

# SHARED OWNERSHIP

## LOW COST HOME OWNERSHIP



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### What is Shared Ownership?

Shared ownership is a scheme designed to help people who wish to buy a home of their own, but who cannot afford the cost of buying the whole property outright. The home might be brand new or previously owned by someone else.

#### Shared Ownership

Shared ownership is a great solution if:

- You're a first time buyer
- You used to own a home, but cannot afford to buy one now
- You own a home and want to move, but cannot afford a new home suitable for your needs
- You're forming a new household - for example, after a relationship breakdown
- You're an existing shared owner and want to move

You could buy a home through Shared Ownership in England if your household earns £80,000 a year or less.

Under Shared Ownership, buyers purchase a proportion of their home and pay rent to Golding Homes for the remaining share. Service charges will also be payable on the property.

In the future, should you be able to afford to, you can purchase further shares in the property. This is called 'staircasing' and, in most cases, you can purchase 100% of the property. At this point you will no longer pay rent.

There are two different models of Shared Ownership homes currently available. The differences are outlined below:

Shared Ownership 1	Shared Ownership 2
Minimum equity share to be sold: 25% or as determined by the Housing Association	Minimum equity share to be sold: 10%
Lease length: 125 years or 990 years	Lease length: 990 years
Staircasing: a minimum share of 10% can be purchased until final staircasing to 100% is achieved	Staircasing: a minimum of 5% can be purchased, plus a 1% share can be purchased each year for 15 years. This right passes to new owners following a resale
Fully repairing lease: after defect liability period the shared owner is responsible for all repairs	A 10 year period (or on final staircasing) where the shared owner will be entitled to assistance from the Landlord of up to £500 per year for essential repairs (as prescribed). A maximum of £500 each year can be 'rolled over' to the following year
The resale nomination period for the housing association to nominate a buyer is eight weeks	The resale nomination period for the housing association to nominate a buyer is four weeks



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Some properties may have a restriction on the percentage you can buy. If this is the case we'll let you know.

A service charge may also be payable to cover the cost of communal maintenance, cleaning, gardening and buildings insurance. The service charge is still payable whatever percentage of your home you own, and continues to be payable should you buy your home outright.

Once you have bought your home, you're free to sell it when you choose. We keep the right, for a short period, to nominate a buyer for your home until you've bought your property outright. This is to ensure that others unable to buy on the open market have the opportunity to buy a home of their own. We charge a fee for this service but it is normally much less than you would pay an Estate Agent.

### What are the costs involved?

You'll normally make a monthly mortgage payment to your mortgage lender and you'll also pay a monthly rent to Golding Homes on the part you don't own. You may also have to pay a monthly service charge to cover the cost of maintaining communal areas and, where the property you are buying is an apartment, to cover the cost of maintaining the outside of the building.

Buildings insurance will be paid by Golding Places and recovered through your service charge. We'll always tell you about this before you buy.

As a shared owner you will not own the whole property, but you'll still be responsible for all your household bills. These will include Council Tax, utility bills and contents insurance.



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#### What will I own?

You will be buying a share of your new home and renting the remainder from Golding Homes. You'll own your home on a Lease which, if it is a new home, will normally be for 125 years or 999 years (see previous table).

#### When can I buy more shares in my property?

You can buy more shares in your home any time after you buy your home. If you want and can afford to, you may also purchase your property outright. With a limited number of properties there may be restrictions on the percentage you can buy. However we will always advise you of this before you buy. The price you pay for any extra shares will be based on the market value of your home at the time you decide to buy more shares. This value will be determined by an independent Valuer who will be a member of the Royal Institution of Chartered Surveyors. The Valuer will be instructed by Golding Places and you will have to pay for this.

#### What if I want to sell my home?

You can sell your property at any time. The price you sell for will be based on the market value of your home at the time you decide to sell. For example, if the property is valued at £150,000 and you own a 50% share, you will be able to sell your share for £75,000. The value at which you sell your home will be determined by an independent Valuer who will be a member of the Royal Institution of Chartered Surveyors. The Valuer will be instructed by Golding Places and you will have to pay for this.

Golding Places will for a short time (normally four or eight weeks - see previous table), have the right to nominate a buyer for your property. This is because we have access to people who would like to buy a home but cannot afford to do so outright. If we are successful in finding you a buyer, we will charge you a fee, but this is normally much less than the fees charged by Estate Agents.



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### What is Shared Ownership?

#### How do I qualify?

- To qualify for shared ownership you should normally be in employment and able to get a mortgage for the part you are buying.
- We'll be unable to help you if we feel that you earn enough to be able to buy a home outright without the help of our Shared Ownership scheme. The amount you should be earning will vary depending on property prices in the area in which you want to live. As a general guide, if your gross household income is more than £80,000 we will be unable to help you.
- You should be a first time buyer, although there are some exceptions to this. We may be able to consider you if you have previously owned a property with a partner where that relationship has broken down. We may also be able to help you if your existing property is unsuitable for your needs or if you need to move to a higher value area for your employment or to look after an elderly or sick relative. Individual circumstances will always be considered.
- We may give priority to people who live or work in the local area. We will also give priority to serving military personnel.
- We will not be able to help you if you have had any arrears of rent or mortgage in the last twelve months.
- You must have a good credit history with no record of County Court Judgements or loan defaults registered against you in the last twelve months. Any previous debts should be fully paid and a Certificate of Satisfaction of Debt provided.
- We will advise you of the minimum percentage share of the property that is available on our shared ownership developments. However, a full financial assessment will be undertaken before any offer of a home is confirmed to you and you are required to buy the maximum share of the property that you can afford and sustain.





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### Do I need to have any savings?

There are some initial costs involved in buying a shared ownership home, just as there are when buying on the open market. Therefore we recommend that you have at least £5,000 in savings before applying. Higher value properties may require a higher savings level but we will always give you an indication of the expected costs when we send you details of our schemes.

#### Some of the initial costs are:

##### Holding/Administration Fee

A holding/administration fee of £500 to reserve the property you wish to buy. This is non-refundable in the event that you withdraw from the purchase, but will be taken off the property price when you complete.

##### Mortgage valuation or survey report

Whenever you buy a home, you will need to have a survey or valuation report undertaken. For new properties, your mortgage lender will normally only need you to have a mortgage valuation undertaken so they can make sure the property is worth the value that Golding Places have put on it.

If you are buying a second-hand property, you may wish to have a Homebuyer's Report and valuation undertaken. This is a more in depth survey of the property and will highlight any defects or potential defects in the property. The cost of mortgage valuations and Homebuyers Reports vary from mortgage lender to mortgage lender but, as a general guide, you should expect to pay around £350 for a mortgage valuation on a new home or around £500 for a Homebuyers Report and valuation.



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### Do I need to have any savings?

#### Legal Fees and Disbursements

It is important that you instruct a solicitor to act on your behalf when you buy a home. The solicitor will check the Lease and contract and ensure that Golding Places own the property and is entitled to sell the property to you.

They will also check to make sure you are aware of other things being built which may affect your enjoyment of you home, for example new motorways.

Legal fees vary from solicitor to solicitor and from area to area. As a general guide, you should expect to pay £800 to £1000 for legal fees when buying a home. You should always get a firm quotation from your solicitor before proceeding.

#### Mortgage Deposit

Mortgage lenders will not lend you the full value of the home you are purchasing. The level of deposit varies from lender to lender, but as a minimum you should expect to pay 5% of the value you are purchasing as a mortgage deposit.

#### Stamp Duty Land Tax

Stamp Duty Land Tax regulations change frequently and we therefore recommend you discuss this with your solicitor.

The Stamp Duty Land Tax Enquiry Line can also help you to calculate the amount of Stamp Duty Land Tax payable. Please contact the Enquiry Line on 0300 200 3510. The Enquiry Line can help you to calculate the amount of Stamp Duty Land Tax payable but cannot offer you advice on which payment option may be in your best interest.



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### How Do I Apply?

In order to be considered for a Shared Ownership property you must be registered with the Help to Buy agent. To register and for further information please visit [www.helptobuyagent3.org.uk](http://www.helptobuyagent3.org.uk)

If you would like to apply please contact the Sales Agent for the home you're interested in. This information can be found on the Golding Places website.

As demand for Shared Ownership often exceeds the number of properties available, it is possible that we may be unable to help you even if you qualify. However, we will always tell you of the current position.






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