

## Summary of costs

The information in this document is for the **new shared ownership model**. There are variations of shared ownership which have different features. For more information on the variations, see the 'Key information about the home' document.

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the 'leaseholder') and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should ensure you take independent legal and financial advice.

This summary of costs document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

It does not form part of the lease. You should carefully consider the information and the accompanying lease, and discuss any issues with your legal adviser before signing the lease.

Failure to pay your rent, service charge, or mortgage could mean your home is at risk of repossession.

The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.

## Purchase costs

<b>Full market value</b>	£310,000.00
<b>Share purchase price and percentage share offered</b>	<p>£31,000 (10% share)</p> <p>The share purchase price is calculated using the full market value and the percentage share purchased.</p>
<b>Deposit</b>	<p>£3100 - 10% of the sale purchase price</p> <p>The deposit is payable when you exchange contracts to buy the home. It will be taken off of the final amount you pay on completion. For more information, speak to your legal adviser.</p>
<b>Reservation fee</b>	<p>£250</p> <p>You'll need to pay a reservation fee to secure your home. When you pay the fee, no one else will be able to reserve the home.</p> <p>The reservation fee secures the home. If you buy the home, the fee will be taken off the final amount you pay on completion. If you do not buy the home, the fee is refundable.</p>
<b>Your legal adviser's fees</b>	<p>Legal adviser's fees can vary. You can expect to pay fees including:</p> <ul style="list-style-type: none"><li>• legal services fee</li><li>• search costs</li><li>• banking charges</li><li>• Land Registry fee</li><li>• document pack fee</li><li>• management agent consent fee - subject to development and terms of the management company</li></ul> <p>You'll need to ask your legal adviser what the fees cover and the cost for your purchase.</p>

<b>Stamp Duty Land Tax (SDLT)</b>	<p>You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your legal adviser. There is more guidance on the GOV.UK website:</p> <ul style="list-style-type: none"><li>• <a href="#">Stamp Duty Land Tax: shared ownership property</a></li><li>• <a href="#">Calculate Stamp Duty Land Tax (SDLT)</a></li></ul>
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## Your monthly payments to the landlord

<b>Rent</b>	If you buy a 10% share, the rent will be £639.38 a month.
<b>Service charge</b>	There is no service charge to pay.
<b>Estate charge</b>	<p>£9.88 a month.</p> <p>The estate charge is for the maintenance of the public open space.</p> <p>The estate charge will continue to be payable if you reach 100% ownership.</p>
<b>Buildings insurance</b>	£20.37 a month
<b>Management fee</b>	There is no management fee to pay.
<b>Reserve (sinking) fund payment</b>	There is no reserve fund payment.
<b>Total monthly payment to the landlord</b>	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p>£669.63 a month</p> <p>You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.</p>

## Rent review

<b>Rent review period</b>	Your rent will be reviewed every year on 1 April.
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Rent review

The maximum amount your rent can go up by is the same as the percentage increase in the Consumer Prices Index (CPI) for the previous 12 months plus 1%

Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.

You should expect your rent to go up by the maximum amount possible each year when it is reviewed.

**Example rent increases**

The example below illustrates how the Rent shown in this document (£639.38 per month) would rise during the first five Review Dates based on an example percentage increase each year of 5%.

Please note that the below table is for illustration purposes only, using an example rate increase and the actual CPI for the relevant period will be used to calculate your new rent which may be more or less than the percentage shown.

New rent at Year 1 Review Date (applying an example percentage increase of 5% )	New rent at Year 2 Review Date (applying an example percentage increase of 5% )	New rent at Year 3 Review Date (applying an example percentage increase of 5% )	New rent at Year 4 Review Date (applying an example percentage increase of 5% )	New rent at Year 5 Review Date (applying an example percentage increase of 5% )
£671.35 per month	£704.92 per month	£740.17 per month	£777.18 per month	£816.04 per month

## Future costs if you buy more shares

<b>Home valuation</b>	<p>If you want to buy shares of 5% or more, you'll need to pay for a valuation by a surveyor who is registered with the <a href="#">Royal Institution of Chartered Surveyors</a> (RICS). The estimated current cost is £300</p> <p>Your landlord will arrange the valuation. You are responsible for the costs.</p> <p>If you need to arrange the valuation, you can <a href="#">find a registered surveyor on the RICS website</a>.</p> <p>The price of a 1% share is based on the original full market value adjusted up or down each year in line with the House Price Index (HPI). You'll receive an HPI valuation at least once a year. You or the landlord can choose to use a RICS valuation instead of HPI. The party who chooses to instruct a RICS surveyor pays for the cost of the valuation.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
<b>Share purchase administration fees</b>	<p>The administration fee for buying more shares will be:</p> <p>Buy shares of 1% - no administration fee.</p> <p>Buy shares of 5% or more - £150</p> <p>You cannot buy shares of 2%, 3% or 4%.</p>
<b>Your legal adviser's fees</b>	<p>If you require legal advice when buying more shares, you are responsible for paying your own legal fees. Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares.</p> <p>The landlord is responsible for paying their own legal fees related to share purchase transactions.</p>

## Future costs if you sell your home

<b>Landlord's current selling fee</b>	Your landlord may charge a fee for marketing and finding a buyer for your home when you sell. There will be legal fees applicable.
<b>Estate agent's fee</b>	You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.
<b>Your legal adviser's fees</b>	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
<b>Home valuation</b>	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

## Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

<b>Lease term</b>	990 years
<b>Maximum share you can own</b>	You can buy up to 100% of your home.
<b>Transfer of freehold</b>	At 100% ownership, the freehold will transfer to you.  See section 'Transfer of Freehold' in the 'Key information about the home' document for more information.

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the ‘Key information about shared ownership’ document.

## Other potential costs from the landlord

	£_____
	£_____
	£_____
	£_____
	£_____

## Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

<b>Mortgage repayment</b>	£_____ a month
<b>Contents insurance</b>	£_____ a month
<b>Council Tax</b>	£_____ a month
<b>Gas and electricity</b>	£_____
<b>Water</b>	£_____
<b>Annual boiler service</b>	£_____ a year



<b>Other payments</b>	
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