



Summary of costs

When you buy a home through shared ownership, you enter 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 solicitor before signing the lease.

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

Examples and figures provided in this summary of costs document are correct at the time of issue but will change over time in accordance with changes in house prices and the terms of the shared ownership lease.

The monthly payments to the landlord will be reviewed annually. The figures in this document will only apply to the first year of the lease.

Purchase costs

Full market value	£385,000
Share purchase price	£96,250.00 (25% share) The share purchase price and percentage are based on the amount you can afford.
Deposit	5-10% of the purchase price
Reservation fee	£500.00
Your solicitors' fees	<p>Solicitors' fees can vary. You can expect to pay fees including:</p> <ul style="list-style-type: none">• legal services fee• search costs• banking charges• Land Registry fee• document pack fee• management agent consent fee - subject to development and terms of the management company <p>You'll need to ask your solicitor what the fees cover and the cost for your purchase.</p>
Stamp Duty Land Tax (SDLT)	<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 solicitor. There is more guidance on the GOV.UK website:</p> <ul style="list-style-type: none">• Stamp Duty Land Tax: shared ownership property• Calculate Stamp Duty Land Tax (SDLT)

Your monthly payments to the landlord

Rent	<p>If you buy a 25% share, the rent will be £ 661.72 a month.</p> <p>The percentage share and rent amount is based on the amount you can afford.</p> <p>1 bed rent assessed at 2.75%</p>
Service charge	<p>£80.14 a month</p> <p>The service charge is for shared services to a building and, if applicable, the surrounding estate</p> <p>PH have signed the GLA's Service Charges Charter</p>
Estate charge	<p>£111.96 a month</p> <p>The estate charge is for maintenance or services that are needed.</p> <p>The estate charge will continue to be payable if you reach 100% ownership.</p>
Buildings insurance	<p>£(tbc) a month</p>
Management fee	<p>£28.82 a month</p> <p>The management fee is payable to Poplar HARCA</p> <p>The management fee is for recovering the costs of managing and administering your service charges.</p>
Reserve (sinking) fund payment	<p>£(tba) a month</p> <p>For more information, see section 5.7, 'Repairs reserve fund', in the 'Key information about shared ownership' document.</p>
Total monthly payment to the landlord	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p>£882.84 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

Rent review period	Your rent will be reviewed every year on 1 st April																
Rent increase	<div>RPI plus 0.5%</div> <p>The maximum amount your rent can go up by is the same as the percentage increase in the RPI for the previous 12 months plus 0.5%</p> <p>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.</p> <p>Your rent will go up when it is reviewed. It will never go down.</p> <p>Example rent increases</p> <p>The examples below show how your rent could rise based on an RPI percentage increase of 3%, 6% and 9%. These are illustrations only and the actual RPI for the relevant year will be used to calculate your rent increases.</p> <table><tr><th>Initial rent</th><th>Example RPI increase percentage</th><th>Applied percentage increase (RPI plus _0.5_%)</th><th>Example new monthly rent</th></tr><tr><td>£263</td><td>3%</td><td>3.5%</td><td>£272</td></tr><tr><td>£263</td><td>6%</td><td>6.5%</td><td>£280</td></tr><tr><td>£263</td><td>9%</td><td>9.5%</td><td>£288</td></tr></table>	Initial rent	Example RPI increase percentage	Applied percentage increase (RPI plus _0.5_%)	Example new monthly rent	£263	3%	3.5%	£272	£263	6%	6.5%	£280	£263	9%	9.5%	£288
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Future costs if you buy more shares

Home valuation	<p>If you choose to buy shares of 10% or more, you'll need to pay in full for a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). The estimated current cost is £250.00 Plus VAT</p> <p>You will need to arrange the valuation.</p> <p>You can find a registered surveyor on the RICS website.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
Share purchase admin fees	Poplar HARCA do not currently charge a fee for either interim or final staircasing but this may be subject to change

Your solicitors' fees	Where you require legal advice when buying more shares, you are responsible for paying your own legal fees in full. Your mortgage lender will require you to instruct a solicitor if you are borrowing money to fund any purchase of additional shares. The landlord is responsible for paying their own legal fees related to share purchase transactions.
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Future costs if you sell your home

Landlord's current selling fee	The nomination fee is currently 1.25% plus VAT of the market value
Estate agent's fee	You'll need to pay their fee, which is negotiable.
Your solicitors' fees	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees in full.
Home valuation	The landlord arranges the valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost in full.

Other potential costs from the landlord

Pet Consent	(tbc)
Replacement Fob	(tbc)
Engrossment	£180.00
Notice Fee	£120.00
Mortgage Approval fee	£90

Please note this list is not exhaustive.

Your own payments EXAMPLE ONLY

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

Mortgage repayment	Based on 2/3 bed £475,000 25% share – 10% deposit over 30 years @4.26% interest rate = £502.06 per month
Contents insurance	£10 a month (estimated)
Council Tax	£139.62 a month (estimated)
Gas and electricity	£80 a month (estimated)
Water	£50.25 a month (estimated)
Annual boiler service	£6.25 a month (estimated)
Other payments (e.g. car payments, regular travel costs, mobile phone, broadband)	£100 (estimated)