



SHARED OWNERSHIP GUIDE

Want to own your own home?

If you want to buy a home but don't think you can afford to then think again. With the help of shared ownership you may be able to make that leap onto the property ladder that you have always dreamed of.

What is shared ownership?

Trent & Dove Housing is a Registered Social Landlord (RSL), which is a non-profit making organisation that provides and manages homes for rent and sale for people in housing need who cannot afford to buy or rent privately.

Shared ownership was introduced to help people who cannot afford to buy a home outright. Through shared ownership you buy a share of the property and pay a rent on the remaining share you do not own. Gradually you may buy further shares and eventually own your home outright.

How shared ownership works

Shared ownership is simply part buying and part renting your home with the help of Trent & Dove Housing. The size of the share to be purchased will depend on your income and savings. Normally applicants buy a 50% share but you may purchase a smaller or larger share (to start with, you can buy as little as 25% or as much as 75%). The higher the share you purchase the less rent you will have to pay. You may also have to pay a service charge when you buy a property through shared ownership, especially when you buy a flat.

Rent for the remaining share is payable to Trent & Dove Housing and is reviewed annually in line with inflation. The share you purchase is funded by a mortgage that you will need to arrange with a bank or building society.

After one full year of ownership you will qualify to buy further shares, up to the stage where full ownership is achieved but you can remain a shared owner indefinitely if you want to. Please note certain schemes do have restrictions on how much of the property you can own. Trent & Dove Housing will be able to give you details on these schemes.

When you purchase through shared ownership, Trent & Dove Housing will grant you a lease that sets out your rights and responsibilities.



What does the shared ownership lease entitle me to?

Whether you buy a house or flat under shared ownership terms, the social landlord will grant you a lease usually for 99 years. It will entitle you to live in your home as an owner-occupier. It will also entitle you to buy further shares in the property and sets out how you can do this. It also states that you can sell your property.

Other points covered in the lease set out your responsibility for repair and payment of rent and service charge. Although you have not bought the property outright, you will have the normal rights and responsibilities of a full owner-occupier.

If you have any questions on how the scheme operates please ask however you are also advised to take your own legal advice on the terms and conditions of the lease.

Am I eligible?

The scheme is intended for people who cannot afford to buy a suitable home in any other way. You must be in housing need and be unable to afford outright purchase. Priority will normally be given to existing RSL tenants or those on local authority or social landlords' waiting lists.

Local first time buyers who cannot afford to buy their own home within communities are given priority though job movers who are moving from a lower value area and those who need to move because of a marriage or relationship breakdown are also eligible

Up to four people can become joint owners but all joint applicants must individually and jointly meet the eligibility criteria. Ask your solicitor/licensed conveyancer to advise you on this.

The cost of buying your own home

It is important to give careful thought to the costs and responsibilities of buying your own home. You will need to do some careful calculations to help you decide how much you can afford to spend on buying and running a home.

What are the initial costs of a shared ownership home?

You will have to pay for:

Survey - you may wish to have your own, independent survey, which you must pay for.



Legal fees - you are advised to get a solicitor/licensed conveyancer to help you with buying your share. It is worth asking for an estimate before engaging a legal representative, as fees vary.

Deposit - a retaining deposit of £150.00 is payable to Trent & Dove Housing once you have been made a formal offer. Should you decide to withdraw your application then only £75.00 will be refunded.

Preferably you should also have a 5% deposit towards the purchase price as it is likely to be a condition of your mortgage

Stamp duty- this is a form of tax on the transfer of property. You should check with your solicitor/licensed conveyancer whether stamp duty is payable at the time of your purchase. If stamp duty is payable, you can either pay duty on your share or on the full value of the property. Your solicitor/licensed conveyancer should be able to advise you on which option to take.

Mortgage indemnity insurance (if required)

Removal costs - you will need to consider the costs of removal. These can be quite large if you are moving several miles from the area in which you currently live.

What are the running costs?

Mortgage repayment - you may need to borrow all or part of the cost of your share from a building society or bank. Repayments will vary as interest rates change.

Rent – rent is due on the first of every month and the monthly rent will be a proportion of the total rent the property would fetch. For example, if you own a 50% share you would pay 50% of the total rent. This rent will take into account the repayments you make as an owner-occupier, and your share of any insurance, maintenance and repairs. It will therefore be less than the normal rent you would pay if you were renting the whole property. The rent will be revised annually in line with the Retail Price Index.

Council tax - you will have to pay the council tax to the local authority.

Repairs, insurance and service charges - if your home is a house, you will be responsible for all repairs and redecoration both internally and externally. Trent & Dove Housing will insure the structure of your home and you will have to pay a small management charge to cover this and to help meet the costs of rent collection. If your home is a flat, you will be responsible for all repairs and redecoration internally. The social landlord will undertake to keep the building in which your flat is situated in good structural repair, to keep the structure insured and to keep any common parts, such as the staircase and corridors, decorated, cleaned and lighted. You will have to pay a share of those costs.



This is called a service charge. The social landlord must tell you how the service charge is spent and you will be consulted before any major repair or maintenance work is put in hand. Any damage or defect should be reported to the social landlord immediately.

Heating and lighting bills and water rates - you are of course responsible for your own bills.

Fittings and furniture - you are responsible for supplying your own fittings and furniture and for the cost of insurance for the contents of your home.

Are there any other costs?

If you buy a flat it is likely that there will be common areas that Trent & Dove Housing will maintain, such grounds, private roads and street lighting. You will have to pay a service charge for such services. Trent & Dove Housing is required to insure the building you buy up to the full reinstatement value. You will need to arrange your own contents insurance.

How do I buy further shares?

A great advantage of shared ownership is that you can acquire more shares in easy stages, and eventually own your property outright. Buying further shares is known as “*staircasing*”. If you want to buy a further share, you will first need to tell Trent & Dove Housing in writing the share you wish to purchase (usually a minimum of 25%). The detailed procedure is contained in your lease. Your landlord will get the property valued when it receives your letter and will let you know the cost of the further share. You will have to pay the valuer’s fee. The staircasing process normally has to be completed within 3 months of the valuation.

What do I do when I want to sell?

You may sell at any time but you must tell the social landlord in writing that you want to move. You can either sell the part that you own or you can buy the remaining share and then sell the property outright. You will benefit from any increase in the value of the property according to the share you own, but you should be aware that you might be affected by any fall in values.

Unless you own the property outright, clauses in the lease allow Trent & Dove Housing to nominate prospective buyers and to restrict the sale price to an independent valuer’s valuation. The reason for this is that we wish the property to remain available to the people for whom shared ownership is intended. There is a healthy demand for shared ownership properties and Trent & Dove Housing maintains a list of prospective purchasers. Please note there will be an administrative charge involved in selling your home – please see leaflet “Moving on” for more details.



In some rural areas the social landlord may restrict your ability to buy further shares in your home or reserve the right to buy back the property (at full market value). These arrangements are limited to rural areas and are intended to provide a means of keeping low cost housing for rural communities. We will tell you if the home you want to buy is in an area where these restrictions apply.

Additional information for shared owners

Can I make improvements or alterations to my home?

If you wish to improve your home or make structural alterations to it, you must request Trent & Dove's written agreement to what you want to do.

What if I fall behind with my mortgage repayments?

The mortgage contract is between you and your building society/bank. If you begin to have financial problems, which may mean you cannot pay your mortgage, you should let them know as soon as possible. If you do fall behind on your payments and cannot agree on a solution with your building society/bank, there is a risk that they will take possession of your home and sell it. You would be entitled to your share of the money received, after all your debts have been paid.

What if I fall behind on my rent or service charges?

Under the lease you will be obliged to pay the rent and service charge. Again, if you find you have financial problems, get in touch with Trent & Dove Housing to see how we can help you.

What happens next?

Should you decide that you would like to be considered for shared ownership, please complete and return an application form?

For application forms and details of current sites available please contact Trent & Dove Housing on -

 01283 528528 or go to

 www.trentanddove.org.

If you require this information in large print, another format or alternative language please ask us.