



# Help to Buy Shared Ownership

## What is a Help to Buy: Shared Ownership?

Shared Ownerships are a cross between buying and renting. The Housing Association or Registered Provider will own a share of your home and you'll pay rent on the rest of the property.

You can buy an initial share of the house and then pay rent on the rest of the property. Alongside the rent, you'll also need to pay your mortgage. However, this usually comes at a reduced rate. So the combined rent and mortgage will cost less than buying the property outright.

## What am I entitled to?

With a Shared Ownership, you can buy between a quarter and three-quarters of a property. Most of the houses available in this scheme are new build houses.

However, there are also some properties being re-sold by housing associations. All Shared Ownership homes in England are offered on a leasehold-only basis.

## The options with Shared Ownership properties

At the start, you'll only own a share of your property. But you have the option to buy shares later on until you own 100% of your property. This option is called 'staircasing'. The cost of additional shares is based on the market value of the property. If you buy additional shares, the rent you're paying is reduced accordingly. If you no longer want to live in the property, you can sell your share.

Your share of the property is marketed for sale by Family Mosaic to allow other people who want to benefit from low-cost ownership to buy the house with a Help to Buy: Shared Ownership. The property will be sold at the value it is worth on the market at the time.

## Who is entitled?

In England, it's mainly for first-time buyers or people who used to own a house, yet can't afford to buy another home at full cost. The scheme is available for people who have a combined income that's less than £80,000, in London, it's less than £90,000. Speak to your local Housing Association to see if you're entitled to the scheme.

## Your application for a Shared Ownership will be a priority if:

- You're a Housing Association and Council tenant
- You're Armed Force personnel
- You have local priorities
- You live with your parents or relatives
- You live in private rented accommodation
- You need to move for work reasons
- You're homeless
- You live in temporary accommodation

Continued...

### What costs should I expect?

- Deposit: This will vary depending on the lender. Be sure to check with your mortgage adviser...
- Rent: For the share you don't own, you'll have to pay a reduced rent to the Housing Association.
- Fees: These include mortgage and legal fees, survey fees and stamp duty.
- Annual Charges: Because Shared Ownership properties are leasehold, you may have to pay a service charge fee.

### What happens when I want to sell?

This depends on whether you own 100% of the property or just a share:

#### If you own a share of the property:

- The property will be a Shared Ownership resale property
- The housing association has the right to find a buyer for it

#### If you own 100% of the property:

- You can sell the property yourself
- For 21 years from the date the house became 100% yours, the Housing Association may have the right to repurchase it. This is called 'the first refusal.'

### What do I need to do?

Firstly, get in touch with the housing team in your local Council or Housing Association. This is to check whether the scheme is available in your area and if you can apply for it. You'll need to apply for a mortgage for a Shared Ownership property. We'd recommend speaking to a Mortgage Adviser about this.

You'll also need to ensure you can afford the mortgage deposit, rent and maintenance costs for the property. For more information, visit [www.gov.uk](http://www.gov.uk) and search for Shared Ownership Schemes.

