

A large, stylized, light blue house icon with a heart inside, positioned on the left side of the page.

Teign Housing

# Shared Ownership



# What is Shared Ownership?

**Shared Ownership is designed for people who want to buy a home of their own, but can't afford to buy it outright. Under the shared ownership scheme you can purchase a share (between 25% and 75%) of the property and pay a subsidised rent on the share you have not bought. At a later date, if you can afford to, you can usually increase the share of the property you own until you own it outright.\***

Shared Ownership properties are purpose built to a high specification.

To be eligible for shared ownership you must:

- Have a household income of less than £80,000 per annum.
- Have sufficient funds available to cover the costs of purchasing including a deposit and legal fees.
- Be over 18 years old.
- Not be able to afford a property on the open market which meets your housing needs.
- Not be a current home owner.

\* In most cases it is possible to purchase the remaining share until you own the whole property, specific details will be set out in your lease.





## **Teign Housing provides homes for rent and sale managing over 4,000 homes across South Devon.**

This booklet only provides a brief outline of how shared ownership works. If you are interested in finding out whether you are eligible or would like more information please visit [www.sharetobuy.com](http://www.sharetobuy.com), telephone us on **01626 322840** or email [sales@teignhousing.co.uk](mailto:sales@teignhousing.co.uk) for more details of the application process. If you would like to apply for a property please complete an application form which can be found on our website:

[www.teignhousing.co.uk/find-a-home/what-is-shared-ownership/](http://www.teignhousing.co.uk/find-a-home/what-is-shared-ownership/)



# How much will it cost?

It is important that you think about the cost and responsibility of owning your own home before you decide if Shared Ownership is right for you.



## The initial purchase costs include:

**Deposit:** Your mortgage provider will ask for a deposit. This amount will vary depending on which lender provides your mortgage.

**Valuation fee:** Your mortgage lender will arrange for the property you are purchasing to be valued to confirm that it is worth the price you are paying. The cost of the valuation will vary between lenders.

**Legal fees:** You will need to instruct a solicitor of your choice. Fees may vary, so we recommend obtaining several quotes from solicitors who specialise in Shared Ownership.

**Reservation fee:** If you wish to purchase one of our new build properties you will be required to pay a small 'holding' fee to secure the property. This sum will be deducted from the final payment at completion of the sale.

**Mortgage arrangement fee:** Your financial advisor will be able to tell you whether it applies in your case. You should also consult your financial advisor about mortgage indemnity premiums.

**Removal costs:** Costs vary; we recommend you obtain several quotes if using a removal firm.





## The ongoing costs you will have to pay every month include:

**Mortgage repayments to your bank or building society:** Your financial advisor/lender will let you know the amount. It is very important that you are paying a sum that you can afford as failure to make repayments puts your home at risk.

**Rent:** We will advise you on the rate of monthly rent on the share you have not purchased. This is reviewed annually in line with inflation.

**Service charge:** The amount you pay will depend on the location of the property and the services provided on the development. Building insurance is included within the service charge but you will need to arrange your own contents insurance.

**Services/utilities:** You will be responsible for bills, such as electricity, gas, water, council tax and telephone/broadband.



## How do I get a mortgage?

The first step is to speak to a financial advisor. We understand this can be daunting so we can provide a list of approved independent financial advisors with extensive experience of arranging Shared Ownership mortgages.

You will need to make sure your financial advisor knows you are purchasing a Shared Ownership property. You will need to give them details of the purchase price, the percentage you are hoping to buy and the amount of rent and service charge payable. The share you can purchase is based on your affordability and in accordance with the Homes England affordability calculator.

Once your eligibility for a mortgage has been confirmed and you have found a property your lender will arrange a valuation. If they are satisfied they will then issue a formal written mortgage offer.



# Can I ever own my property outright?

**In most cases the answer to this question is yes and this is known as 'staircasing'. Specific details will be set out in your lease.**

If and when you decide you would like to increase your share of the property please contact us:

- You should write to advise us that you wish to purchase additional, or the remaining share.
- Your property will need to be valued by an independent RICS qualified valuer to establish the current value.
- You will need to pay the valuer's fee as well as any administrative and legal fees.
- Following the valuation you will have a limited time to decide whether you wish to go ahead. The valuation must be current and is usually valid for 3 months. Each time you purchase further shares, your rent will reduce as you will be paying rent on a smaller share.



**If you go on to own 100% of the property you will not have to pay us any rent but you may still have to pay a service charge.**

## What about repairs and alterations to my home?

You will be responsible for all repairs and maintenance to the property (both externally and within your home) in the same way as other homeowners. You must arrange an annual Gas Safety check of all gas appliances in your home by a Gas Safe engineer.

If you purchase a brand new property from us you may be covered by any remaining period of the 12 month guarantee from the builder. All new properties are also covered by a 10 year NHBC or similar guarantee which provides cover against any major structural defects. We are happy for you to make improvements to your home,

but you need to get our permission in writing first.

You don't need permission for simple repairs and redecoration, but you will for anything more complicated e.g. adding a conservatory or refurbishing your bathroom. It is important that you inform us as improvements to the property may affect the valuation when you come to sell or purchase further shares.



## What if I want to sell my home?

Please contact our Legal Team if you wish to sell your share of the property and we will advise you of the correct procedure. The property will need to be valued by an independent RICS qualified valuer to establish the market value at that time. Please be aware that you will need to pay the valuer's fee.

Once we receive notice of your intention to sell your property, we will advertise your property on the Share to Buy website to find a buyer. We usually have a nomination



period of 8 weeks to nominate a buyer for your home; check your lease for the exact nomination period. We will charge an administration/nomination fee in accordance with the terms of your lease. If we have not been able to nominate a buyer within the nomination period, you can continue to advertise the property with Share to Buy, or you can sell your share on the open market at the agreed valuation price. You will then become responsible for paying any estate agents fees.

# Steps to Shared Ownership after completing your application form:



Qualification



Securing the finance



Finding and reserving a property



Instructing a solicitor



Applying for your mortgage



Arranging a valuation



The legal process



Your mortgage offer



Exchange of contracts



Completion



## Getting in touch

If you are interested in buying a shared ownership home please contact:

 01626 322840

 [sales@teignhousing.co.uk](mailto:sales@teignhousing.co.uk)

To enquire about buying additional shares (staircasing) or to sell your shared ownership home:

 01626 322722

 [legal@teignhousing.co.uk](mailto:legal@teignhousing.co.uk)