
heylo

HOMEOWNER

Guide to Resales



How to sell my part buy – part rent home?

Selling your share in your home is a straightforward process. When you sell your share, the lease is assigned to the new purchaser. The name on the lease will not change and heylo remains the landlord of the property, in this way the new resident will be liable to pay rent and other associated costs under the existing lease. Meanwhile, the buyer's solicitor will arrange for the leaseholders' name to be updated by the Land Registry.

A typical part buy – part rent lease offers heylo as the landlord the opportunity to nominate a new buyer in the first eight weeks following the sale, this is known as the nominations period. During this period, you should not instruct an estate agent to market your home. Heylo will instruct an estate agent to market your home on your behalf.

Before selling your share, it's important that you read the relevant section of your lease prior to instructing a legal representative, as this sets out the process that must be followed and any restrictions that apply to selling your home.

How it works

1

Decision:

Once you've decided you wish to sell, you will need to visit [heylohousing.com](https://www.heylohousing.com) and download the Resales Application Form.

2

Documentation:

Please email the completed application form along with the supporting documentation requested to the Resales Team:
resales.staircasing@heylohousing.com

3

Valuation:

Once we have received a valid RICS valuation, we can prepare to market your property.

4

Consent:

You will need to grant us formal consent to market the property.

8

Instruct:

On approval, potential buyers will need to instruct their solicitor.

7

Buyers:

The potential buyers will be financially assessed to ensure they meet heylo's eligibility criteria and adhere to heylo's credit policy.

6

Approval:

The estate agent will create a marketing sheet for you to approve before advertising online, once approved the nominations period will formally begin.

5

Instruct:

We'll then instruct an estate agent to market your home, our chosen estate agent will arrange photography, floor plans and send you a web link of how your online listing will look.

9

MOS:

The Memorandum of Sale (MOS) will be drawn up.

10

Solicitors:

heylo's solicitors will liaise with the buyer's solicitor.

11

Completion:

It's time to agree a completion date between seller and buyer and on the day of completion, the buyer will pick up their keys and move into their new property.

12

Lease:

The existing lease will transfer to the new buyers.

If we are unable to find a purchaser in the nominations period, you will be able to instruct a local estate agent to market your property on the open market. The agent may market your share, or 100% of the property, unless otherwise stated in your lease.

The costs of selling your shares

You will need to pay your solicitors' fees when selling your property, these will include the charge for their time, a fee for processing the sale proceeds via a bank-to-bank transfer and other associated costs with providing you legal support.

A fee will also be charged for organising your RICS (Registered Institute of Chartered Surveyors) valuation by the surveying firm which you instruct.

If you have or are due to have a managing agent on your estate you may also need to purchase a management pack from them.

heylo will charge a resale admin fee for marketing your property.

If we are unable to find a buyer for your property within the nominations period, you will be able to instruct an estate agent to market your property, you will be liable to pay their fees for their services.

Mortgage fees may also apply for early repayment, you can check whether your mortgage arrangement includes early repayment fees with your provider.

Summary of costs:



Your solicitor's fees



heylo resale fee



RICS valuation



Mortgage fees (if applicable)



Management pack fee



Estate agent's fees
(only applicable outside of the nominations period)

How to find a RICS accredited surveyor

The purpose of providing the RICS survey is to determine the price of your home. This will take into account the condition of your home, considering any home improvements you have made, or any work that's needed to return the property to its original condition.

Remember that property market values can rise and fall over time in line with the wider property market and the economy, the value provided by the surveyor can be more or less than the value you paid at the time of purchase.

Please note, we are unable to accept estate agent's valuations. We require a RICS valuation because estate agent's valuations are created for marketing purposes and may not reflect true market values.

Steps to source a RICS surveyor:

1. A surveyor may work as a sole trader, or be part of a much larger business
2. To ensure they are RICS accredited, visit www.ricsfirms.com
3. Simply enter your town, postcode or the name of a surveying firm in the search bar, "Find a Surveyor"
4. Press search to reveal a list of RICS approved surveyors along with their contact details

Marketing your property checklist

- ✔ **Resales Application Form:** Complete and return the resales application form to resales.staircasing@heylohousing.com
- ✔ **Arrange property valuation:** Contact a RICS (Registered Institute of Chartered Surveyors) approved surveyor to arrange a property valuation
- ✔ **Valuation report:** Receive surveyor's valuation report
- ✔ **Submitting documents:** Send heylo the following documents:
 - RICS valuation report
 - Energy Performance Certificate (EPC)
 - Photo ID (passport, driver's license, National Identity Card)
- ✔ **Photography and marketing:** heylo's appointed estate agency will begin marketing your property, our external photography agency will make an appointment with you to take photos of your property. They will be in touch with you when we receive the above documents
- ✔ **Approve the marketing sheet:** our appointed estate agent will send you a marketing sheet, summarising how your property will be marketed. Your nominations period will begin from the point you approve the marketing sheet



Instructing solicitors and finding a buyer

As mentioned, heylo will attempt to find a buyer for your property during the nominations period. The reason the nominations period is important is because we are required to ensure your home is made available as an opportunity to get on the housing ladder for people who would be unable to buy a home outright on the open market.

If no buyer is found during this period, you can instruct a local estate agent of your choice to market your property. The agent can market your share, or the entire property, dependent on the lease. You must make it clear to the agent that they can only market the property or share of the property at the amount set out on the RICS valuation.

When a buyer has been successfully found, it's time to instruct representative solicitors. You will need to instruct your solicitors to act on your behalf during the sale, while heylo will instruct our solicitors to complete the legal paperwork.

Providing the relevant documents

It is the responsibility of heylo homeowners to provide the relevant documents which pertain to the state of the property.

To begin marketing the property, please provide us with:

- Valid RICS valuation report
- Energy Performance Certificate (EPC)
- Official photo ID (Passport, Driver's license, National Identity Card)
- A completed resales application form

Please send these documents to resales.staircasing@heylohousing.com

Completion day

With nearly everything already taken care of, you won't have much to do come completion day.

Our solicitor will have already sent your solicitor a completion statement which outlines the remaining rent due, admin fees, insurance costs and service charges. heylo's admin fee for managing the property resale will be requested during completion, all costs are requested from your solicitor and will be deducted from the sale proceeds.

On the day of completion, we advise you to cancel your direct debit payment by contacting your bank. This will ensure that no further monthly payments are paid to heylo.

When handing over the property to the buyer you should arrange to leave the keys in a pre-arranged location. You should also ensure they are aware of any information about the property which they will need to be aware of. Before leaving your home, organise a meter reading to share with your utility provider.

On completion of the sale, once the legal paperwork has been completed, we will update our records to reflect the change in residency.

Warranty details and instruction manuals should be left in the property for the next buyer; it's up to the buyers' solicitors to make sure that they obtain all of the necessary confirmations that the warranty is registered, including confirming its length.



Buyers process

After you have registered your interest in submitting an offer, you will be contacted to provide the following items:

- 3 month's bank statements
- 3 month's payslips
- Help to Buy registration email
- Photo ID – Passport, Driver's License, National Identity Card
- Mortgage agreement in principle
- Signed privacy policy document – please return the whole document
- A completed direct debit form

When we have received all of the above documents, heylo will conduct a credit check to determine your ability to afford to make monthly rent payments. We will also carry out an affordability assessment with you.

You will also need to register and be approved by your local Help to Buy agent, visit the Help to Buy website to begin your registration. A copy of your acceptance and application to the Help to Buy scheme will need to be sent to resales.staircasing@heylohousing.com

Frequently asked questions

What is the heylo resale fee?

- Admin Fee (purchaser found by heylo in nominations period) - £1,000 +VAT
- Admin Fee (purchaser found outside of nominations period) - £450 +VAT

This fee will be collected on completion.

What are the legal expenses?

Your legal expenses will be approximately £1,200-£1,500, plus stamp duty where applicable. Seek legal advice on whether stamp duty will apply to your property.

What is the assignment fee?

This is also known as the heylo administration fee.

What is the estate agent fee?

If a purchaser is found by heylo in the nominations period, there is no estate agency fee payable by the seller. If a purchaser is found outside of the nominations period by an estate agent under your instruction, you will be liable to pay their fee.

Can I sell my share on the open market?

Only once the nominations period has passed without heylo finding a purchaser, you have the option to instruct a local estate agent to market the property on the open market. The agent can market your share, or the entire property, unless restrictions on the share that can be marketed are stated in your lease.

Will I have to pay any mortgage fees on completion?

Please contact your mortgage advisor for more information.

Does the new buyer need to meet any buying criteria?

If you are selling your share of the property only, heylo must confirm that potential buyers are registered with the appropriate bodies through regulatory checks and comply with the current nomination and eligibility criteria before a sale can be completed.

I bought my house with appliances included do I have to leave these in the house for the new owner?

You will need to complete a fixtures and fittings form (TA10) this will be shared with the new buyer by your solicitor and will lay out which fixtures and fittings will be left for the new buyer when you vacate the property.

Who is responsible for testing the boiler and the electrics before completion?

The seller is responsible for ensuring the boiler and electrics are in good working condition before the sale is finalised, and that meter readings have been provided.

What about rent and service charge arrears?

Outstanding arrears on your account will be collected by our solicitor.

Where do I leave the keys on moving day?

You should agree via your solicitors how the keys will be handed to the buyer on completion, but this is usually done through the appointed estate agent.

What happens if the sale falls through?

This is always unfortunate and frustrating and will require you to go back to market to find a new purchaser. You will have the opportunity to seek a buyer on the open market. If we accepted an offer before the end of the nominations period, you would need to complete the nominations period first before going to the open market.

How do home improvements impact the sale price?

Your RICS valuation will take into account any home improvements you have made to the property which will impact its sale price, taking into account structural changes such as loft conversions, extensions and kitchen and bathroom fitouts.

If you have made significant improvements to the property, two valuations will be given for your home as part of your RICS valuation, one which is reflective of the improvements you have made, and one which reflects the property's value when you moved in.

Significant improvements are considered to be new windows, new kitchens or bathrooms, loft conversions, conservatories and extensions. General maintenance, repairs to appliances, and redecorations aren't considered improvements.

We will market your property based on the value of your home after you made improvements.

What happens if my valuation expires?

A property valuation is valid for three months from the period your valuation is given by your surveyor. If you can't find a buyer before your valuation expires you will need to seek an extension, but you should discuss this with us first.

It is your responsibility to ensure your valuation is valid when proceeding with the sales process. An extension of three additional months can be sought, however, for more information before proceeding with an extension we recommend you speak to your surveyor about the costs involved.

What is the nominations period?

The nominations period forms part of the lease as outlined in the Capital Funding Guide. It sets out that heylo, as the landlord has the right to market your property, or your shares in your home, usually for an eight-week period. During this time, you cannot place your property, or shares, on the open market through an estate agent.

If you have staircased to 100 per cent ownership, no nominations period applies. Details about the length of your nominations period can be found in section 3.20.4 under "DEFINITIONS AND INTERPRETATION".

Buyers found during the nominations period must meet the standard criteria for purchasing a part buy – part rent property as set out by Homes England.

What happens if I change my mind and don't want to sell?

By removing your property from the market during the nominations period, you will have to pay an early removal fee.

The following fees apply:

- Before a buyer has been sold - £350 +VAT
- During the sale process - £950 +VAT
- Outside the nominations period – no fee

Eligibility criteria for potential buyers –

- Buyers must be at least 18 years old
- Buyers must have a total household income under £80,000 (£90,000 in London)
- Buyers must meet the Homes England affordability and sustainability assessments (see the Homes England calculator guidance for further information)
- Buyers are expected to use any savings and assets towards the purchase of their home. This may mean selling assets such as bonds, shares, land and any other financial investments
- Buyers in receipt of benefits are eligible for part buy – part rent provided they meet the Homes England affordability assessment
- Self-employed buyers must be able to provide 2-years evidence of their income
- Buyers must purchase the maximum share they can reasonably afford within the parameters of the Homes England calculator
- Shared owners must be first time buyers or:
 - Not currently own a home suitable for their housing needs
 - Sell a home not suitable for their housing needs before buying part buy – part rent
 - Own a non-residential property that provides their main income source

- Buyers must have good credit history (for more information on our credit criteria, please visit [heylohousing.com](https://www.heylohousing.com))
- Buyers must have a minimum 5% deposit towards the share they are purchasing
- Buyers may retain a portion of their savings to cover the costs of purchase and moving home (typically up to £5,000). This may include:
 - Legal fees
 - Stamp Duty Land Tax where applicable
 - Mortgage application fees
 - Valuation fees and any associated moving costs

If you are selling when you have reached 100 per cent ownership, there is no criteria you need to fulfil before making a sale.

Do I need an EPC?

Yes, all properties marketed in England and Wales need an Energy Performance Certificate (EPC) before they can be sold. EPCs are valid for 10 years, so depending on the age of property you may already have a valid certificate. If this is not the case you can arrange a survey with an assessor, this must be arranged before we begin to market your property. To check whether you have a valid certificate from your initial purchase, you can consult the EPC Register.

Are there any restrictions on reselling?

Yes, restrictions can include:

- A longer nominations period (consult your shared ownership lease)
- Marketing strategies (e.g. marketing via a local newspaper)
- Purchaser specifications (governed by your local council, more information can be found in your Section 106 Agreement)





Contact Us:

Our offices are open:

Monday - Thursday: 9am - 6pm

Friday: 9am - 5pm

heylo