

# Customer Information – Frequently Asked Questions

## What is Shared Ownership?

Shared Ownership provides first time buyers and those that do not currently own a home the opportunity to purchase a share in a new build property. The purchaser pays a mortgage for the share they own and pay a subsidised rent to the housing provider for the remaining share.

## Who is eligible?

You may be eligible to purchase a shared ownership property if the following applies:

- you don't currently own a home or have an interest in a home and can't afford to buy one outright.
- you have at least a 5% deposit available for the percentage of the home you'd like to purchase.
- your combined household income is less than £80,000.
- you can afford the monthly mortgage, rent and any additional service charges.

## How is the initial share calculated?

An assessment of your financial circumstances will be undertaken by an independent financial advisor who will then advise on what percentage you can comfortably afford to purchase. Initial shares generally range from 25%-75%.

## Can I buy additional shares?

This is known as staircasing. Shared owners can buy additional shares in their property up to the value of 100%, at which point you will become the outright owner.

## Can I sell my Shared Ownership property?

If you haven't staircased to 100% of your home at the time of wishing to sell, you will be required to sell your home on a Shared Ownership basis. The buyer will need to meet all relevant eligibility criteria and will usually be required to purchase a share equal to or higher than what you currently own.

## Can I sublet my property?

The properties cannot be sublet, shared ownership is intended to help people buy a property of their own who would not otherwise be able to afford it and the property is to be your main home. If you must be away from the property for an extended period, you should contact us to discuss your circumstances.

## Are SO properties Leasehold or Freehold?

The properties are Leasehold with a long lease term of 990 years and the Freehold is retained by the housing provider. If you staircase to 100% the Freehold of the property will automatically transfer to you as part of the final transaction.

## Who is responsible for insuring the property?

You will be responsible for arranging your own contents insurance, but buildings insurance will be arranged and charged for by your housing provider until such times that you own 100% of the property. At this point, responsibility for buildings insurance will transfer to yourself.

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## Can I have pets?

Your tenancy will tell you whether you can keep pets in your home and may specify the type of pets allowed. Your tenancy may specify that you need to request permission if you wish to keep a pet.

## Can I make improvements to my home?

Yes, you can make improvements to your home providing you obtain consent from your housing provider in advance of any works.

## Who will carry out repairs and maintenance to my property?

These are generally your own responsibility after the first 12 months, with your home being new build it will have a warranty on it.

## What is a service charge and what does it cover?

The cost of any additional services that we provide to your home is paid for by the residents on the development through a service charge, this is usually paid monthly. The amount and what it covers depends on the development but normally includes buildings insurance, management fees, landscaping costs and repairs.

## What will my solicitor do?

Your solicitor will deal with the conveyancing for you and should explain the lease to you so that you are fully aware of your responsibilities and what you are purchasing. It is important that you fully understand exactly what you are buying.

## Why do I have to pay rent?

As you will only own a share of the property to begin with you must pay rent for the remainder. The rent you pay is usually reduced, meaning the total monthly payment of a shared ownership home is less than if you had a mortgage on the whole of the property.

## Can you help me to arrange my mortgage?

If required, we can pass your details to Rook Matthew Sayers who are marketing the properties on our behalf, as they have independent financial advisors who will be able to help you find a suitable mortgage, but you are free to choose your own advisor.