

Ten Steps to Buying your Shared Ownership Home Re-sale

Step One

Once you have been approved as a buyer by Worthing Homes and the existing leaseholder has agreed they wish to sell their home to you, a memorandum of sale will be provided to you and your solicitor so they can communicate with Worthing Homes solicitor & the sellers solicitors. The memorandum of sale (MOS) will provide you with the details of the rent you will pay as well as any service charge and will also advise you of any special conditions of the offer. Please note that rent and service charges are reviewed in April so if you are purchasing your home around this time, these elements may increase before you move in. These will be communicated to your solicitor when ready.

Step Two

The sellers solicitor will collate a contract pack to share with your solicitor, this usually includes a copy of the lease, transfer and forms created by the seller called TA forms. The TA forms contain details of what is included in the sale, and details about the property such as boundaries & service information. It is important to instruct a solicitor that understands the Shared Ownership lease terms. The Shared Ownership lease is a model lease which is created and approved by Homes England with some additional property specific clauses which have been added by Worthing Homes, these are usually carried across from the transfer of the land in which we have purchased, or specific compliance related clauses such as those relating to fire safety.

Solicitors acting for purchasers which have little knowledge of Shared Ownership and New Build transactions can cause lengthy delays requesting information which is not relevant or applicable. Due to the speed in which the property has changed hands from the developer to Worthing Homes, to the existing seller and then to you as homeowner(s). Where this has happened in short succession or there have been previous delays with registration this can make some solicitors uncomfortable proceeding. It is frustrating for both parties if the buyers solicitor refuses to proceed on these terms and can mean waiting a further 3 to 6 months for completion to take place which may not be acceptable to the sellers.

Step Four

Whilst your solicitor is reviewing the initial documentation provided by the sellers solicitor, they will apply for your searches which are requested from the local authority and can take up to 4 weeks to be returned. During this time your mortgage advisor or lender should start to arrange your mortgage. This usually requires a valuer on behalf of your lender to visit the property to confirm its age and value. When your mortgage has been approved and you have your official mortgage offer, Worthing Homes will approve this offer and provide a certificate for your lender via our solicitor.

Step Five

The seller, their solicitor and Worthing Homes will answer any enquiries raised by your solicitor. It is important to keep these queries between solicitors and refrain from asking questions to the seller or Worthing Homes directly, this is because communication outside of solicitors is not legally binding and cannot be relied upon. If you have questions about the property which have not been answered in the TA forms, you should ask your solicitor to request the information. Some things you may want to consider is whether elements of the property have been serviced, such as any heating system or electrical works. Warranty information for any specialist equipment or approvals for pets or alterations you may be planning to complete.

Please note that Worthing Homes are not responsible for servicing and requests for alterations and pets will be dependant on the property type and corresponding policy.

When your solicitor is satisfied they will report to you and your lender in the form of a “report on title” this document contains all of the information that they think you should know before you agree to exchange contracts and the sale becomes legally binding. They will also ask you to sign a contract, and may ask you to sign the lease. Please take the time to read the lease as this contains all the information about the property, including any charges or restrictions.

Step Six

Once Worthing Homes have received notice that your solicitor is willing to proceed to exchange and completion, we will arrange to execute our part of the contract and transfer documentation. This process can take us up to 7 working days.

Step Seven

Once all documentation is provided back to the relevant solicitors, your solicitor will ask you for your authority to exchange contracts. In order to exchange you must provide your solicitor with monies to cover the exchange. This is usually 10% but you should check with your acting solicitor. If the seller is purchasing another home, then it may be required for us to all exchange on the same day, which is known as a chain.

Step Eight

Once you have exchanged contracts your solicitor will receive a statement from our solicitor advising of the required balance to complete. This will include rent and service charge from the day of completion.

Do not worry about paying for buildings insurance, because you are automatically covered under the Worthing Homes block policy insurance. You should arrange your own contents insurance prior to completion.

Step Nine

Completion Day! A date will be set for completion, but legal completion only takes place when the money from your solicitors account, reaches the account of the sellers solicitor. At this point, they will call the seller or their nominated estate agent and advise that the keys will be released. You should ask the agent or seller for any crucial information required for day 1 such as – where the property meters are located, or where any heating control manuals will be left. This information is also within the TA forms which you had reviewed when you signed the contract & lease.

Worthing Homes will send you out a direct debit mandate for your future rent and service charge.

Step Ten

Congratulations - You are now the leaseholder of your new home. Worthing Homes will set up your account with us so that our customer services department have a detailed record of you should need to speak with us, and the solicitors will be registering your ownership with the land registry.