



What is shared ownership?

Shared ownership (otherwise known as part-buy, part-rent or New Build HomeBuy) is a scheme designed to help people who cannot afford to buy a property, suitable for their needs, on the open market.

Shared ownership schemes provide an alternative to renting, or buying a home outright by allowing you to buy a share of your home and pay discounted rent on the remaining share. It is particularly suitable for those with a regular income which is not enough to obtain a mortgage to buy a suitable home outright.

How does it work?

Shared ownership allows you to buy between 25% and 75% of the property (the amount you can purchase at first may vary depending on the individual development). You will be required to purchase the largest share you can, based on an assessment of your financial circumstances. We will own the remainder of the property and you will pay rent to us on this share.

By buying part of the property and paying a discounted rent on the rest your total monthly housing costs can be made more affordable.

The example below compares the costs of shared ownership purchase (25% initial purchase) and open market purchase for a 2 bedroom house with an open market value of £200,000.

	Open Market value	Initial Sales%	Deposit	Value of Initial Sales	Unsold Equity	Deposit	Mortgage Required	Monthly Rent	Monthly Mortgage Re-payment	Total Monthly Housing Cost
Shared Ownership Purchase	£200,000	25%	5%	£50,000	£150,000	£2,500	£47,500	£344	£310	£654
Open Market Purchase	£200,000	100%	5%	£200,000	£0	£10,000	£190,000	£0	£1,240	£1,240

* Mortgage calculation based on an interest rate of 6.14%

** Rent rate per annum on unsold equity 2.75%

You may be able to increase your ownership at a later stage; this is called 'staircasing'. You can usually buy up to 100% and own the property outright. The price of the additional purchase will be based on the open market valuation of your property at the time of your request. The cost of the valuation, which must be carried out by a chartered surveyor, is payable by you.

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Guide to shared ownership

Am I eligible?

To be eligible for a shared ownership property you would have to be able to obtain a mortgage, or have a sufficient lump sum to pay for the share that you want to buy.

The level of household income needed will vary according to the value of the property you wish to purchase and any deposit you may have. Your household income must be sufficient to cover the monthly housing costs.

Priority will be given to applicants who are existing council or housing association tenants and those on the housing register. Applicants are usually first time buyers but applications may also be considered from those who have previously owned a home but have had to sell due to a relationship breakdown or employment relocation. Existing shared owners may also be considered if their current home is no longer suitable or affordable due to a change in circumstances.

Each development will have its own eligibility criteria or local priority requirements, which your application will be assessed against. For details of individual scheme criteria please contact our team at sales@yourspacehomes.co.uk or 0845 111 0095.

How to apply

You must first register with the relevant HomeBuy Agent.

For properties in Essex the HomeBuy Agent is Moat:

T: 07002 662 846

W: homebuy.co.uk

If you wish to apply for one of our properties, please complete the application form on the website yourspacehomes.co.uk or contact us directly:

T: 0845 111 0095

E: sales@yourspacehomes.co.uk

You can still reserve a property following a viewing if you have not registered with a HomeBuy Agent. Your application will be fast-tracked on the basis that you have a purchase pending.

Financing your purchase

We strongly recommend that you seek advice from an Independent Financial Advisor (IFA) in relation to any property purchase. You are open to obtain a mortgage from an appropriate lender of your choice. If required, we can provide details of some of the IFA's and other companies that we have previously worked with.



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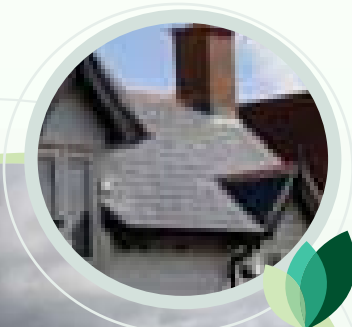
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Fees and costs

Mortgage fees and lender's valuation - Your chosen mortgage lender will require a payment to value the property and, in some cases, a mortgage arrangement fee.

Legal Fees - We recommend that you get quotes from a variety of solicitors experienced in shared ownership purchases. Most solicitors offer a fixed fee plus disbursements (these are costs that your solicitor pays on your behalf during the purchase process, for example; searches and in some cases Stamp Duty Land Tax).

Completing your purchase

A circular inset image showing a close-up of a house's roof and chimney.

Properties are allocated on the basis that the information you have provided is accurate. Our verification process may include a credit check and referral to your existing landlord or employer. We reserve the right to withdraw any offer we have made if information is found to be incorrect or misleading.

On completion of your purchase you will become a leaseholder, normally with a 99 year lease if the property you are purchasing is brand new.

Under the terms of your lease you will be responsible for:

- The maintenance and repair of your home. If your home is an apartment, this normally means the entire inside of your property; communal areas will be maintained by the freeholder or managing agent and you will pay for these within your monthly service charges. If your home is a house this will normally mean all of the repairs and maintenance.
- Maintaining your mortgage payments - **REMEMBER YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP WITH PAYMENTS ON YOUR MORTGAGE OR OTHER LOAN SECURED ON IT.**
- Maintaining your rent account so that it does not fall into arrears. Your rent account will be reviewed annually and will increase by the amount specified in your lease. You must also pay any service charges which will include building insurance and maintenance of communal areas as specified in your lease.

Selling your property

Most leases contain a 'nomination' period in relation to selling your property allowing us the right to nominate potential purchasers to you within a time period specified in your lease (normally 8 weeks). The sale price of your share is based on a current open market valuation which must be carried out by a chartered surveyor. The cost of obtaining the valuation is payable by you.

For further information on your home ownership options please contact our experienced team:

T: 0845 111 0095

E: sales@yourspacehomes.co.uk