



# Shared Ownership



Helping first-time buyers get onto the property ladder

## Shared Ownership

Shared ownership is a Government funded scheme aimed at helping 'first time' buyers get on to the property ladder. The scheme lets you buy a share of a property, meaning you don't have to apply for a full mortgage which increases your chances of being accepted by a Bank or Building Society.

Some shared ownership schemes are on a part-buy / part-rent basis, so you will have to pay a low rent on the share of the property that still belongs to Unity.

## Who qualifies for shared ownership?

Shared ownership is for a particular type of person:

- First time buyers who can't afford a home on the open market
- Those who earn a below-average wage for the area of Leeds

Those that we would not consider for our shared ownership schemes would be:

- People who can afford to buy a home on the open market
- People who can't afford to pay mortgage repayments and rent
- People who already own a home

## How do I apply?

**Step 1** Find a scheme (all our shared ownership schemes are advertised in advance)

**Step 2** Get an application form from our office

**Step 3** Complete and return your application form

**Step 4** If your application is accepted, you'll be invited to view the property

**Step 5** Pay Unity £250 to reserve the property (if your application is accepted and after viewing you've said you want the property)

**Step 6** Get a mortgage (seek independent financial advice; i.e. Bank, Building Society, Mortgage Advisor)

**Step 7** Find a solicitor to deal with legalities of purchase (Provide us with your solicitor's details)

## How many shares can I buy?

Initially we ask you to purchase between 25-75%, depending on the scheme and how much you can afford to buy. At a later date (or when you can afford it) you can buy more shares in the property, over time you can purchase 100% of the property - this process is called 'stair-casing'.

The price that you pay for any extra shares is based on the market value of your home at the time you want to buy.

## What will this cost?

There will be costs included in the purchasing process, but we can't advise you on these things, you'll need to speak with an independent advisor

(i.e. Solicitors, Conveyancers, Mortgage Advisors, etc). However here are some things you should consider that will need to be paid for:

- **Survey & Legal Fees** - Valuations and solicitors fees
- **Stamp Duty** - Tax you must pay if your property is over a certain price (speak to advisor)
- **Land Registry** - You have to pay to register yourself as the property owner
- **Mortgage Payments** (for share purchased) - You'll have to make sure you pay your bank/building society regularly; if you don't keep up with payments you may lose your home.
- **Rent** - Rent is payable for those who do not own 100% of their property
- **Contents Insurance** - If you want to protect your belongings from damage or theft, you'll need this type of insurance also.
- **Service Charges** - Some flats may have a service charge attached to help maintain communal areas, if so even if you buy your home you'll still have to pay Unity's service charge. Buildings insurance is also covered by the service charge.
- **Repairs** - General household repairs will be your full responsibility
- **Council Tax** - Regular monthly payment (usually) which must be paid
- **Water Rates & Utility Bills** - Regular monthly payments must be paid

## Who is responsible for repairs?

In shared ownership properties you will be fully responsible for all internal repairs to your home. If you purchase shares in a flat, Unity will be responsible for the external repairs and maintenance, i.e. communal corridors and stairways. However, in this case you will be expected to pay a service charge as part of your rent payments.

## Can I sell the property when I want?

The answer to that is yes. You have the same rights as any homeowner so you can sell your home as and when you like. There are a couple of things you should know about selling your home though:

- **If you own less than 100%** of your home, you must inform Unity you want to sell. We'll then try to find a buyer from our shared ownership waiting list we call this our 'nomination right'. If we can't find anyone within 4 weeks, we'll give you permission to sell your share on the open market. (Shared ownership criteria will apply)
- **If you own 100%** of your home, you can sell the property on the open market and won't need to follow our selling process (as shown overleaf).

## Problems understanding?

If you need any of our information translating or if you need an interpreter, please contact us. We can also provide this information in large print or on CD if you need us to.

## The selling process

When selling your share there is a process you must follow:

- You must write to us to confirm your plans to sell your share in the property.
- We will instruct an surveyor to complete a survey on your home. You will be responsible for the valuation fee.
- Once a property value is confirmed, we will look on our records for a suitable buyer.
- If a suitable buyer is not found we will grant you permission to sell the shares on the open market.
- Once you find a potential buyer, they must complete a Unity Housing shared ownership application form, so we can ensure they meet our criteria.

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