

### What is shared ownership?

Shared ownership gives you the opportunity to purchase a share in a property. You pay a mortgage on the share you own, in most cases, and pay rent on the remaining share. Because you only need a mortgage for the share you are purchasing, the amount of money required for a deposit is a lot lower when compared to the amount that would be required when purchasing outright.

The purchaser has the option to increase his share during their time in the property via a process known as 'staircasing', thereby owning the property outright.

### Who can buy a shared ownership property?

Depending on your circumstances shared ownership may be for you.

The scheme is intended for people who cannot afford to buy a suitable home in any other way. So you may be a first time buyer, looking for a perfect home for your growing family, looking to down size with a large deposit or recently promoted.

### How do I know if I am eligible for shared ownership?

- You must be at least 18 years old
- Unable to afford to purchase a house on the open market
- You must have sufficient savings to cover your deposit, solicitor's fees and any other costs that come with purchasing a property
- Be able to raise a mortgage to cover the purchase
- To be able to afford to pay your mortgage, rent and household bills
- You must be registered on our housing Home choice plus housing register <https://www.homechoiceplus.org.uk>
- If purchasing a new build property – you must be registered with Orbit Homebuy <https://www.helptobuy Midlands.co.uk>
- Do not already own a property

### I am self-employed - Am I eligible for shared ownership?

As long as you can show at least three years of self-employed accounts, you should be able to obtain a mortgage (providing your income is sufficient).

### How do I apply for a Shared Ownership home?

A Shared Ownership application will need to be completed together with an income and expenditure statement. You will also need to produce various documents to support your application. Incomplete applications will not be accepted

The application will be assessed which normally takes around 1 week. If you are successful we will require a £200 reservation fee which will reserve your property.

### I own a property which is currently up for sale - Am I eligible for shared ownership?

To be eligible you will need to show that your current property is unsuitable for you. Existing home owners must have sold (sold subject to contract) the property before they can apply for a property

### How do I finance a shared ownership property purchase?

To purchase a shared ownership property you will need to have access to a sum of money to use as the deposit, to cover solicitor's fees and any other costs that come with purchasing a property. Normally you will then need to take out a mortgage to pay for the rest of your share.

### Where do I start looking for a shared ownership mortgage?

You can approach a High Street Lender, Bank or Building Society, a financial advisor or an internet based mortgage site. A list of mortgage providers is included in this pack.

### **What is the minimum deposit I will need for a shared ownership property?**

This depends on the full market value of the property and the size of the share you are purchasing. The benefit of shared ownership is that the deposit required will be significantly lower than if you were purchasing the property outright because you only need a deposit on the share you are purchasing. Generally, shared ownership deposits are between 5% and 10%.

### **What size share can I purchase in a shared ownership property?**

The minimum share we allow you to purchase is 50% and the maximum share is 75%.

With resale properties, however, the minimum share will be whatever the seller has purchased. So, if the seller had a 70% share in their shared ownership property, the minimum share will be 70%.

### **Can I purchase a 100% share straight away?**

No, if you can afford to purchase 100% of the property then you do not need shared ownership and you should look in the outright sale market.

### **Leases**

When you purchase through shared ownership, we will grant you a lease which sets out your rights and responsibilities and also those of The Community Housing Group. The lease is a legally binding document

The lease is usually granted for 99 years and it will entitle you to live in your home in your home as an owner occupier. It allows you to buy further shares in your property and sell your property. It also sets out who is responsible for the repair and payment of rent and service charges. The lease does provide for an annual rent increase.

The lease can be terminated if you fail to comply with your responsibilities and you should ensure that your solicitor explains this fully to you.

### **Rent**

In addition to the rent due from the date of completion until the end of the completion month, you will also have to pay one month's rent in advance. Subsequent rent payments will be made by direct debits. The rent will be reviewed annually in April. Building insurance is included in your monthly rent.

### **How much rent will I have to pay if I purchase a shared ownership property?**

The amount of rent will vary for each home depending on the share you buy and the value of your property when you buy it.

### **What is staircasing?**

Once you have lived in your home for a certain period of time you can buy further shares in your property. This process is known as staircasing, enabling you to own a greater proportion of your home.

The greater the share you buy in your home the less rent you will pay. You will be able to staircase as and when you can afford to in a minimum of 10% tranches all the way to 100%. If you staircase to 100% you become an outright owner, and pay no rent.

### **What is a 'resale' shared ownership property?**

Resales are shared ownership properties where the current owner is selling their share.

### **What about repairs and improvements to my home?**

You will be responsible for all repairs and maintenance to your property. Should you wish to make any alterations or improvements, such as build a conservatory, you will have to ask our permission before any work is undertaken.

### **Can I sell my share if I want to move?**

You can sell your share, at any time, to someone else as long as they qualify for a shared ownership home in their right.

## OVERALL POLICY

Shared Ownership housing is developed, often using public money, to provide home ownership opportunities for those who could not otherwise have access to them.

Our aim is to identify people who are able to benefit from and complete a shared ownership purchase, after assessing them against our eligibility criteria. We then have a transparent process by which eligible applicants are allocated homes based on a set of priorities. We aim to meet the current legislation requirements that Registered Providers will “prioritise households on low incomes who would benefit from ownership of the property”.

All applicants will be treated fairly and equally regardless of disability, sexual orientation, race, religion or ethnic origin. Eligibility for and allocation of shared ownership homes will comply with The Community Housing Group’s (the Group) Equality and Diversity Policy. The Group has written procedures for applications covered by Section 1 Schedule 1 of the Housing Act 1996 (Employees, Board Members and their close relatives).

All such applicants must meet the requirements of our Schedule 1 procedures which include, amongst other things, the Group’s eligibility and allocation policies for shared ownership.

## ALLOCATION POLICY

We will advertise the availability of new shared ownership homes in advance of their completion and set a date when all application forms will be mailed out. A cut off date for receipt of completed application forms will be given.

If at the time demand exceeds supply, (i.e. if there are more applicants who meet the eligibility criteria than there are properties available) reasonable preference between eligible applicants will be given to:

1. Applicants who attract the highest priority on the Council, Company and other Registered Providers waiting lists.
2. Applicants with local connections where there are specific aims to attract local applicants.
3. Applicants with the ability to proceed quickly, to minimise the cost of standing stock to the Group.
4. Applicants whose family size is most appropriate to the accommodation on offer.
5. Applicants who are first time buyers

Where a number of applications in such a tie-breaker are received on the same day the successful applications will be selected from them at random by the Executive Director

## ELIGIBILITY POLICY

The Community Housing Group is only able to sell to buyers who meet the minimum requirements of our Eligibility Policy. These are that:

- You must be at least 18 years old
- Unable to afford to purchase a house on the open market
- You must have sufficient savings to cover your deposit, solicitor's fees and any other costs that come with purchasing a property
- Be able to raise a mortgage to cover the purchase
- To be able to afford to pay your mortgage, rent and household bills
- You must be registered on our housing Home Choice Plus housing register  
<https://www.homechoiceplus.org.uk>
- If purchasing a new build property – you must be registered with Orbit Homebuy <https://www.helptobuymidlands.co.uk>
- Do not already own a property

For some future schemes the Eligibility Policy may be extended to include eligibility criteria linked to funding arrangements, planning conditions, property constraints or scheme design. Where such additional criteria apply this will be made clear to applicants when schemes are marketed.

The assessment of Applicants against the Eligibility Policy will involve:

- The completion of an Application Form.
- A formal Detailed Interview.
- Carrying out rigorous vetting to ensure the eligibility of the potential buyer and that the property is affordable;
- Providing detailed information about how shared ownership works and the responsibilities that are entailed in buying a home.

The financial assessment of eligibility will include requests for

- Evidence of salary and income.
- Evidence of any children or other people living with the buyer.
- Proof of savings.
- Proof of current residency.
- Detailed credit references.

This is to ensure that on the one hand any potential Applicant can afford the property and if necessary secure a mortgage and on the other, that they could not afford to buy on the open market.

The Community Housing Group operates minimum and maximum limits on monthly disposable income (after payment of their mortgage, rent and all other normal monthly outgoings) against which individual Applicants will be assessed.

These are at present £100 and £500 respectively, but are reviewed from time to time and from scheme to scheme. Applicants who fall outside these thresholds will be considered at the discretion of the Group.

We are aware that those listed below have previous experience with Shared Ownership transactions or provide Shared Ownership mortgages. The inclusion of their details on this list is not intended to constitute a recommendation, representation or warranty as to their professional competence.

### **Share to Buy**

Website: [www.sharetobuy.com/compare](http://www.sharetobuy.com/compare)

### **Lyn McCabe- Infinity Finance**

Tel: 0330 223 1113

Email: [lyn@infinityfinancialadvice.co.uk](mailto:lyn@infinityfinancialadvice.co.uk)

### **Midas**

Tel: 01562 822224

Email: [info@midasfp.co.uk](mailto:info@midasfp.co.uk)

### **Leeds Building Society**

Tel: 03450 50 50 75

Website: [www.leedsbuildingsociety.co.uk](http://www.leedsbuildingsociety.co.uk)

### **Nationwide**

Tel: 0800 30 20 10

Website: [www.nationwide.co.uk](http://www.nationwide.co.uk)

### **Halifax**

Tel: 0345 850 3705

Website: [www.halifax.co.uk](http://www.halifax.co.uk)

### **Santander**

Tel: 0800 068 6064

Website: [www.santander.co.uk](http://www.santander.co.uk)

### **Woolwich**

Tel: 0800 197 1081

Website: [www.barclays.co.uk](http://www.barclays.co.uk)

### **Kent Reliance**

Tel: 0345 122 0033

Email: [mail@krbs.com](mailto:mail@krbs.com)

### **Together**

Tel: 0161 451 3150

Email: [directsalesadministration@togethermoney.com](mailto:directsalesadministration@togethermoney.com)



We are aware that the Solicitors listed below have previous experience with Shared Ownership transactions. The inclusion of their details on this list is not intended to constitute a recommendation, representation or warranty as to their professional competence.

By including a Solicitor on this list, We are not holding them out as an expert, and we are not responsible for the quality of their advice. Purchasers should always make their own enquiries before selecting a solicitor to advise them. It is up to you to satisfy yourself as to the competence of the solicitor of your choice.

### **Thursfields Solicitors**

The Old Inspectors House  
York Street  
Stourport on Severn  
Worcestershire  
Tel: 01299 872571  
Email: [info@thursfields.co.uk](mailto:info@thursfields.co.uk)

### **MFG Solicitors LLP**

Adams House  
Birmingham Road  
Kidderminster  
Worcestershire  
DY10 2SH  
Tel: 01562 820181

### **Wrights**

6 Load Street  
Bewdley  
Worcestershire  
Tel: 01299 402741  
Email: [info@wright-solicitors.co.uk](mailto:info@wright-solicitors.co.uk)

### **Waldrons**

Capstan House  
Two Waterfront  
Merry Hill  
West Midlands  
DY5 1XL  
Tel: 01384 811811

### **Painters**

29 Church Street  
Kidderminster  
Worcestershire  
Tel: 01562 822295  
Email: [info@painters-solicitors.co.uk](mailto:info@painters-solicitors.co.uk)