

From: The Minister

Nuala McAllister MLA
Northern Ireland Assembly
Parliament Buildings
Ballymiscaw
Stormont

Dear Nuala,

AQW 39717/22-27 – INFORMATION TO BE PLACED IN THE ASSEMBLY LIBRARY

Due to the volume of detail required to answer AQW 39717/ 22-27, the information attached at Annex A has been placed in the Assembly Library.

Yours Sincerely,



**Gordon Lyons MLA
Minister for Communities**

This issue is an operational matter for the Housing Executive.

I have sought the requested information from the Chief Executive, who has advised me as follows:

“The Housing Executive is empowered to sell its properties (including flats and maisonettes) to its sitting tenants by virtue of the current Statutory House Sales Scheme (HSS), prepared in compliance the provisions of Article 3(1) of the Housing Order (Northern Ireland) Order 1983.

The Flat Lease

The Flat Lease is a standard Housing Executive document that sets out the contractual obligations between the Housing Executive as Landlord and the Lessee (or “Leaseholder”).

At the time of sale, ownership of a flat (or maisonette) passes to the Leaseholder by virtue of a Lease granted for a specified term of years.

The Lease defines the “Flat”, “the Building” and “the Premises” of which the flat forms part.

The flat is defined as the premises demised by the Lease and essentially comprises the “internal skin” of the flat including the internal walls, the internal doors and door frames, the glass of the windows, the ceilings and floors and all cisterns, tanks, sewers, drains, pipes, wires, ducts and conduits used solely for the purposes of the flat.

The Housing Executive retains ownership of:-

- *the Building - defined as the building of which the flat forms part; and*
- *the Premises - defined as the building together with the outbuilding's gardens and grounds (unless transferred as part of the Lease).*

Once a Housing Executive flat has been sold to the original sitting tenant purchasers, any subsequent owner is free to sell at will and the Flat Lease forms part of the transfer of title to the property. The Flat Lease sets out the obligations of the Housing Executive as the Freeholder of the building in which the flat is situated and also sets out the obligations of the Leaseholder. All conveyancing of this nature would be carried out by a Solicitor representing the purchaser of a flat.

The Housing Executive is responsible for blocks, within which there is a mixed tenure of Housing Executive tenants, resident Leaseholders and private tenants as approximately 50% of sold flats are owned by a landlord Leasehold owner.

For clarification owners are defined as leaseholders. Private tenants of leasehold owners would not be directly responsible or charged by the Housing Executive for any due service charges.

Generally, the majority of flats in all tenures (i.e., both those with a social landlord as the Freeholder, or those with a private person or company as the Freeholder) are sold by way of a leasehold title, to ensure the block and premises are maintained for all occupants.

The Housing Executive, as the freehold owner of the building in which the sold flats are situated, is obliged to carry out the covenants under Schedule 3C, and specifically clauses 2 and 3 of the Flat Lease. Clause 2 relates to the exterior and structure of the flat and places an obligation on the Housing Executive to carry out these works when it considers it necessary. Clause 3 places an obligation on the Housing Executive to keep in good repair and condition all other property over, or in respect for which, rights have been granted to the Lessee.

One of the obligations of the Flat Lease for the Leasehold owners is to make payment for these works.

The Housing Executive does not receive any finance to subsidise sold flats and support owners in this type of ownership and recovers the costs incurred for works in accordance with the Flat Lease.

The Service charges collected for each flat is based on actual costs incurred for works and services. General Service Charges are charged to leaseholders on an annual basis and charged monthly. These General Service Charges in the main, includes a charge for insurance, servicing of lights, communal electricity and may include charges for works carried out under response maintenance.

There has been no charging or collection in the Service Charges for future works to the block.

Where works are required to maintain the block and are delivered by a Planned Scheme of works, then these charges are applied to the leasehold account following completion of the work.”