



Shared Ownership Guide

What is Shared
Ownership and
How Do I Apply?

This document can be made available in braille or in large print, and is also available on the website where it can easily be viewed in larger print. Please contact us at sales@hightownha.org.uk to request an alternative version of the document.

What is Shared Ownership?

What is shared ownership?	“Shared Ownership” is a part-buy, part-rent scheme for buyers, which assists those who wouldn’t otherwise be able to afford to purchase a home suitable for their housing needs on the open market.
How does it work?	You pay a mortgage on the share of the property that you own (this is usually a minimum of 50%) and you also pay rent on the share that you don’t own, along with any applicable ongoing service charges.
Can I buy more of the property?	If your circumstances change so that you can afford to buy a greater share of the property, you have the option to increase the share that you own via a process known as ‘staircasing’. This is subject to any restrictions in the lease, but in most cases you can staircase all the way to 100%, thereby owning the property outright. Restrictions on subletting and use of the property will apply until you own 100%.
Is it just for first time buyers?	Shared Ownership is not just for first time buyers. We assist a lot of people who need a larger or in some cases a smaller property. If you have already bought a property in the UK or abroad you must be in the process of selling that property to be eligible for Shared Ownership (i.e. your current property must be under offer before applying for Shared Ownership).
Can I afford it?	If you are considering Shared Ownership you will need to carefully review your ability to afford the purchase of the property as a whole. This includes both the upfront costs and deposit, as well as the ongoing charges and payments. We recommend you read the following section of this guidance note setting out the costs of Shared Ownership very carefully and seek independent financial and legal advice. If you don’t keep up rent and mortgage payments you may risk losing your home.
Would there be any restrictions?	There may also be other restrictions on your use of the property, such as in relation to sub-letting, decorating and pets. Details of these restrictions will be set out in a lease document and you should seek specific legal advice in relation to the lease.
What properties are available and where are they?	All our available and up and coming developments are advertised on our website for you to register your interest against. You can also see what beautiful homes we have to offer you on the following websites:

www.hightownhomes.com www.rightmove.co.uk www.solohomes.co.uk

What are the costs of Shared Ownership?

Reservation fee	In order to reserve a property with Hightown you will need to pay a reservation fee of £500 (further details below). Reservation fees are non refundable and are deducted from the purchase price upon completion.
Costs of the purchase	<p>Before the reservation fee is paid we advise that you review your finances. You should ensure you have savings of, or are able to easily access, at least £3,000-£5000 for associated costs of purchasing a home which covers the following aspects:</p> <ul style="list-style-type: none">• Your Legal Fees – You will be required to appoint your own solicitor to act on the purchase of your property. They will inform you of their professional fees and costs relating to Land Registry and local searches. They will also discuss stamp duty costs relating to the property with you. You are responsible for paying these costs.• Our Legal Fees - Upon completion, please note that you will be recharged for the costs incurred by our solicitors in preparing your engrossment lease and charged a notice fee. This list is not conclusive as there may be other costs eg a management company fee depending on the development you are buying. Where possible we will inform you of these in advance but if available at a later date your solicitor will be notified.• Independent Financial Advisor – If you are obtaining a mortgage then your financial advisor may charge you a mortgage arrangement fee, alongside any fees incurred by the lender for surveys, product fees etc. Your advisor they will discuss all relevant fees with you.• 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.• Rent & Service Charges – Before completion, you will be asked by your solicitor to pay for any rent and service charges due from the date of completion and for the whole of the following month. Your direct debit will start from the 1st of the next consecutive month.• Other Moving Costs – You may need to arrange for removal services etc.
Mortgage repayments	Each month you are required to make repayments on your mortgage, until the time the mortgage has been repaid. The amount you will pay towards your mortgage will be dependent on the value of the share you purchase, the deposit you put down, how long of your mortgage term is remaining and the interest rate.
Rental payments	<p>Alongside your monthly mortgage repayments, you will be responsible for monthly rental charges. Rental payments are calculated based on the percentage share of the property that we own and will vary for each property. The rental payment amounts will be outlined to you for your property when you make your initial enquiries.</p> <p>Your rent will be reviewed annually and any amendments are applied at the start of the financial year; 1st April. Any increases are in line with the retail price index, plus a set percentage fee (details of which are in your lease). You will receive advance written notification of any changes of these fees.</p>

Additional ongoing costs	<p>In addition, you should budget for the following ongoing costs associated with owning a home:</p> <ul style="list-style-type: none">• Service charges – As well as your rent and service charge payments, you will also have to pay a general service charge for building insurance, any estate charges and any maintenance of communal areas. Service charges can vary from year to year and they can go up or down, so be prepared for possible increases in the future. Details of these charges will be set out in your contract pack. You will be advised annually how the service charges have been spent and notified of any plans to carry out major maintenance or repair work. Please note these charges may vary from year to year.• Insurance – you will need to insure the contents of your property.• You will need to register for and pay Council tax.• Repairs and maintenance – if you own a house you are responsible for all repairs and maintenance to the inside and outside. If you own an apartment situations may vary but generally you will be responsible for maintaining the inside.
Eligibility requirements	<p>There are some general eligibility requirements that anyone wishing to buy a Shared Ownership home must meet:</p> <ul style="list-style-type: none">• You are at least 18 years old.• You are a British, EU or EEA citizen or have ‘indefinite leave to remain in the UK.• Outside of London your gross annual household income must be less than £80,000.• You are a first time buyer or in the process of selling your home.• You should not be able to afford to buy a home suitable for your housing needs on the open market.• You must demonstrate you are not in mortgage or rent arrears.• You must demonstrate that you have a good credit history (i.e. no bad debts, bankruptcy, home repossessed, active Individual Voluntary Credit Agreements in place or County Court Judgements registered against your name) and that you can afford the regular payments and costs involved in buying a home. If you are self-employed this may involve providing at least 2 years of audited accounts.• You should have savings or to be able to easily access at least £3,000-5,000 to cover the additional costs of buying a home. This is a guideline figure to cover the reservation fee, mortgage valuation, solicitors fees, removal costs and utility connection charges. – The actual amount you need will depend on the options you choose during the process. Stamp duty fees may also apply (see below for more details). <p>There can sometimes be a local connection eligibility criteria required by the local council, this will be discussed with you upon enquiry.</p>

Application Process

Initial financial assessment

Once you've registered your interest against a property, we will send you an email with the information you require. This includes a brochure of the development, price list and, if you need a mortgage, contact details for an Independent Financial Advisor ("IFA") from our recommended panel. Once we've received confirmation from the IFA that you have the required deposit and are able to obtain a mortgage, we will contact you to arrange viewings of the properties that you are interested in.

Viewings

We are only able to conduct viewings Monday through to Friday, 09:00-16:30 and viewings are by appointment only. The viewings are subject to access and availability. Particularly during the winter months the viewing times and access to sites may vary.

A confirmation email with all the relevant details will be sent to you prior to the viewing and we ask that you fully read this as some health & safety requirements will need to be observed if the development is still a working site.

If a viewing is not available due to site restrictions we will give you the option to reserve off plan. This means we will discuss the plans and specification with you and you will then start the reservation process. Once site has lifted the restrictions we will arrange a viewing at the earliest opportunity.

Application Assessment and formal offer

Once you have completed our application form, submitted your supporting documents and paid the £500 reservation fee, your application will be assessed by one of our Sales Advisors.

Once your application has been approved you will be sent a formal offer and you will need to formally instruct a solicitor and submit a mortgage application. We will need details of your solicitor and IFA so that we can issue the documentation to all parties involved. You will then be responsible for liaising directly with your solicitor and IFA to progress the purchase of the property and your mortgage application.

How long does the purchasing process take?

From the date of your application approval, the process will take approximately 6-8 weeks until exchange. This may vary based on individual's circumstances and you will be responsible for ensuring your solicitor is working towards our timeframes that will be outlined to you throughout the process.

This timeline does not apply if your property is being handed over by a homebuilder - if you have reserved off plan and have been given an estimated handover date, then this date cannot be guaranteed. We will endeavour to keep you updated with any movement on this date at the earliest opportunity. Please note any delays are outside of Hightown's control.

Please note if you are currently renting Hightown cannot advise you when to hand your notice into your current landlord.

Questions

If you have any questions, or need help understanding any of these steps, please contact us on **01442 292381**.





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Hightown Homes is a trading name of Hightown Housing Association. We are a charitable housing association operating in Herts, Beds and Bucks, providing a wide range of housing 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.

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