

Havebury
Housing Partnership

Thinking of Buying a Home?



February 2022

Understanding Shared Ownership

What is Shared Ownership?

Shared Ownership is a form of low cost home ownership. You will buy a share in the property and pay a rent for the share that you have not bought, together with a service charge.

Shared Ownership forms part of the government's HomeBuy scheme.

What properties are available?

We offer a variety of new homes to purchase on a Shared Ownership basis and there may be homes available where the existing shared owner is selling on.

For more information on homes available, please visit the 'Home Ownership' section on our website [here](#).

Who qualifies for Shared Ownership?

The scheme is intended to help people who cannot buy a home any other way. We accept applications from people who have successfully applied for the HomeBuy scheme through the local HomeBuy Agent.

Help to Buy South (part of the Radian Group), is the government-appointed HomeBuy Agent for the region and is responsible for the assessment of applications to ensure they comply with the HomeBuy scheme.

Contact details for Help to Buy South are at the end of this leaflet, or you can click [here](#) to go to their website to register.

We will consider your financial position to assess whether or not you can afford the purchase or whether you can afford to purchase a home on the open market.

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What happens if I wish to buy?

As part of the application process, you will be required to provide financial details relating to your income and other commitments.

You will also be required to provide a copy of a form of photographic identification. A financial assessment which is required as part of the legislation for Shared Ownership sales. The financial assessments are completed by our chosen independent financial advisors, and you will need to provide your information to them directly. We can provide you with their contact details if you decide to apply.

Please see our separate information leaflet 'Guide to applying for a Shared Ownership home' which provides more details on the application process

We will then explain your rights and responsibilities as a property owner and provide you with further information on the Shared Ownership scheme.

Applications for homes are dealt with on a first-come, first-served basis.

Priority is given to those who are in the armed forces, and those with local connections (if this is a requirement for the properties you are applying for) otherwise, we deal with in the order we receive applications and will offer out to the first person who passes the affordability check.

If your application is approved, you will then need to arrange a mortgage to purchase your share of the property. You will also need to appoint a solicitor.

How does it work?

The share purchased depends on the property you are purchasing and ranges between 25 to 75% of initial shares, some brand new homes are eligible to start from a minimum of a 10% share, you can check this with us when you apply.

The Lease term can differ, depending on whether you are buying a slightly older property (a re-sale property) or a newer home. Older homes will have 99-year leases, which will have started when the property was first sold. Newer homes and new builds will have 990-year leases, which will start from the date of the first sale. You can check this with us when you are considering applying for a particular home. The lease is a binding contract between you and us.

If your circumstances change, you can purchase a larger share of your home and, in most cases, you can eventually own the property outright. The terms of the lease will specify the criteria for this.



What are the costs involved?

We estimate that you will need a minimum of £4,000 to cover the legal and associated costs of purchasing. These costs are likely to include the following:

Reservation Fee

Havebury will require a reservation fee of £500 once you decide to purchase a property. This fee is deducted from the final purchase price.

After your application has been approved, if you cannot proceed with the purchase, this amount will not usually be refunded. However, depending on the reasons for you not being able to proceed, this may be reviewed.

Please note that if you are interested in buying an older property, that is being sold on by the existing shared owner, the reservation fee will not be required.

Mortgage costs

You will need to arrange a mortgage for the share you are purchasing. The majority of high street building societies or banks are able to deal with shared ownership mortgage applications.

You may need to place a deposit with the bank or building society. This is normally a percentage of the total purchase price. Some mortgage providers do not require a deposit.

The mortgage company will require a survey of the property and you will be charged the valuation fee. There may be further costs associated with your mortgage application such as administration, arrangement fees and broker fees. These costs should be made clear to you by the mortgage provider.

There are many different types of mortgage available. Taking advice from an Independent Financial Advisor is recommended. Havebury does not provide mortgages and does not offer financial advice.

What are the costs involved?

Stamp Duty

The purchase of a Shared Ownership property may incur Stamp Duty Land Tax. This can be paid on the full value of the property at purchase or on your share. It is important that you obtain professional advice on the Stamp Duty Land Tax implications.

Legal Fees

These are payable to a solicitor who carries out legal work on your behalf. This will cover the cost of preparing the legal documents for the purchase of your home. The associated costs of Land Registry fees, search fees and other costs will also be included in the estimate provided by your solicitor. Some mortgage lenders will offer legal services as well.

Furnishings and Removals

You will need to furnish your new home and arrange for your furniture and effects to be moved to it. Some of our brand new homes will have floor coverings/carpets included, and some may also have things like hobs/ovens already built into the kitchen.

Once you have purchased the property, you will be solely responsible for:

- Mortgage repayments
- Rent and service charges - these are reviewed on an annual basis
- Council tax
- Gas, water and electricity
- Telephone, TV and internet
- Contents insurance
- Full repair and maintenance costs of your new home

Responsibilities and Charges

Who is responsible for repairs and insurance?

We will insure the structure of your home under our building insurance policy and you will be charged the cost of the premium as part of the service charge.

If your Shared Ownership property is a house, you will be solely responsible for all repairs and redecoration internally and externally.

If your home is a flat, you will be solely responsible for all internal repairs and redecoration. Havebury is responsible for repairs to the structure of the main building and to the communal areas. The proportion of the costs of repair and maintenance relating to your property is collected from you through your service charges.

On the date of completion, you will need a contents insurance policy in place to cover carpets, furniture and other belongings, as these are not covered by our building insurance policy.

What is a service charge?

A service charge is the fee you pay to Havebury which will include building insurance and other services such as maintenance of communal areas such as gardening, cleaning and lighting etc. and are paid in full regardless of the percentage share owned.

Is the property suitable for you?

Buying a home is a long term investment and your circumstances may change.

Does the property provide the right type of accommodation or will you need to have a larger or smaller property within five years?

Do you like the area? Are there good local schools and shops in easy reach?

Can you afford the costs?

You need to ensure that you can afford the cost of buying and running your home.

Remember prices of gas, electricity and water can all increase as well as decrease.

What am I buying?

You will be a home owner and therefore have the full responsibility for the home you have bought.



Shared Ownership

Do you need a copy in large print, on audio or a translation?

To receive this information in large print, on audio or a translation, please call: **0300 3300 900**.

Współwłasność. Czy potrzebujesz egzemplarza o większym rozmiarze, na nośniku audio lub tłumaczenia? Aby otrzymać tę informację na egzemplarzu o większym rozmiarze, na nośniku audio lub tłumaczenia, zadzwoń: 0300 3300 900

долевой собственности. Вам нужна копия большого формата, на аудионосителе или перевод? Чтобы получить эту информацию, распечатанную в большом формате, на аудионосителе или ее перевод, звоните: 0300 3300 900

propriedade compartilhada. Precisa deste documento num formato de impressão maior, em áudio ou traduzido? Ligue para o 0300 3300 900 se quiser receber esta informação num formato de impressão maior, em áudio ou traduzido.

Havebury - respecting diversity and difference

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