

# HOME OWNERSHIP POLICY

<b>Board Approval:</b>	November 2025	<b>Responsible Board:</b>	Ocean Housing Ltd
<b>Next Review:</b>	November 2028	<b>Responsible Executive:</b>	Executive Director Housing & Communities

## 1.0 Purpose

- 1.1 The purpose of this policy is to set out Ocean's approach to managing its home ownership customers in a consistent, fair, and reasonable manner, in line with our obligations under the relevant lease agreements, transfer agreements, and applicable legislation.
- 1.2 This policy applies to all leaseholders, shared owners, and any freeholders who pay a service charge for shared estate services. Throughout this policy, the term *homeowner* will be used to refer collectively to these three tenure types, with specific tenures identified where necessary. This policy does not apply to commercial leaseholders or commercial properties.
- 1.3 This policy does not alter the terms of any lease or transfer agreement. In the event of any apparent conflict between this policy and the provisions of a lease or transfer agreement, the lease or transfer agreement will take precedence.

## 2.0 Policy Statement

- 2.1 We will always act in accordance with the lease, or in the case of freeholders, their transfer agreement or other such legal agreement as applicable.
- 2.2 We will treat homeowners as valued customers, delivering good quality services. Ocean will comply with all relevant legislation and regulatory standards and will learn from good practice.
- 2.3 We will publish clear service standards ensuring transparency.

## 3.0 Customer Engagement & Consultation

- 3.1 Where practical and appropriate, Ocean will attend residents' meetings and the Annual General Meeting (AGM) of any recognised Tenants & Residents Association or resident management company.
- 3.2 Ocean will periodically seek feedback from homeowners through surveys and customer engagement forums to ensure we hear and listen to their views and identify opportunities for improvement.
- 3.3 Where required, Ocean will undertake formal consultation with leaseholders and

shared owners in accordance with Section 20 of the Landlord & Tenant Act 1985 (as amended), when carrying out major or cyclical works or entering into a long-term agreement. We will always ensure that any works are reasonable, necessary, and represent good value for money.

- 3.4 Where Section 20 does not apply and we are not formally required to consult homeowners, Ocean will clearly communicate plans to carry out work, enter into long-term agreements, or make any changes to service delivery that may materially affect customers. This communication will be provided as early as possible to ensure transparency and engagement.

## **4.0 Fees & Charges**

### **4.1 Service charges**

- 4.1.1 Ocean will apply a variable service charge to all homeownership customers. An annual service charge demand, based on an estimate of likely costs, will be issued within one month of the start of the new financial year. Service charges will attract a percentage-based administration fee in accordance with our Service Charge Policy.
- 4.1.2 Ocean will provide year-end accounts no later than six months after the end of the financial year, detailing actual expenditure against income collected.
- Any under-recovery (deficit) will be recovered through a supplementary invoice, payable within 30 days.
  - Any over-recovery (surplus) will be credited back to customers within 30 days, after which eligible customers may request a refund.
- 4.1.3 Service charges will be reviewed and levied annually in accordance with the requirements of the lease, transfer agreement, and Ocean's Service Charge Policy. A Summary of Tenants' Rights and Obligations will be issued to homeowners with all forms of service charge demand.

### **4.2 Rent & Ground Rent**

- 4.2.1 Ocean will increase shared ownership rents in accordance with the requirements of the lease, unless there are overriding rules or regulations that specifically require a different approach. Rent will be charged monthly and be payable in advance.
- 4.2.3 Any ground rent payable will be demanded in accordance with the requirements of the lease and the Commonhold & Leasehold Reform Act 2002. Where Ocean is charged ground rent by a superior landlord, this cost will be recovered from our under-lessee.
- 4.2.4 We will not charge ground rent for new long residential leases.

### 4.3 Management fees

- 4.3.1 Ocean will charge a management fee to homeowners to cover the cost of staffing and office overheads for teams that directly or indirectly facilitate the delivery of services to homeowners. These are services not covered by any service charge. This fee will be reviewed annually to ensure it continues to reflect and cover the costs it is intended to meet.
- 4.3.2 We will charge a banded management fee which will be applied based on tenure.

### 4.4 Administration fees

- 4.4.1 We charge administration fees for ad-hoc services that are not included in the standard Management Fee. When a homeowner requests a service, we will confirm whether an administration fee applies. A full list of administration fees will be published on our website. These fees are reviewed periodically to ensure they remain fair and proportionate to the costs they are intended to cover.
- 4.4.2 We will seek to recover our legal and professional fees from all homeowners where it is reasonable to do so.
- 4.4.3 A Summary of Tenants' Rights and Obligations in relation to administration charges will be issued to all homeowners where a fee payment is requested. We will also publish a copy of rights and obligations on our website.

### 4.5 Repairs, major work, and cyclical maintenance fees

- 4.5.1 Where we are responsible for carrying out repairs, major works, or cyclical maintenance to our buildings and estates, we will apply a 15% administration charge to homeowners to cover the cost of arranging and managing the work.

## **5.0 Lease Extensions, Assignments, and Variations**

### 5.1 Lease Extensions

- 5.1.1 Leaseholders have a statutory right to a lease extension and as such Ocean will oblige any request from a leaseholder wishing to extend their lease. Lease extensions will be offered on a formal and voluntary basis.
- 5.1.2 Shared Ownership leaseholders do not currently have a statutory right to extend their lease. However, Ocean will agree to a lease extension on an informal basis, treating the request as if the leaseholder had a statutory right. All lease extensions will be completed through an informal process.
- 5.1.3 All premiums for lease extensions will be determined based on an independent

valuation commissioned by Ocean.

## 5.2 Lease Assignments

- 5.2.1 We will respond promptly to requests from leaseholders and shared owners who wish to assign their lease. Leaseholders and shared owners will be responsible for their own costs, as well as any costs incurred by Ocean, including administrative fees for services provided in support of the assignment, whether the transaction is completed or not.

## 5.3 Deed of Variation

- 5.3.1 We will consider and agree to requests for variations to leases and transfer agreements where it is appropriate and in the interests of both parties. Homeowners will be responsible for their own costs, as well as any costs incurred by Ocean, including administrative fees for services provided in support of the variation, whether the matter is completed or not.

## **6.0 Homeowner Rights**

### 6.1 Right to Manage

- 6.1.1 Ocean will always support homeowners who collectively wish to exercise their right to manage. Where homeowners choose to proceed with the Right to Manage, they will be required to pay their own costs as well as any costs incurred by Ocean whether the matter completes or not.

### 6.2 Collective Enfranchisement

- 6.2.1 We will respond to all enfranchisement applications in accordance with the Leasehold Reform Housing & Urban Development Act 1993 (as amended).

### 6.3 Right to Inspect

- 6.3.1 Where a formal request is made by a leaseholder or a recognised Tenants' and Residents' Association under Section 22 of the Landlord and Tenant Act 1985 (as amended), we will respond promptly to ensure documentation is provided within the statutory timeframe. Documents will be made available for inspection either in person or electronically, as appropriate.

## **7.0 Third party Management Companies & Managing Agents**

- 7.1 We will work collaboratively and constructively with all third-party management companies and their appointed agents to ensure the best outcomes for Ocean homeowners and customers.

## **8.0 Death of a Homeowner**

- 8.1 Where we are notified of the death of a homeowner we will act sensitively and allow the family or whoever is dealing with the deceased homeowners estate a reasonable amount of time to deal with the estate or the transfer of the property.
- 8.2 We will work with the family or whoever is dealing with the deceased homeowner's estate to ensure the account is maintained and that the resale or assignment process is carried out correctly.
- 8.3 If there are two homeowners and one passes away, the rent account will be transferred into the name of the surviving homeowner, and all future correspondence will be addressed to them. If there are no surviving homeowners, the rent account name will remain unchanged, and all correspondence will be addressed to the Personal Representatives of the deceased until the estate has been fully administered.

## **9.0 Permissions**

### **9.1 Sub-letting**

- 9.1.1 Leaseholders and freeholders are permitted to sub-let their homes and generally do not require our permission to do so.
- 9.1.2 Shared owners are generally not permitted to sub-let their homes, except in exceptional circumstances. Any request to sub-let will be considered in accordance with our Shared Ownership Policy.
- 9.1.3 In all cases of sub-letting, homeowners must provide a correspondence address where they will be residing.

### **9.2 Alterations & Improvements**

- 9.2.1 Requests from homeowners to make alterations or improvements to their property will be considered based on the terms of their lease or transfer agreement and in accordance with our Tenant Alterations & Adaptations Policy. Homeowners will be responsible for any applicable fees and professional costs, whether consent is granted by Ocean or not. We will not unreasonably withhold consent.

## **10.0 Insurance**

- 10.1 Where required under the terms of the lease, we will provide buildings insurance for all blocks of flats and shared ownership houses. Leaseholders and shared owners will contribute a fair and reasonable amount towards the cost of this insurance, which will be reviewed annually and charged accordingly. We will publish details of our

insurance cover on our website.

- 10.2 All homeowners are responsible for arranging and maintaining insurance for the contents of their homes.
- 10.3 Where we own, manage, and maintain estate amenity spaces, we will provide insurance to cover those areas for public liability. Homeowners on such estates will contribute a fair and reasonable amount towards the cost of this insurance, which will be reviewed annually and charged accordingly.

### **11.0 Breaches of Lease & Transfer Agreement**

- 11.1 It is the homeowner's responsibility to read and understand their lease or transfer agreement to ensure compliance with its terms. If we identify a breach of the lease or transfer agreement, we will contact the homeowner first and request they remedy the breach within a defined timeframe.
- 11.2 If a breach is not remedied within the specified timeframe, we reserve the right to take legal action, which may include seeking an injunction and, as a last resort for leaseholders, applying for forfeiture of the lease. If forfeiture proceedings become necessary, we will also contact the mortgage lender, where applicable, and notify them accordingly.
- 11.3 Fees may be applied to cover the cost of staff time spent addressing any breach of a lease or transfer agreement. We will also seek to recover any legal and professional fees incurred in resolving a breach, which may be subject to the discretion of the Court or Tribunal.
- 11.4 We will take legal action to recover arrears for rent and/or service charges where appropriate and in accordance with our Income Management Policy.

### **12.0 Repairs & Maintenance**

- 12.1 We will repair and maintain our buildings and communal areas on our estates in accordance with our Responsive Repairs Policy and Cyclical Maintenance Policy.
- 12.2 Leaseholders will be consulted where appropriate and in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended).
- 12.3 Homeowners are expected to contribute a proportionate share of the costs for repairing and maintaining our buildings and communal areas, in accordance with their lease or transfer agreement, unless otherwise agreed.

### **13.0 Compliance**

- 13.1 We will ensure compliance with our landlord health and safety obligations for

leaseholders and shared owners living in blocks of flats with communal areas by carrying out regular checks, where required, on fire alarms, emergency lighting, and electrical safety systems.

- 13.2 We will comply with all applicable health and safety legislation, including the Building Safety Act, Fire Safety Act, Health and Safety at Work Act, and any other relevant laws, to ensure the safety of our customers.
- 13.3 Homeowners are responsible for ensuring the safety of their occupiers and property in accordance with applicable legislation. From time to time, we may request evidence of safety compliance; however, we acknowledge that we are not entitled to receive this information unless expressly required by the lease or transfer agreement.

#### **14.0 Buyback of Leasehold Property**

- 14.1 We will always consider a request from a leaseholder to repurchase their property, however, there is no legal right or requirement for a leaseholder or Ocean to do so. Any buyback would be solely at the discretion of Ocean.
- 14.2 In most buyback cases the following will apply:
- The lease is residential
  - We will pay market value subject to deducting professional fees and arrears
  - The property will be repurchased with vacant possession
- 14.3 Requests outside of the above criteria will be at the discretion of the Executive Director of Housing & Communities and Deputy Chief Executive.

#### **15.0 Definitions**

- 15.1 A **lease** is a contractual agreement between a landlord and a tenant (including any successor in title for either party) granting the tenant exclusive possession of demised premises for a fixed term. The lease sets out the respective obligations and rights of both the landlord and the tenant.
- 15.2 A **transfer agreement** is a legal deed used for the transfer of land or property. It is a contractual arrangement between a seller and a purchaser (and any successor in title). The agreement sets out the obligations of both parties, such as the requirement to pay a service charge and other covenants associated with the property.
- 15.3 A **shared owner** buys a percentage of a property, typically between 25% and 75%, and pays rent on the remaining share which is owned by Ocean.
- 15.4 A **leaseholder** is someone who owns a property for a fixed period through a lease agreement, rather than owning it outright with the land.

- 15.5 A **freeholder** is someone who owns a property, including the land it's built on, in perpetuity. Their relationship with Ocean is usually formed on the basis of paying a service charge.
- 15.6 A **variable service charge** is based on the actual costs of services provided and will follow an end-of-year balancing activity.
- 15.7 A **management fee** covers the cost of property management services for a building or estate. This includes arranging insurance, managing accounts, staffing and office expenses, and ensuring compliance with Homes England regulations.
- 15.8 An **administration charge** covers the cost of activities such as checking and paying invoices, tendering for contractors, managing contracts for works and services, handling queries and complaints, and carrying out customer consultations, including those required under Section 20.

## **16.0 Responsibilities**

- 16.1 The Executive Director of Housing & Communities is accountable for ensuring that this policy remains legally compliant and is reviewed and updated as required.

## **17.0 Implementation**

- 17.1 The Head of Customer Experience & Neighbourhood Services, together with the Senior Customer Experience & Commercial Manager, is responsible for producing the policy, overseeing its implementation, and ensuring that work practices across the organisation comply with its requirements.

## **18.0 Training**

- 18.1 The team directly employed to provide services to homeowners will undertake appropriate and relevant training and maintain proper accreditation to ensure both competency and credibility in delivering these services. Such training and qualifications may be provided by the Chartered Institute of Housing and or The Property Institute.
- 18.2 In addition, the team will remain up to date with best practice and engage in continuing professional development (CPD) to ensure ongoing expertise and compliance with industry standards.

## **19.0 Performance Monitoring**

- 19.1 Performance on the collection of income due from homeowners will be reported to the Group Leadership Team at agreed intervals.