



## LONDON CLT FREQUENTLY ASKED QUESTIONS FOR APPLICANTS + PROSPECTIVE RESIDENTS

### 1. APPLICATION PROCESS AND MEMBERSHIP

#### How do I apply for a CLT home?

The application process goes live on the **28<sup>th</sup> September 2021**, it closes on the **27<sup>th</sup> February 2022**. There are 5 steps in the process:

1. Become a member (details see below).
2. Complete and pass all areas on the eligibility test (which goes live on 28<sup>th</sup> Sept).
3. Complete and submit our online application form along with attached evidence.
4. If successful, you will be invited to an independent allocations panel for an interview.
5. Completion of mortgage application and conveyancing before moving in.

For further information about the application process please read /request our Allocations Policy.

#### Am I a Member?

You become a member by signing up on our website [www.londonclt.org](http://www.londonclt.org), there is a one-off fee of £1.22 (this includes a 22p admin fee for our online platform). The fee is a nominal 'share' and means you can vote at our AGM or stand for our board.

When you become a member, you should get an automated response confirming your payment has been received.

If you think you have already joined as a member you can check by seeing if you have received email updates from London CLT in the past. If so, you are already a member as our mailing list is only sent to members.

#### Do I have a membership reference number?

No.

#### If I am not a member can I still apply for a CLT home?

No, membership is part of the eligibility criteria. It is a straightforward process which shows commitment to cause and ensures you will receive important updates.



### **Can I use a friend's membership to apply?**

No, you must apply yourself.

### **Is the applications process on a first come first serve basis?**

No. It will not be on a first come first serve basis, the applications are tested based on our allocations criteria. Please make sure you submit your applications within the timeframe.

### **How will you decide?**

Applications will be assessed based on a point scoring system for questions. The question sections relate to our 5 areas of eligibility: local connection, housing need, financial eligibility, community involvement and commitment to CLT values.

Successful applicants will be invited to an interview with our independent allocations panel. This will consist of a mix of members of the CLT board, representatives from the 3 member types (community, residents, expert stakeholder) and independent third parties.

## **2. ELIGIBILITY**

### **What are the criteria for eligibility?**

When allocations go live you will be asked to take a brief eligibility test to see whether you are eligible based on the following areas of criteria. The main application form will also ask questions on these areas.

<b>Eligibility criteria/sections</b>	<b>Weighting in application</b>
Local connection to the borough (at least years)	25%
Housing Need	30%
Financial Eligibility	20%
Involvement in the community	15%
Commitment to CLT values	10%

### **I don't live in Lewisham; can I still apply?**

If you do not live in Lewisham but have lived there for at least 5 years previously you may be eligible. If you have never lived in the borough or had a connection to it, you cannot apply but do keep an eye out for future opportunities on other projects in the coming years.

### **Can I apply if I am on the Lewisham Housing Register?**

Yes, additional points will be given to those who are on the Lewisham Council Housing Register.

### **Will there be a regular review of circumstances once I have moved in to see if I still fit the CLT eligibility?**

No. You will be assessed when you buy the property but not at intervals afterwards. If the property changes



hands to next of kin their circumstances will be reviewed to see that they are eligible.

**If I apply for a 2-bedroom flat will it minimise my eligibility for a 1-bedroom flat etc.?**

Please request the size flat you think you *need*, and we will review your preference according to your current need.

**If my children leave home and I am no longer using all the rooms does this mean I am no longer eligible to live in the CLT flat?**

You are still eligible. Once you have purchased the property your situation will not be reviewed. However, subletting or renting a part of your property will be against the terms of lease.

**I have been living and working in the borough for less than 5 years, my job and home are here, and I may have to move if I cannot find property. Does this make me ineligible?**

Unfortunately, yes, you must have at least 5 years connection to the borough.

We decided on this through a survey of Lewisham members, of which 112 responded. 5 years was the preferred amount of time by which to define local connection.

**If I own another property/own a property I am selling to purchase a CLT can I apply?**

Owning another property does not exclude you from applying.

You may have a property you are selling to secure the mortgage on the CLT home. If you have another additional property, there must be a demonstrable reason that you are not able to live in your existing property. The CLT property you wish to purchase must be your only home.

An example of this is those in shared ownership properties who may not be able to afford to buy a more suitable home on the open market.

### 3. OCCUPANCY

**How will you decide who gets which unit?**

This will be decided based on the size of your household and the needs you state in your application. Beyond stating any relevant medical needs and family size/occupancy requirements you will not be able to select your preferred flat.

There is one wheelchair accessible flat on the ground floor with wheelchair charging points, wider doorways and a wet room and another ground floor flat that is wheelchair adaptable. The remaining homes are to the same spec as each other, other than ground floor flats which have outdoor garden/terrace space, all upper floors have balconies.



### **How many bedrooms am I eligible for?**

Any applicant can apply for more rooms than their current need, based on expected future needs. However, we will have to consider those with greater current needs first. See the occupancy guidelines below.

The Maximum occupancy:

1 bedroom (1 double) = 2 adults *[5 available, including 1 accessible unit and 1 adaptable unit]*

2 bedroom (1 double + 1 single) = 3 adults or 2 adults and 1-2 children *[6 available]*

### **I am single, can I apply for a 1-bedroom apartment?**

Yes you can, your needs will be taken into account alongside other applicants.

### **We are hoping to have more children, can we apply for more rooms than our current need?**

You can, although your current needs will be assessed alongside the current need of other applicants.

### **I wish to have extended family move in, am I still eligible?**

You may be eligible; we will take this on a case-by-case basis. If your extended household e.g., parents or siblings would normally live with you, or need to live with you, you can apply if you have housing need, meet the maximum occupancy requirements and are not overcrowded.

## **4. MORTGAGES**

### **What price will I be paying for the flat?**

The prices will be as advertised:

£215, 000 for a 1 bedroom

£272, 500 for a 2 bedroom

### **What about price differences between flats and locations within the building?**

As we do not determine prices according to market expectations around size, location and occupancy this will not be taken into account. If we were to take into account such market factors around pricing the pricing model would deviate from our affordability workings. The prices will remain linked to local wages.



### **Are there any known challenges of obtaining mortgages for property where land is owned by the trust?**

Yes, because our product is new and pegged to incomes rather than the market most lenders will not lend on this. London CLT has worked to secure 2 mortgage providers for this project, Nationwide Building Society and Ecology Building Society.

Nationwide Building Society have confirmed that they will support lending on up to 50% of the homes at our site, on a first-come, first-served basis, provided that you can meet their application criteria.

### **Can you suggest a mortgage provider to use?**

London CLT has worked to secure mortgages from 2 partners for this project, Nationwide Building Society, and Ecology Building Society. You are welcome to also shop around though and let us know how you get on.

### **The mortgage broker requires more information about the scheme. Can you give me some details for lenders?**

We do not advise interested applicants to incur any arrangement fees until they know they have been allocated a home, as we cannot guarantee everyone who applies a CLT home. We are encouraging applicants to check that they are likely to get a mortgage so all you need at this point is a key facts illustration from a lender of your choice.

A key facts or mortgage illustration explains key features of your mortgage telling you things like what your initial monthly payments would be based on the information you provide during your quote.

For more info visit

[www.moneyadviceservice.org.uk/en/articles/keyfacts-documents-explaining-your-mortgage](http://www.moneyadviceservice.org.uk/en/articles/keyfacts-documents-explaining-your-mortgage)>

For more specific financial advice you will need to approach a financial adviser. London CLT is not able to give financial advice.

If you have been allocated a home and have decided to approach a lender/broker please let us know and we can provide further info on the product and lease terms.

### **Do we need to pay a deposit? What percentage?**

This depends on your arrangements with mortgage company. We want you to demonstrate that you have 10% of the full cost of your home in savings for the purpose of the application as this is likely to be the minimum requirement.

### **Can I claim housing benefit on my mortgage?**

You should enquire about this with the mortgage company at stage when you get key facts illustration as it may be applicable under the income or entitlement section.



### **How long is the leasehold for?**

The headlease is 150 years from April 2021 and the residents' leases are 4 days shorter.

NB: the headlease is the agreement for who owns the entire plot of land (London CLT).

The subleases or your 'leasehold' are the agreements you will sign for your flat, which you essentially permanently lease from the headlease holder.

### **Is the property likely to increase in value?**

This will depend on local wages. The cost of the property is linked to the median wage in Lewisham. It will not increase in value according to market rates, if the wages increase you might make a slight gain.

The purpose is to create homes for local people to live in, so they are not priced out of the borough, rather than as a financial investment.

However, should you choose to sell the property back to the trust you will get at least the amount that you paid for it.

### **Would having a larger cash deposit be more helpful for me than having a lower mortgage?**

Your finances will be reviewed according to where you fit within our eligibility brackets e.g. a combination of income and savings. You must have income to pay your monthly mortgage and savings to cover the deposit and conveyancing fees.

Generally the more savings the better in terms of your mortgage repayments. However, for London CLT's eligibility if your income and/or savings are too high and you may have market options available to you, you will not be eligible.

### **Is there an official index calculating salaries in Lewisham/how do you calculate the median wage?**

We used the office for national statistics dataset from Lewisham, looking at the median income for all people in work. The median wage in the borough in 2020/2021 is around [£37,000].

## **5. SECURING YOUR MORTGAGE**

### **Who are the lenders?**

#### Nationwide Building Society

Nationwide is a building society, or mutual, owned by its members. That's usually anyone who banks, saves or has a mortgage with them. Improving communities is at the heart of everything they do, and their vision is for everyone to have a place fit to call home.

Nationwide will support lending of up to 50% of the homes at our site, on a first-come, first-served basis, provided that you can meet their application criteria.



Nationwide mortgages are subject to application, including underwriting and eligibility criteria. Mortgages are secured on your home. You could lose your home if you do not keep up repayments on your mortgage.

You can find more details about eligibility for a Nationwide mortgage and start your mortgage application with them, should you wish to do so, by contacting their Mortgage Adviser, Ram Odedra at [Ram.Odedra@nationwide.co.uk](mailto:Ram.Odedra@nationwide.co.uk)

Please only contact Ram **after** your home has been allocated, as they won't be able to start your application until then.

Please note, if you start your application in any other way than stated above, including via an Intermediary, your application will be declined.

London CLT will act as an introducer to Nationwide. Nationwide will not pay us a fee or provide a reward for any introduction. Your data will not be shared between London CLT and Nationwide.

### Ecology Building Society

Ecology Building Society offers sustainable mortgages for properties and projects that respect the environment, funded through their range of simple, transparent savings accounts. Their belief in affordable housing and sustainable communities, and their mutual values mean they put their members' needs first.

<https://www.ecology.co.uk/>

Point of contact: Jon Lee, [jon.lee@ecology.co.uk](mailto:jon.lee@ecology.co.uk), 01535 650 774

### Parity Trust - TBC

Parity is a not-for-profit finance provider offering fixed rate secured loans & mortgages with no age restrictions (often lending in to later life).

[www.paritytrust.org.uk](http://www.paritytrust.org.uk)

### **What is the process?:**

1. Contact Jon Lee at Ecology ([jon.lee@ecology.co.uk](mailto:jon.lee@ecology.co.uk), 01535 650 774, he is our designated manager there.
2. He or another Ecology staff member will register your interest and book a mortgage interview over the phone.
3. You will be asked to provide key financial information for an affordability assessment after which you will be issued a Key Facts Illustration (which is valid for 3 months).
4. You will then be invited to make a formal application with information on what to provide given.
5. Property valuations will be carried out approximately two weeks after the application is received in order to confirm the property is suitable to be mortgaged (insurance will be up to the resident to provide). Clarke-Hillier is the designated property valuer and the cost of this valuation will be covered by London CLT.
6. In the meantime references will be contacted to confirm income etc.
7. An offer letter will be sent to the buyer's solicitor to receive any necessary advice and to witness the signature. (Applicants will be expected to nominate their own solicitor).



8. The mortgage offer will be valid for 3 months, during which the applicant should pay Ecology the £300 application fee. Provide London CLT evidence for their deposit. Set up a direct debit mandate with their bank for mortgage repayments.

### **Example Checklist of Financial Information you will need to provide for Ecology**

- Latest 6 months bank statements for all applicants
- Latest credit card statements for all applicants
- Latest 3 years mortgage statements for all mortgages that have been held





within the last 3 years

- Copy of signed tenancy agreement for let properties and proof of rental income (if applicable)
- Up-to-date illustration of projected benefits for your repayment vehicle (if interest only)
- Proof of own funds (where applicable)
- If currently renting, a copy of the tenancy agreement and evidence of rental payment if not showed on bank statements

### **How much stamp duty will I have to pay?**

CLT residents have to pay their own SDLT (and submit land transaction returns) when they take the subleases. The SDLT will be based on the cost of the CLT property (not the original market value).

You can check the latest government guidelines: <https://www.gov.uk/stamp-duty-land-tax>

The residents' solicitors will handle the submission of the land transaction return and payment of the SDLT for them.

### **Is there a service charge and ground rent?**

Estimate of charges for the first year [tbc].

Usually the first year is an overestimate. Once a realistic view of costs of running the property has been worked the costs for the next year will be recalculated and any excess reimbursed to residents.

See more details in the next section.

### **Do I need building insurance?**

Yes, this may be included in the service charge fee or billed for separately.

### **Is there a deadline for exchange of contracts?**

We are aiming for exchange of contracts with residents 3 months before the homes are completed (around May/June 2022). This is the safest way to ensure London CLT can meet its obligation to complete sales within two months of practical completion.



### **Additional fees**

£15 London CLT admin charge.

### **Am I eligible for Help to Buy?**

This will depend on your personal circumstances and terms of your mortgage. See Help to Buy eligibility criteria: <https://www.helptobuy.gov.uk/mortgage-guarantee/eligibility/>

See further information here <https://www.helptobuyese.org.uk/more-information/frequently-asked-questions>

NB: We suggest that you speak to a financial adviser for more information about eligibility for Help to Buy.

### **Do these count as starter homes?**

No.

### **Do you have a document entailing the terms and conditions of the purchase?**

A summary of the main lease terms and conditions will be available to successful applicants.

You should apply if interested and if selected the lease will become available. You will have the option to withdraw if you are disagree with any terms of the lease.

## **6. PROPERTY DETAILS**

### **When are the homes available?**

July/August 2022

### **What are the Service Charges?**

Providers and charges are not yet confirmed, determining various site management items will be up to successful applicants who will be part of the Resident Management Company.

- Service charge: estimates for 1B2P, 2B3P flats, [tbc] per annum [tbc] per month
- Buildings insurance (may be included in service charge)
- CLT Fee £15 pm

Estate and Building Services provided by [managing agents tbc] who are answerable to Residents' Management Company.



Heating and hot water supplied by [providers tbc]. Estimate of yearly bill for one, two and three bed flats TBC.

Your monthly mortgage repayment + service charges should be a total of  $\frac{1}{3}$  of your income.

London CLT wishes to offer help (in terms of a discussion of possible options) to any residents who find themselves in worsening financial circumstances and who are struggling to meet their service charge and other commitments. Early communication with London CLT on this is encouraged.

### **Is there parking?**

It is likely you will not have access to parking locally so please bear this in mind when you apply.

There are 11 secure residents' bicycle stores/pram stores inside the building.

There are 5 parking spaces on the site, one is dedicated to the accessible unit. As yet the parking plan is not approved and how the places will be allocated is tbd by the new Resident Management Company and appointed managing agents. As there are 11 homes it is likely the remaining 4 parking spaces will be reserved for visitors.

Street parking in the area is restricted so it is likely you will not be able to secure a local permit, but this is something applicants/residents should look into

### **Are the wheelchair access flats on the ground floor?**

Yes

### **How many floors are in the building?**

4 stories (including ground floor).

### **Are pets allowed?**

Yes. With written permission from the Resident Management Company.

### **Is it furnished (washing machines etc.)?**

The flat is unfurnished but the following white goods will be included:

a washing machine/drier,  
a cooker with electric hob,  
a fridge/freezer,  
there is a space for dishwasher, but it is not included.



### **Are there balconies?**

All properties above ground floor will have a balcony.

### **Is there public/shared space?**

There will be some paved space outside the building, this is still to be landscaped.

### **Is there a floor plan I can look at for dimensions and layout?**

Floor plans will be made available to successful applicants.

### **What is the address of the property?**

This will be available in the coming months.

### **What home information do I need to know?**

You will be provided a welcome pack, including a home user guide info on/ not yet finalised providers for Gas, electric, water, TV etc.

You will also receive a home demo induction prior to your move in. They will show you how to operate appliances and access your meters etc. This is likely to be just a few weeks prior to move in.

### **Do I have a say in choosing the fixtures?**

Unfortunately not, the specifications are fixed in the contract.

You may be able to make changes should you wish once you have moved in, provided it does not interfere with the structure of the building and with the written permission of the CLT.

In the first year it is advised that you do not paint the walls. As the property is a new build the walls will take some time to drain/dry. Painting the walls will prevent this and could cause damp or mould issues. Nails and picture hanging is fine.

### **Can I visit and see the flats?**

As the flats will be unfinished until shortly before completion it will not be possible to see the actual flat until Summer 2022. However, an accelerated 'show' flat will be available for viewing a month before completion, you will also be able to have a virtual CGI tour online.



### **Can I sublet or rent the property once I have moved in?**

Generally subletting is not allowed, although you can view our subletting and lodgers policy for exceptions. London CLT may approve one-off arrangements to cover fixed term absences.

The house must be purchased purely for members of the community to call home and we hope that the CLT will be a tight knit community who are involved in the project.

## **7. NEXT OF KIN**

### **Can I pass the home onto my children?**

Any next of kin will be subject to the say eligibility criteria, their circumstances may be reviewed and taken into account according to our 'reallocations policy'.

Our aim is to ensure that longstanding residents who cannot afford to remain in the borough have the opportunity to stay there. If your next of kin has the means to buy another property in the area that would be taken into account.

### **What if I pass away and my adult children do not meet the eligibility criteria, does this mean that they will not inherit their family home?**

Any next of kin wishing to inherit must also meet the eligibility criteria. If not eligible they would sell the property back to the trust, see 4.2 of the London CLT 'Reallocations Policy' for more details.

### **What if I start earning more and can afford to buy elsewhere but want to keep the family home, do I have to sell back the property?**

No. We will not take an improvement in your circumstances as violating your eligibility.

### **What are the terms of resale of property?**

Sale of the flat involves applying to London CLT to nominate a buyer at a price calculated by the affordability formula. If London CLT fails to find a buyer within 6 months, you are able to look to identify a buyer yourself, but still at a price according to local incomes.



## 8. MOVING IN

### When can we move in?

This will depend on the build programme but around July/August 2022.

### When can we meet the team and other CLT residents?

Likely early 2022.

### Basic provisional steps for moving in if successful (dates TBC)

- 1) Apply for and get a mortgage
- 2) Go through conveyancing (getting legally ready for sale)
- 3) Meet other residents
- 4) Exchange contracts
- 5) View show flat
- 6) Practical completion/ handover of home
- 7) Household induction
- 8) Get your Keys - these will be passed to you by London CLT
- 9) Move-in

## ADDITIONAL QUESTIONS

### How can I donate to the cause?

Being an investor or donating to London CLT does not affect your application for a CLT home. You can enquire with [info@londonclt.org](mailto:info@londonclt.org) if interested in donating.

Updates will be posted on our website and to our mailing list.

If you have questions which have not been answered on the above, please submit them to [allocations@londonclt.org](mailto:allocations@londonclt.org) and we will do our best to answer your queries.