



PA Housing Leasehold and Shared Ownership Policy

April 2025

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Department	Homeownership
Approved by	Emma Conlon, Director of Tenancy & SMT
Next review date	April 2028

Paragon Asra Housing Limited (PA Housing) is committed to equality and diversity. This policy has considered the Equality Act 2010 and its protected characteristics which are: race, gender, gender reassignment, disability, religion or belief, sexual orientation, age, marriage, civil marriage and partnership, and pregnancy and maternity explicitly.

We will make sure that all of our communication is fully accessible and to achieve this if a policy or document needs to be available in other formats we will provide them.

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1 Introduction

1.1 Paragon Asra Housing Limited (PA Housing) is committed to delivering high-quality, value-for-money services for leaseholders and shared owners. This policy provides a framework for managing leasehold and shared ownership properties effectively, ensuring compliance with legal and regulatory requirements. It applies to PA Housing employees, residents, board members, contractors, and any third parties managing PA Housing data on our behalf.

1.2 This policy aligns with:

- The Commonhold and Leasehold Reform Act 2002
- Homes England's Capital Funding Guide (for shared ownership)
- Other relevant legislation and good practice guidance

We will ensure that information provided to leaseholders and shared owners is clear, accessible, and transparent.

2 Objectives

This policy aims to:

- Provide a transparent and customer-focused service
- Outline responsibilities for both PA Housing and leaseholders/shared owners
- Ensure fair and legally compliant service charges, fees, and property management
- Support sustainable homeownership through clear policies on staircasing, resales, and subletting

3 Definitions

- Leaseholder: Includes shared owners, older person shared owners, 100% leasehold property owners, and tenants who purchased under Right to Buy (RTB) or Right to Acquire (RTA).
- PA Housing: Responsible for communal areas, planned maintenance, and compliance with leases
- Major Works Consultation (Section 20): PA Housing will consult

leaseholders when work costs exceed £250 per leaseholder or when long-term contracts exceed £100 per year per leaseholder.

4 Responsibilities

- Shared owners: Responsible for maintaining their property, with written permission required for certain improvements.
- Major Works Consultation (Section 20): PA Housing will consult leaseholders when work costs exceed £250 per leaseholder or when long-term contracts exceed £100 per year per leaseholder.
- PA Housing will consult on the proposed works in accordance with provisions of the Landlord and Tenant Act 1985 and Commonhold and Leasehold Reform Act 2002 unless the First Tier Tribunal (Property Chamber) has agreed that consultation is not required.

5 Service Charges and Management Fees

5.1 Management and Administration Fees

- Where the lease agreement allows, we will charge a management fee for the services described above. We will review our management charges from time to time to ensure and demonstrate that value for money is being achieved for leaseholders.
- Fees will align with lease agreements and will be clearly communicated before services are provided.

5.2 Service Charges

- Charges will be calculated as variable costs, reflecting actual expenditures for services such as cleaning, grounds maintenance, lighting, lift maintenance, and fire alarm testing.
- Administrative charges apply, excluding buildings insurance, sinking funds, and personal utilities.

5.3 Ground Rent

- If applicable, ground rent must be paid in accordance with the lease agreement.

6 Leasehold and Shared Ownership Transactions

6.1 Staircasing (Increasing Ownership Share)

- Shared owners can purchase additional shares up to 100%, except where restrictions apply (e.g., rural areas, older persons' schemes).

- Reverse staircasing (selling shares back to PA Housing) may be considered in exceptional cases.
- All transactions require a Royal Institution of Chartered Surveyors (RICS) valuation.

6.2 Subletting

- Subletting is generally prohibited but may be approved in exceptional circumstances for a limited period.
- Subletting will also be subject to your lease.
- PA Housing will provide a licence agreement where subletting has been agreed. The licence will be subject to review in every 12 months as a minimum & can be;
- Subject to cost.

6.3 Selling a Shared Ownership Property

- When selling a shared ownership property, owners are required to inform PA Housing and arrange a valuation by the Royal Institution of Chartered Surveyors (RICS).
- This process, outlined in the shared ownership lease, ensures a fair assessment of the property's market value, protecting both the seller and potential buyers.
- Shared owners have the option to staircase to 100% ownership before completing the sale
- Additionally, if the lease terms allow, PA Housing can nominate a purchaser when the property is being sold.

Commented [HM1]: This refers to the sale of the share. Suggest also making it clear that the shared owner can do a 'back to back' 100% sale, if PA Housing can't nominate. Please also see comment below

7 Legal Compliance and Leaseholder Rights

7.1 Right to Manage

- Leaseholders in eligible properties may form a Right to Manage Company under the Commonhold and Leasehold Reform Act 2002.
- This applies to flats but not standalone houses or bungalows.

7.2 Collective Enfranchisement

- Leaseholders may have the right to collectively buy the freehold of their building.

7.2 Breaches of Lease

- PA Housing will take action against leaseholders who breach lease terms, including unauthorized subletting, failure to maintain property, or unpaid fees including Ground Rents and Service Charges .

8. Monitoring, Training, and Review

- PA Housing will monitor compliance and review this policy every three years or when legal changes require updates.
- The Director of Tenancy and the Senior Management Team (SMT) will be responsible for scrutinising the policy. The Head of Income will work with relevant members in the leadership team in Sales and Finance to ensure compliance with the policy.
- Staff will receive regular training on leasehold and shared ownership matters, including legal updates.

9. Complaints and Equality Commitment

- PA Housing is committed to equality and will ensure all communications are accessible.
- All formal complaints will be dealt with under the PA Housing complaints policy.
- Complaints can be made via phone, email, online, or in person contact: 0300 123 2221 | Email: complaints@pahousing.co.uk
- We pride ourselves on our approach to equality and diversity and believe that everybody is unique, and that uniqueness should be celebrated.
- We will treat everybody with fairness and respect and consider their individual case and circumstances when making decisions about compensation in line with our published Equality and Diversity Policy

10. Related Legislation

- Housing Act 1985
- Leasehold Reform (Ground Rent) Act 2022.
- Leasehold and Freehold Reform Act 2024

- Housing Act 1980
- Equality Act 2010
- General Data Protection Regulation (2018)
- Landlord and Tenant Act 1985
- Commonhold and Leasehold Reform Act (2002)
- Consumer Protection from Unfair Trading Regulations (2008)
- Anti-Money Laundering Regulations (2017)
- Law of Property Act 1925
- Landlord and Tenant Act 1987

11. Related Policies

- **Income Management Policy**
- **Service Charges Policy**
- **Complaints Policy**
- **Data Protection Policy**
- **Equity, Equality, Diversity and Inclusion Policy**
- **Rent Policy**
- **PA Housing's Equality and Diversity Policy**

The Leasehold and Shared Ownership Policy outlines the rights and responsibilities of a leaseholder who owns a property for a fixed period under a lease agreement. This also covers all aspects of a Shared Ownership rights and responsibilities.