers of Shared Ownership:

- Heylo is Shared Ownership only. Heylo does not have any homes that are social rented nor sold outright.
- Heylo doesn't build its own developments or homes.
- Heylo homes tend to be more energy efficient than traditional housing association homes.
- As a for-profit provider of Shared Ownership, Heylo is backed by well known global pension funds and investment corporations.
- Heylo is rated excellent by Trustpilot.



Get to know about other  
entities cited in your lease

# Who are the different entities cited in your lease?

<b>The Housebuilder</b>	Originally built the new home, they will be <b>responsible for managing any defects in the first year after it was built.</b>
<b>The Freeholder</b> <i>Sometimes the housebuilder but rarely Heylo</i>	<b>The owner of the building.</b> They are legally responsible for maintaining the building, insuring it and carrying out any repairs. They may have been responsible for the construction of the building, the outer and in some circumstances, the common parts of the building. However, this may vary, especially if the freehold title has been sold on. They will usually appoint a Managing Agent to run the building and the services mentioned below.
<b>The Managing Agent</b> <i>Varies – not Heylo</i>	<b>Appointed by the freeholder to manage the building on their behalf.</b> This is the company that sets up the insurance policy, organises building repairs and maintenance, and sets the service charge budget and payments, estate charges, etc. sending them to all leaseholders. <b>The managing agent will have a contract with the freeholder for activities they are contracted to carry out.</b> The freeholder therefore monitors and manages their performance and may take action against the managing agent to improve their services. <b>Neither the head lessee nor the sub lessee's will necessarily have access to the contract in place between the managing agent and freeholder.</b>
<b>Head Lessee</b> <i>HH No.1 Ltd HH No.2 Ltd HH No.5 Ltd HH No.6 Ltd</i>	The leaseholder of the properties of the building, having bought them from the freeholder. In some cases, the head lessee may be responsible for repairs and maintenance of the communal areas, but they are not legally responsible for general repairs, maintenance, insurance etc. this sitting with the freeholder. The <b>head lessee receives (does not set) the service charge invoices from the managing agent</b> and must then share the costs between leaseholders / shared owners and itself dependent upon the make up of the scheme.
<b>Intermediary Lessee</b> <i>Heylo Housing Registered Provider (HHRP)</i>	Within the Heylo group arrangements, HHRP is usually the intermediary lessee who is the Registered Provider of Social Housing and therefore <b>'sells' the affordable shared ownership interests to Heylo's customers.</b>
<b>Sub Lessee</b>	The leaseholders / shared owners who purchase their leasehold interest from Heylo in part (shared owner) or in full (leaseholder). They are <b>responsible for the repairs within their property and for paying service charge, estate charges</b> etc.

# Get to know about Shared Ownership

# A refresher on Shared Ownership...

## What is Shared Ownership?

- Shared Ownership allows someone to buy a share of a home and pay rent on the share they don't own. The scheme is aimed at people who cannot may not have the income or deposit to access a mortgage and buy a home via the open market. ([Shared ownership homes: buying, improving and selling: How shared ownership works - GOV.UK \(www.gov.uk\)](#)).
- Typical shares range from 25% to 75% of the full value of the property. You pay rent on the remaining share to the Shared Ownership provider (Heylo) as well as other monthly costs associated with maintaining the property and communal areas.
- All Shared Ownership homes (both houses and flats) are leasehold properties; this means Shared Owners own a lease for a fixed period
- Shared Owners can buy a share of the home via a mortgage or cash. Buying with a mortgage typically requires a minimum of 5% deposit (this is a percentage of the share, not the full value).

## Shared Ownership Programmes

- Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP)
- Affordable Homes Programme 2021 to 2026 (AHP)

## Other Government schemes Heylo does not provide

- Older Persons Shared Ownership (OPSO)
- Home Ownership for people with a Long-Term Disability (HOLD)

# Comparing the Government Standard leases...

	Shared Ownership and Affordable Homes Programme 2016 – 2021 (SOAHP)	Affordable Homes Programme 2021 – 2026 (AHP)
Lease term	125 years (although some are 999)	999 years
Initial Rent	2.75%	2.75%
Staircasing to 100%	Yes	Yes
Micro staircasing	No	Yes
Repairs and Maintenance	No	Yes, up to £500 pa
Minimum Initial Customer Share	25%	10%
Customer Minimum Deposit	5%	5%
Resales Nomination Period	8 or 12 weeks	4 weeks

Don't forget, there are other lease types! You can always speak to us as we want to support you in understanding your lease.

Email: [portfolio@heylohousing.com](mailto:portfolio@heylohousing.com) or telephone **020 3744 0415**

# The two key brands within Heylo...



- Heylo partners with housebuilders to acquire homes which are then converted into Shared Ownership homes.
- Heylo works with the housebuilder to market the homes for sale and to progress customers from point of reservation to completion.
- Once the customer completes on their home, Heylo becomes the customer's landlord, but the housebuilder is responsible for remedying snags and defects.



- Your Home works in partnership with estate agents to convert eligible homes available to buy on the open market into Shared Ownership.
- Customers are required to put down a minimum deposit of at least 25% of the property value and they pay a rent of 4.89% on the value of the share they don't own.

Let's talk about staircasing

# What is staircasing?

## Staircasing is the term used for the process of buying more shares in your home

- When you increase your share, the amount of rent you pay will reduce. This is because the amount of rent you pay will be based on the landlord's remaining share.
- You can usually buy shares in blocks of 10% or more at any time. Some older leases only allow you to buy shares of 25% or more. Some newer leases will allow you to buy shares of 5% or more.

## Micro staircasing

- If you bought your home on or after 1 April 2021, some leases offer you the chance to buy an additional 1% share each year for the first 15 years.
- Heylo will serve an Additional Percentage Value Notice [APVN] in April each year which is valid for 3 months.
- There are no administration fees or solicitor's fees payable to Heylo.

## Final staircasing

- Final staircasing is the purchase of the last remaining share in the property at which point you become the legal owner of the whole interest in the property (this could be the freehold if a house, or the lease if a flat).



# Where to start if you want to staircase

## Check your lease

- Check your lease to find out when you can buy additional shares and what shares you can buy. If you can't find your lease, we can help with telling you this.

## Value your home

- We need to assess the value of your property at the time you want to buy more shares. You will need to source a Royal Institute of Chartered Surveyors (RICS) valuation survey (not just an estate agent)

## Budget for the costs involved in staircasing

- **Your solicitor's fees** - typically it should cost no more than £600 for interim/final staircasing.
- **RICS valuation** – typically no more than £500. Heylo has a panel of RICS surveyors.
- **Heylo staircasing admin fee** – Heylo's current fee is £240. This is liable to change.
- **Mortgage fees** (if applicable) – Please check with your mortgage provider/advisor
- **Stamp Duty Land Tax (SDLT)** – this will vary dependent upon the lease type/length

**Finally, don't forget** you can always speak to us, we're here to help and we want to support you through the staircasing process.

**Email:** [resales.staircasing@heylohousing.com](mailto:resales.staircasing@heylohousing.com) or **telephone** 020 3744 0415

Let's talk about rent

# Let's discuss rent

## Why is rent charged and how is it calculated?

- Rent is payable on the share of the home that the Shared Owner does not own.

## When does rent increase and how does it increase? \*

### *For Home Reach properties:*

- This is reviewed annually and increases in line with the Retail Price Index (RPI) plus 0.5%. The exact calculation is specified in your lease.
- Rent increases come into effect from the 1st April each year. Heylo will notify you of changes to your rent in March.

## What is RPI?

- RPI is a measure of inflation, which is the rate at which prices for goods and services are rising.
- Linking rent increases to the rate of inflation is included in the standard Shared Ownership lease and is normal throughout the private rented sector.
- RPI is calculated and reported by the Office for National Statistics. You can find out more about the Office for National Statistics here: ([www.ons.gov.uk](http://www.ons.gov.uk)).

\* Reforms to shared ownership with effect from 12 October 2023 for certain new shared owners switched the maximum amount that shared ownership rents can increase by once a year from the RPI + 0.5% to the Consumer Price Index plus 1%

# Other charges you may pay in addition to your rent

## Service Charge

- Service charge for flats (and sometimes houses) is determined by the Managing Agent. It reflects the Management Company's estimated costs to provide services on the property.
- Heylo will use the recent budget and demands provided by the Management Company and calculate the monthly recharge of service or estate charges (if applicable to the property).
- If the customer pays directly to the Management Company, there will be no recharge or payment due to Heylo.

## Building Insurance

- The buildings insurance policy for the property is provided by Heylo under the terms of your lease.
- Our insurance policy runs from April to March each year and is recharged back monthly to you.
- If in a flat, it is likely that the buildings insurance is covered by the management company for the development and is included in the service charge paid.
- It is the Shared Owner's responsibility to have the appropriate contents insurance.
- Information about buildings insurance is available on the Heylo Housing website.

## Lease Management Fee

- As set out in the lease, Heylo charges a lease management fee, and this covers administration of your account.

## Estate Charges

- Estate charges will be set by the managing agent to cover the costs of maintaining the grounds and includes services such as gardening, litter picking and general grounds maintenance.

Time for your questions

# Time for your questions about staircasing

How long should it take to staircase once I submit an application?

How am I supposed to staircase when I have seen my rent, service charge and utilities all go up?

Staircasing is being offered at 1% intervals. I understood it would be in 10% intervals? As there is an associated cost with each increase can 10% be requested or something up to it with its associated costs from Heylo et al?

# Time for your questions about clauses in your lease


My neighbour is 2nd owner to her property and said that we will only ever own 95% of the property. I don't remember that being the case when I signed for mine 5 years ago. I am first owner to the property next door to hers. Would you please clarify this for me?

If I sell the house, do you get half of the value of the price?

If the sale price is lower than the purchase price what would happen then?

property at sale price or just your part at purchase?

# Time for your questions about rent



My rental payments jumped in 2024. When and how much will my rent be increasing going forward?



# Time for your questions about repairs and maintenance rights and responsibilities

## **Service/Maintenance.**

There is evidence that inconsistencies are creeping into the way the estate is being maintained through landscapers and gardeners. Some areas appear to be cut regularly; others seem to lag. Trees cut back or not. Dead trees left in situ. Is there an SLA (Service Level Agreement) with contractors and what is it?

If we understood what they are being asked to do and when, we could help Heylo by informing them of any issues in good time?

## **Gardens/Works to the property.**

There appears to be a general confusion concerning the amount of work that can be done in the garden. Some have said they can't paint their fences, put in raised beds or change its design.

1. What is the general view and why is it in place - i.e. impact to future owners?
2. Options to rectify at end of ownership or ask permission along the way

# Time for your questions about other matters

Property in Alsager backs onto a farm that has just been sold. Assuming it is sold for development of housing, what consultation would Heylo be afforded by any new development that backs on to theirs or for that matter, with the existing owners?

## **Executors' responsibility.**

Some older property owners have asked what information they need to provide to their executors. Shared Ownership is still in its minority as a form of ownership, so is there a set form of words available to inform the Executor what they need to do in light of a death?

What would you like to hear about at future Heylo Connect live events?

# Customer Poll

Which topic would you like to learn more about at our next Heylo Connect live event?

1

Selling your Shared Ownership home (resale)

2

Right To Manage & Resident Management Companies

3

What if you can't pay your rent?  
Options and means of support (e.g. subletting, hardship fund)

4

Complaints  
How we handle them, common themes etc\*

5

Something else?  
Please let us know by typing the subject matter in the Connect chat

\*we will not be able to deal with specific individual complaints in this forum

# More ways to get involved in the Heylo Community

# More ways to get involved in The Heylo Community

We want you to help us to improve how we deliver our services for all customers.

We are running a series of customer engagement activities and if you are interested in getting involved, we want to hear from you!

Environmental  
engagement  
activities in your  
local area

Customer subject  
matter experts

Join the Heylo  
Readers' Panel

Mystery  
shopping  
opportunities

To find out more or register your interest in any of the above visit the [Heylo Housing website](#)  
or email us at [customercommittee@heylohousing.com](mailto:customercommittee@heylohousing.com)

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# Thank you

Future Heylo Connect live events – 7pm on:

Wednesday 24<sup>th</sup> July 2024

Thursday 26<sup>th</sup> September 2024

Thursday 21<sup>st</sup> November 2024

Thursday 23<sup>rd</sup> January 2025



To raise specific questions in relation to your property,  
please contact: [portfolio@heylohousing.com](mailto:portfolio@heylohousing.com)  
or telephone 020 3744 0415

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