



A simple guide to **shared ownership**

What kind of properties does Hightown Homes have?

Shared ownership is an easy and affordable way to buy your own home by purchasing a share in a property and paying rent on the remaining share.

We help you work out what share you can afford to buy – so you won't be stretched financially.

You can buy further shares when you can afford to, until you eventually own the property outright.

We have a variety of new build apartments and houses for sale. We also have re-sale properties which are currently owned by existing owners who have decided to move.

Normally we offer the larger properties to people with children or those with dependents, but we do look at each case individually. Your income will also affect the size and share of property that you can buy.

The sale price of the property is set by an independent valuer approved by the Royal Institute of Chartered Surveyors (RICS), who will value the property at the current open market valuation. This valuation will only be valid for three months.

Our sales team will discuss your preferred home and location with you and advise on the best type of property available for you and your budget.

Your new home will come with a guarantee, full details on length of guarantee and cover will be given to you in your welcome pack when you move into your new home.

All our properties are built to the latest energy efficiency standards.

Do I qualify for shared ownership?

You'll need to fit the following criteria:

- You can't afford to buy a house on the open market that meets your housing need
- You are a British, EU or EEA citizen or have 'indefinite leave to remain' in the UK
- You have a permanent contract of employment and are not within a probationary period
- Your income fits our affordability for the property you are interested in purchasing. This will be discussed with you in our initial conversation
- You have at least 3 years of audited accounts if you are self employed
- You have savings to cover the mortgage deposit plus approximately £3,000 for legal, survey and mortgage fees plus stamp duty (if applicable). We would advise that you check any possible stamp duty fees with your solicitor at the time of purchase. If you don't require a mortgage to purchase your share you will need enough funds to cover the above costs, less the mortgage fees

These people are given priority:

- Regulars in the Armed Forces
- Council and housing association tenants
- People already living and working in the same local authority area as the property
- First time buyers
- Overcrowded existing shared owners

You won't be able to buy a shared ownership home if:

- You aren't a British, EU or EEA citizen, or your passport is not stamped with 'indefinite leave to remain', or you are not entitled to use public funds
- You can't prove that you can raise a mortgage with an acceptable lender and afford to keep a home in the longer term
- You have a county court judgement (CCJ) registered against you, unless this has been satisfied (paid back) 2 years prior to application

- Your defaults have not been settled for at least 2 years prior to application
- You have a household income of more than £80,000 a year
- You have had a home repossessed within 6 years prior to application
- You have any mortgage arrears in the past 3 years
- You have negative equity which you cannot resolve with your lender (negative equity means that you owe more money to a mortgage lender than your property is actually worth)
- You already own a home in the UK or abroad that you cannot or will not sell
- You have been made bankrupt/had an IVA (Involuntary Arrangement) and have not been discharged for at least 3 years
- You are self-employed and don't have audited accounts for the last 3 full years, or copies of your last 3 years tax returns

What is the process?

Most people can expect to move in within 2 months of their application

1. See what's available

Visit our website where you can view all our available properties. You can download brochures, this guide to shared ownership and the application form there too.

The sales team can advise you on the current properties available, prices, and which properties you can afford.

🖱️ www.hightownhomes.com

2. Registration and mortgage assessment

Register with the local HomeBuy agent (e.g. Help to Buy East & South East) and complete their application form. Once approved by them, you will be given a registration number which you'll need for your Hightown Homes application form.

🖱️ www.helptobuyese.org.uk

If you need a mortgage, you will be assessed by an Independent Financial Advisor (IFA) from our recommended panel.



3. View properties

Once we've received confirmation from the IFA that you're able to get a mortgage, we'll contact you to arrange viewings of the properties you're interested in. You'll be shown around by one of our sales team, who can also answer your questions.

If there is a lot of interest in a property it will be allocated using the Local Authority's nominations criteria.

4. Reserve

Once you have viewed and been allocated the property, you must reserve it, which means it will be taken off the market.

You will need to pay a reservation deposit of £500, which you can pay by debit or credit card over the phone.

The reservation deposit is not refundable once your application has been approved. However it will be deducted from the purchase price on completion.

5. Apply

Once you have been allocated a property, fully complete and return the Hightown Homes application form with copies of the documentation listed in the form. This will include bank and savings statements for every account you hold and evidence of your earnings.

Once we have received your application form and all the required documents, it will be assessed.

We will confirm to you, normally within 24 hours, if your application has been successful.

You'll also be required to confirm contact details for your acting solicitor and IFA/lender.

We can provide details of recommended panel solicitors and IFAs who have many years experience in the shared ownership market.

Once your application has been approved, formal documentation will be sent to you, your solicitor and IFA/lender to start the purchasing process.

We will keep you informed on the progress of your purchase. You will also need to liaise directly with your solicitor and IFA/lender.

6. Arrange a mortgage

Your IFA/lender will handle the mortgage process.

In order to formally approve your mortgage, the lender needs to be sure of the value of your property. The lender will appoint a surveyor to provide a mortgage valuation, which you'll need to pay for.

The lender will contact our sales team directly to arrange an appointment for the valuation.

The surveyor will send a copy of the valuation report to your lender, who, if they are happy with the report, will send the mortgage offer directly to you and our solicitor.

7. Legal process

Your solicitor will handle the legal process on your behalf.

They will:

- Check the contract pack and lease that will be sent from our solicitors
- Conduct the searches
- Check your mortgage offer
- Forward a copy of the mortgage offer to Hightown for our approval

Once we've approved the mortgage offer, we'll confirm this to you and your solicitor. Provided all enquiries are satisfied, we will then be able to confirm the exchange and completion dates.

8. Exchange

You will be expected to exchange contracts within 28 days from the date the contracts have been sent to your solicitors. You will need to ensure that your deposit money will be available by this date.

Your solicitor will need our signed contracts and mortgage deed returned with your deposit money – as cleared funds – ready for exchange of contracts.

You'll have 5–10 working days after the 28-day exchange deadline in order to complete the sale. If you don't exchange contracts before the targeted exchange deadline, Hightown reserves the right to revalue your property and adjust the purchase price accordingly.

9. Complete

The date for completion will be set when you exchange contracts. If you're buying off-plan (a property that is still being built), you will still be expected to exchange contracts in 28 days, but completion will take place 'on notice'. Normally we will give you 10 working days notice of the completion date.

Our solicitor will forward the completion statement to your solicitor which will give you a full breakdown of all the costs relating to your purchase, including the deposit that you have paid which will be deducted from the purchase price. On the day of completion your solicitor will confirm that completion has taken place.

Once our solicitors have informed us that the completion money has been received, your Home Ownership Officer will contact you directly to confirm a time to meet you at the property for your handover.

10. Move in!

On handover, you'll receive the keys to your new home. The Home Ownership Officer will take meter readings of the utilities and show you where your parking bay, cycle shed and bin stores are located, and make sure you're happy with everything.

You'll be given a welcome pack which will give you full details of the property, insurances, guarantees, maintenance, repair and management services.

You'll need to contact the utility suppliers and council tax department to confirm your completion and move in date.

? For help understanding any of these steps, call us on **01442 292381**



What will I need to pay for?

Reservation deposit

A £500 reservation deposit is required on the day that you reserve. The property will not be taken off the market until your deposit has been paid. This is held by our solicitors until the day of completion, when it is deducted from the price of the share that you are buying. If you decide to withdraw from the purchase once your application has been approved any costs Hightown has incurred will be deducted from your deposit.

Solicitors

You will need to pay your solicitors to act on your behalf. Their costs will include the fees to the Land Registry, local searches and stamp duty (please check with your solicitor if stamp duty will apply on your purchase and how much this will be). You will need to ask your solicitor for a full breakdown of costs including their fees.

Survey and valuation

Your mortgage lender will want to ensure that the property you are buying is in reasonable condition and worth the purchase price. You will therefore need to pay your mortgage lender a valuation fee for conducting the survey on the property. Your IFA/lender will confirm the exact amount to you.

Mortgage fees

Most banks and building societies charge a mortgage arrangement fee, which will be confirmed to you by your IFA/lender.

Insurance

We will be responsible for the buildings insurance but you will need to insure the contents of your property.

Deposit

When you exchange contracts on your new home, we will ask you to pay a 10% deposit, based on the share price you are purchasing (which will not include your reservation deposit).

This will be added to the reservation deposit you have already paid. When you complete your purchase we will deduct the money you have already paid towards the following:

- Rent and service charge due for the time between completion and the end of the month
- One full month's rent and service charge in advance

Any money that is left over will be deducted from the purchase price.

What am I responsible for?

You will be responsible for paying your rent, service charge, council tax, contents insurance and any other charges, on time.

Your shared ownership lease outlines what we must do as the landlord and what you must do as the leaseholder.

The Home Ownership department will contact you six weeks after moving in to check that everything is running smoothly in your new home.

Rent

You will have paid rent to cover your first month in your new home. You will then be responsible for paying your rent on time each month. The rent you pay is based on the percentage share that we retain of your home.

We review rents every year. Any increases are in line with the retail price index (RPI) plus a set percentage (details of which are in your lease).

Service charges

Each month you will pay a charge that covers the cost of providing services to the development. Full details of which services are covered will be detailed in your contract pack—however, on apartments this will normally include maintenance, cleaning and lighting any communal areas.

You will be advised annually how the service charges have been spent. We'll notify you of any proposals to carry out major maintenance or repair work. Service charges are reviewed annually, so please remember when budgeting that this cost may go up.

Repairs and maintenance

Teething problems with new homes are not unusual and we will do our best to liaise with the builder who is responsible for putting defects right in the first year after your home was built. Defects are faults due to poor workmanship, quality, performance or design.

Most of Hightown's new properties have an NHBC Buildmark Choice warranty, which includes two year's of repair cover by the builder.

You will be responsible for any wear and tear during the defects period, as well as all repairs and maintenance in your new home after the first year of it being built (rather than the anniversary of you moving in).

If you want to carry out improvements or alterations to your property, you must get our written permission first. You don't need our permission for simple redecorations and repairs. You can contact your Home Ownership Officer if you're in any doubt.

You will be responsible for ensuring that any gas appliances, such as cookers, boilers and fires are checked and serviced at least once a year. This is important for your health and safety. The service must be carried out by a Gas Safe registered engineer.

Can I buy more shares?

Subject to the terms of your lease you can usually purchase further shares in your home (known as 'staircasing') after the date of completion in increments of 10% or more until you own the property outright. This increases the share you own and reduces the rent. The price for the additional shares will be based on the market value of the property at the time you wish to staircase.

We will instruct a RICS approved Chartered Surveyor to value your home. As the value of the property can go up or down, the valuer will provide a valuation report which will determine the current market value of the property.

The valuation is normally valid for 3 months. During this time you can buy further shares or buy outright. If you proceed after 3 months you will need another valuation.

The costs that you'll need to pay if you decide to staircase include the valuation fee, administration charges and legal fees. The Home Ownership team will assist you with this process.

What about selling?

You can sell your home whenever you like. Your lease gives Hightown a period (usually 8 weeks) to find a buyer, after which you can sell privately or through an estate agent.

The first step to selling your home is to assess its value. Your lease sets out how the valuation should be done. We can provide details of our panel of Chartered Surveyors or if you wish Hightown to consider another valuer please speak to us.

Hightown will instruct the agreed valuer using the information you provide. Please note you will have to pay for the valuation.

Unlike estate agents who quote a price that is subject to negotiation, the valuation provided by the Chartered Surveyor sets the price a buyer will pay for your share.

You need to instruct Hightown to find a buyer for your share. Hightown's nomination period will start when we have the current valuation, an Energy Performance Certificate (EPC) for your home and your instructions. The more information you can provide about your home, the better we will be able to promote it.

Hightown will be here to help you with the sales process.

What if I have trouble paying?

If you're having difficulties paying your mortgage, rent or service charge, please contact your Home Ownership Officer and mortgage lender as soon as possible, we can help you with the best course of action. Please be aware that if you do not make mortgage, rent and/or service charge payments you could lose your home.

So who is Hightown Homes?

Hightown Homes is a trading name of Hightown Housing Association Ltd. We are a charitable housing association operating in Herts, Beds and Bucks and providing a wide range of housing and support services for families and single people including people with special needs. Hightown is a charitable association aiming to help people who cannot afford to buy or rent housing at market values.

Your home may be repossessed if you do not keep up with your repayments on your mortgage or rent/service charge. The value of your home can go down as well as up. We take every care to ensure the correct information is given. We hope you find it useful however complete accuracy is not guaranteed and the information is expressly excluded from any contract.

 www.hightownha.org.uk

A registered society under the Co-operative and Community Benefit Societies Act 2014 registration number 18077R. Registered under the Housing Act 1996 number L2179.

At Hightown Homes we aim to provide properties of the highest quality that our customers will be proud to live in. Owning a stake in your own home is a stake in your future. Our staff will help you through the process of buying your home, purchasing further shares (staircasing) and selling.

 For more information visit www.hightownhomes.com