



CHOOSE LONDON

A QUICK GUIDE TO

# Shared Ownership

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HOME OWNERSHIP

# Made Possible

Many London homebuyers are eligible for Shared Ownership and don't even realise. If you're one of them, we can make your dream of buying here a reality.

We know the journey to home ownership can feel overwhelming, especially when it comes to costs. But Shared Ownership can make the process a lot more accessible, making it possible for you to buy a home you might have thought was out of reach.

**With Shared Ownership, owning your own high-quality home in a location you love could cost less than you'd expect.\***

\*Household income limits apply. See page 6 for more details.



## WHY CHOOSE Shared Ownership?

### Less Deposit

Your deposit is based on the share you're buying, which is only a portion of the value of your home. That means **your deposit is less than it usually would be to buy outright**, so you can reach your savings goal sooner and get on the property ladder.

### More Freedom

With Shared Ownership you're an owner-occupier, which means unlike renting, you'll have long-term security and **you can make your home your own**, with more freedom to decorate to reflect your own style and personality.

### Potential to Make Money

If the value of your home increases, so does the value of the share you own. **So if you sell your home you'll benefit from any price increase.**



## HOW DOES SHARED OWNERSHIP WORK ?

**With Shared Ownership, you buy a share of your home that is affordable to you on a long-term lease\*, and also pay a subsidised rent on the remaining share.**

The lease is a legal document that states how much of the home you own, what you can do in and to your home, and what costs you need to pay to keep your home. There are also clauses that outline your rights as a leaseholder and your duty as a leaseholder.

### PART OWN, PART RENT

Essentially, with Shared Ownership you're an owner-occupier. You pay a mortgage on the share of the home you own, and subsidised rent on the remaining share. You have the same responsibilities for maintaining your home as an outright homeowner.

### BUY THE MAXIMUM SHARE YOU CAN AFFORD

You'll start out buying a recommended share of your home that's affordable to you following an assessment by an Independent Financial Adviser (IFA). The minimum initial share that you can buy on most homes is 25% and the maximum is 75%. When you are ready you have the option to increase the amount you own and buy a bigger share all the way to 100% ownership.

### STAIRCASE TO OUTRIGHT OWNERSHIP

If in the future you can afford to (and want to) you can buy more of the remaining shares by 'staircasing', a process which allows you to buy more shares up to 100% ownership of your home.

\*Lease lengths may vary.

# AM I ELIGIBLE FOR Shared Ownership?

Shared Ownership is designed to give people who can't afford to buy on the open market the opportunity to buy their own home - from first-time buyers to owner-occupiers.

## WHAT IS THE CRITERIA FOR Shared Ownership?

There are some restrictions and eligibility criteria to make sure the scheme benefits those who need it most. To purchase a home with Shared Ownership in London, you should meet most of all the following criteria.

- Your combined household income is **less than £90,000 a year** (or £80,000 for properties outside of London).
- You must be **18 or older** at the time of completing your purchase.
- You should **live full time**, and have leave to remain, **in the UK**.
- **You can't own a property**, or part of a property (in the UK or abroad), **at the time of completing your purchase**.

- You should have a **good credit history** (some lenders accept buyers with adverse credit, but the interest rates are generally higher).
- You should have a **regular income to cover your mortgage and rent**.
- You'll need **enough savings to cover the deposit** for the share you're buying.

Some developments may have additional eligibility criteria imposed by the local planning authority. This may include a requirement to already be living or working in the borough the development is in, or may have a lower household income cap. If this is the case for a home you're interested in, you'll find this information on the property listing.

# AM I ELIGIBLE FOR Shared Ownership?

## WHO GETS PRIORITY FOR Shared Ownership?

In line with government priorities and in addition to eligibility criteria, priority may also be given to key workers, those with dependants and to serving military personnel and former members of the British Armed Forces honourably discharged in the last two years.

## CAN I AFFORD Shared Ownership?

Even if you meet all the relevant eligibility criteria, you may still only be eligible for certain properties depending on the price of the home you want to buy, your current income and outgoings, and the amount you have in savings. Our panel of Independent Financial Advisers (IFAs) can help you work out the best options for you and help you into a home you can comfortably afford.



## MYTH BUSTER

Shared Ownership isn't just for first-time buyers - it's for anyone not able to afford to buy a suitable home on the open market. So you could be a previous homeowner or currently in a Shared Ownership property and looking to move. Contact our sales team to discuss eligibility in more detail.



# STARTING OUT COSTS

## There are a few things to consider when you're buying with Shared Ownership.

We know this can be daunting, especially when you're buying a house for the first time. If you need, we can recommend a financial adviser or solicitor from our panel to help with everything from finding a mortgage deal to completing the application form and appointing your solicitor.

### RESERVATION & EXCHANGE

You'll need to pay **£500** (at the point of application) to reserve your home, and a further **£1,000** when you exchange contracts. The **£1,500** is then taken off the final purchase price.

### DEPOSIT

When you exchange contracts you'll need to put down a mortgage deposit - this can be as little as **5% of the share of your home that you're buying**. The amount you pay is then taken off the final purchase price.

### MORTGAGE VALUATION

When you apply for a mortgage, your mortgage lender will arrange a valuation of your home to make sure it's worth the price you're paying. You might be charged between **£400-£500** but it can vary. **\*TBC- The cost of this can be added to your mortgage if you wish to reduce your up-front costs. Please speak to your mortgage adviser about this.\***

### MORTGAGE ARRANGEMENT

You might get charged an 'arrangement' or application fees, which can be anywhere from **£500-£1,000** chargeable at completion. **\*TBC- The cost of this can be added to your mortgage if you wish to reduce your up-front costs. Please speak to your mortgage adviser about this.\***

### SOLICITORS

You'll need to appoint a solicitor. You can appoint your own, or use one from our approved panel of solicitors. You pay their fees on completion. These usually cost between **£1,000-£1,500** and include Land Registry, local search and other expenses.

### STAMP DUTY

Stamp Duty Land Tax (SDLT) is a government tax on top of buying a home. You pay this to your solicitor on completion and **you'll need to check the exact costs with them** as thresholds change depending on how much you pay for your home.

### ONE MONTH'S RENT UP FRONT

Rent is always paid in advance. You'll need to pay one full month's rent up front. If you're completing halfway through a month, you pay for the remainder of the current month, plus one full month in advance. The amount needed is set out in your lease under 'Specified Rent' and also on the Memorandum of Sale form.



### MYTH BUSTER

**Most Shared Ownership buyers choose not to pay any stamp duty when initially buying their share as the purchase value of the share that they buy sits under the threshold, you then only pay SDLT once you staircase to 80% or above.**

**You can choose to pay stamp duty on the full market value of the property instead, meaning even if you staircase above 80% there will be no need to pay SDLT at that point.**



# WHAT DO I HAVE TO PAY EACH MONTH?

## YOUR MORTGAGE PAYMENT

Each month you'll make your payment to your mortgage lender, usually by direct debit. **The mortgage payment is between you and the lender.**

## YOUR RENT

Rent is calculated at 2.75% or less of the value of the remaining shares in your home, divided over 12 months.

On the first day of each month you'll pay your rent to us by direct debit. This makes payment simple and convenient for everyone as the payments are taken directly from your bank account. **Your rent will go up on April 1st each year by a set amount as agreed in your lease.** We'll let you know the amount you have to pay for your new rent every year.

## SERVICE CHARGE

Your service charge is calculated as a monthly rate. It covers the ongoing upkeep and maintenance of all the shared communal areas and grounds and buildings insurance. A service charge is common in new developments and apartment blocks.

The service charge is reviewed every year and as a leaseholder you have a right to see what your service charge is being spent on.

As part of your service charge some money will be put aside into a reserve fund. The money contributes towards the cost of regular maintenance or major repairs to the building/estate. It's designed to cover major works so you aren't given large bills for your share. There may be a shortfall at times and these will be recharged in accordance with the terms of your lease.

## MYTH BUSTER

Did you know the combined costs of a subsidised rent and monthly mortgage payment is often cheaper than renting a similar home? Contact our sales team to find out how much you could save.



# BUYING A HOME IN Nine Steps



## 1. GET IN TOUCH

Start your journey by getting in touch or registering your interest in a particular property. You can talk to our team about your requirements and we can help you understand the process and qualifying criteria. **Simply call us on 0203 815 2222 or head to our website.**



## 2. CHECK ELIGIBILITY

Our sales team will help and put you in touch with a Financial Adviser (FA) or you can choose your own, who will be able to advise what you are able to afford. They'll carry out a financial assessment and advise on your monthly expenditure.



## 3. RESERVE YOUR HOME

You've checked you're eligible, visited a development and seen a home that's right for you. The next step is to reserve it! We'll ask for a **£500** reservation fee and you'll fill out a reservation form. For some homes and developments where there's a high demand, homes will be allocated based on the eligibility criteria to make sure the home goes to the buyer with the highest priority. Eligibility criteria can be found on page 7.



## 4. MAKE AN OFFER

Once you've paid your reservation fee we'll assess your reservation and contact you to make an offer in writing.



## 5. APPOINT A MORTGAGE ADVISER AND SOLICITOR

You'll need to instruct a mortgage adviser and a solicitor after receipt of the offer so you can get moving as quickly as possible.

We can recommend our panel solicitors to you, or you can choose to use your own.

A mortgage adviser can recommend the right mortgage for you and provide support on your application, affordability and valuation. Your solicitor will handle all the legal work including the exchange of contracts. They'll also review if there's anything that might impact the value of your home by submitting local searches, commissioning a survey and reviewing the terms of the lease.



## 6. SALE AGREED

We'll issue a memorandum of sale (MOS) to all solicitors. The MOS summarises the details of the sale and outlines a date for exchange.



## 7. MORTGAGE OFFER & SIGN-OFF

The mortgage offer will give you a breakdown of initial fees as well as monthly payments. We'll need to review and sign-off before the exchange of contracts.



## 8. EXCHANGE

We'll exchange contracts with you via our solicitors for review and signatures. Once you've signed, you'll need to pay **£1,000** (through your solicitor) at the point of exchange. We'll then agree your completion date.

If you're buying a property off-plan, you'll be given an anticipated completion date and that date can change depending on how the build progresses. There's usually a long-stop date, which means a final agreed date for completion - if the home isn't complete by then you can decide to cancel and get your deposit back.



## 9. COMPLETION AND MOVE-IN!

Now for the exciting bit... once we have received the remainder of monies due, you have legally completed. **WELCOME TO YOUR NEW HOME!**

# FAQs

## CAN I BUY MORE OF MY HOME?

Yes! You can buy a larger share in the property until you eventually own your home outright. This is called 'staircasing' and we can help you with the process. You can staircase at any time you wish. As you buy more shares in your property, your rent decreases.

If you want to buy an extra share, you must first get your home valued. You can usually buy chunks from as little as 10%.

You can staircase as many times as you like. In addition to the cost of the share of your home, you will need to pay valuation fees, legal fees and mortgage arrangement fees to your lender, if this applies. You will also need to speak to your solicitor about any extra stamp duty you may have to pay.

[FIND OUT MORE HERE >](#)

## CAN I SELL MY HOME?

Should you choose to move on, you'll be able to sell your share at any time after purchase and we'll be on hand to assist. Your lease usually gives us **8 weeks (from receipt of valuation), to sell your home.**

We'll put you in touch with our professional photographer, who will need to visit your home to take pictures and produce floorplans. You'll carry out your own viewing appointments. Customers who are interested in viewing your home will be able to call us to book an appointment.

If we do sell within this period of time we charge a 1% fee + VAT on the value of the share of the property. If we don't sell your home within eight weeks, you're free to list your home on the open market with an estate agent.

If you own 100% of your property by the time of sale you can list your property on the open market with an estate agent.

[FIND OUT MORE HERE >](#)



## WHAT AM I RESPONSIBLE FOR AFTER I HAVE MOVED IN?

Your lease will outline all your responsibilities. You should read and go through this with your solicitor.

As an owner-occupier **you're responsible for the maintenance and repairs to the inside of your home** (anything behind the front door).

We're responsible for the estate management (anything outside the front door) including maintenance and upkeep of communal spaces. This is paid for via the service charge you pay on a monthly basis.

As part of your lease you're also required to pay the monthly rent on the remaining share of the property that you don't own.

## CAN I MAKE CHANGES OR IMPROVEMENTS TO MY HOME?

You can make **cosmetic changes like decorating or updating flooring**. Structural changes (like removing walls, changing windows, replacing the kitchen/bathroom or building extensions) will need to be approved.

We may also need to refer to the building regulations and will advise on whether planning permission is required.

We would advise checking with us before you make any changes, however small, so we can advise you on next steps.

## WHAT IF THE VALUE OF MY HOME CHANGES?

You'll benefit from **any increase in the value of the property on the share you own**. However, you might have a decrease in value if you want to sell, depending on market conditions at the time.

When you want to buy a larger share in your home, you'll do so based on the current market value at that time.



BUYING WITH  
**NHG Homes**

## BUYING WITH NHG HOMES

We're part of Notting Hill Genesis, one of the UK's leading housing associations. We have over 40 years of experience as a social landlord, as well as building and managing sustainable communities across London and the South East of England.

From large regeneration projects providing hundreds of new homes\*, to small refurbishment and conversion projects that protect the heritage of existing buildings, **our mission is to deliver places that all residents are proud to call home.**





## MORE CHOICE FOR LONDON HOMEBUYERS

Our wide range of developments and even wider range of financing options- from shared to outright ownership - open up the possibility for more people to keep London on their dream home shortlist.

## A DIFFERENT WAY TO FINANCE

Nearly half of all people looking to buy a home in London are eligible for Shared Ownership and don't realise\*.

We help you make sense of the options, balance the different options and make the right decision for you.

It's about finding the right home and the right way to buy for your circumstances.

## DESIGNED FOR REAL LONDON LIVES

Our developments are purposefully designed and built to optimise or go beyond the minimum space standards for London homes.

Our homes are often award -winning and always built with security and comfort in mind.

We're creating spacious, safe havens in the city that give you the freedom to live the way you want.

## YOUR EXPERT PARTNER

Our sales teams are renowned for going the extra mile and will stick by you through your buying journey.

We've achieved a Trustpilot score of 4.6 for a "brilliant" supportive team, who assist buyers with navigating their options, getting the paperwork done and sharing the mental load that goes with buying a home.

## OF LONDON. FOR LONDON.

Along with our parent, Notting Hill Genesis, we are here for the life of our developments - maintaining, managing and making them a success.

After you've moved in, we remain responsible for the upkeep and management of the building. So you're never left wondering who to turn to.



**CHOOSE LONDON**