



Help to Buy Shared Ownership

Your guide to the Shared Ownership scheme

This scheme allows you to buy a share in a property between 25% - 75% of the purchase price, you then pay a low cost rent on the remaining share.

It can often be an affordable alternative to renting or buying on the open market. Unlike purchasing on the open market, you don't need to raise a deposit based on 100% value of the property, just for the share that you are purchasing.

Am I eligible?

To be eligible for a home being offered under the Shared Ownership scheme, you will need to be registered with Help to Buy South and want to live in Hampshire & Isle of Wight, Wiltshire, Berkshire, Oxfordshire, Gloucestershire, Mendip, Bristol, Bath & North East Somerset or North Somerset.

- You must have a household income of less than £80,000 per year.
- Have access to savings of approximately £2,500 to cover your fees as well as savings towards your mortgage deposit
- If an existing home owner or shared owner, your current property must be at sale agreed before you can reserve. You may need to demonstrate that you are in housing need and have the support of your local authority. The Help to Buy Equity Loan scheme may be an alternative option which can assist existing home owners wanting to step up the property ladder.

Prioritisation

Priority will be given to serving military personnel otherwise homes are offered on a first come, first served basis. Some properties may need to be prioritised by the Housing Association/Local Authority offering the home due to planning conditions e.g. people living or working in the area.

This will vary from development to development and advertised where necessary. Contact the Housing Association directly for more information when expressing an interest in a specific home.

Serving military personnel - eligibility

To be considered as a serving member of the MOD, you must have completed your basic (phase 1) training and are either regular service personnel (including Navy, Army and Air Force), clinical staff (with the exception of doctors and dentists), Ministry of Defence Police Officers or uniformed staff in the Defence Fire Service.

Ex-regular service personnel who have served in the Armed Forces for a minimum of six years and they apply to buy within two years (24 months) of the date of discharge from service will also be prioritised. You must also produce a Discharge Certificate (or similar documentation) as proof. Priority will also be given to surviving partners of regular service personnel who have died in service, where they apply to buy within two years (24 months) of the date of being bereaved.

How do I apply?

You will need to complete an application on the helptobuysouth.co.uk website. Applications for Shared Ownership new homes and Shared Ownership Resales (second hand homes) are the same. Once your application has been approved you will then be registered with Help to Buy South and will be able to start your search for a home. You can set up saved searches so you will be notified immediately by email of any properties you are interested in.

Visit our website, find a property you like and click on Register Interest. This notifies the housing association/developer of your interest.

If you would like further details of your chosen property please contact the housing association/developer direct.

What are the costs involved?

You will need to be able to raise a mortgage to buy at least the minimum share available, as well as having a mortgage deposit. This may be 5-10% of the value of the share you are purchasing. However, you will be expected to purchase as much of a share in the property as possible whilst ensuring that it is affordable for you.

Other costs to consider include:

- **Reservation fee** - This will be taken off the total purchase price
- **Mortgage arrangement fees** - This will vary depending on your financial advisor and mortgage lender
- **Valuation fee** - This is a requirement of your mortgage application
- **Legal fees** - You may be given details of recommended solicitors
- **Monthly service charges** - Again, these will vary from property to property
- **Other monthly costs** - Don't forget about Council Tax, TV licence and utility bills, for example

The Mortgage Calculator on our website pages can help show you examples of monthly costs when buying.

Once you have expressed an interest in a new build or resale property, the Housing Association/developer will assess your affordability.

A financial assessment will be carried out by an approved Independent Financial Advisor (IFA) to provide the housing association/developer with a more in-depth assessment of what you can afford. The IFA will be able to tell you how a mortgage works, repayments involved, taking into account other costs involved with finding a new home. There may be a

fee charged by the advisor for arranging your mortgage, but your initial assessment will be free of charge.

You will be asked to provide:

- **Proof of income**
 - 3 months payslips and/or P60
- **3 months bank statements**
- **Proof of ID**
 - Passport or photo drivers licence
- **Proof of savings**
- **Information on any loans or credit agreements you may have**
- **Information on any benefits you may receive**

The Housing Association may also request a credit check or bank reference, as part of their assessment. The IFA will also determine what you can afford to purchase.

Savings & deposit

A minimum deposit based on the value of the share you purchase will be required by lenders for your mortgage. This is usually 5 – 10%.

You will also need approximately £2,500 for initial fees such as solicitors fees and mortgage arrangement costs, on top of your mortgage deposit.

Stamp Duty

Stamp duty may not be payable for Shared Ownership homes since purchasers of less than 80% of a property can opt to defer the payment of stamp duty until later. More details on stamp duty can be obtained from your solicitor.

Other costs to consider

Don't forget you may need to amend existing or set up new standing orders for utility bills, council tax, television licence and other associated costs with moving home.

What homes are available?

Homes available to buy with Shared Ownership, including Resales, will be listed on the helptobuysouth.co.uk website. These can range from studio apartments to 2 and 3 bedroom houses. The Shared Ownership scheme enables you to buy any Shared Ownership property regardless of size, as long as it is affordable for you.

Besides brand new homes, you will often see second or third-hand homes advertised for sale on the same Shared Ownership basis. This is where an existing Shared Owner may decide to sell their home and move on. These are known as Shared Ownership Resales. With this scheme you will only be able to buy the same sized share or greater than the current owner.

Who pays for repairs and maintenance?

You will have full responsibility for the repairs and maintenance in your home, including annual gas boiler servicing. However, if you buy a brand new home, the developer may have a period of time during which they will be liable for any defects identified in the property.

Flat owners will have to carry out repairs inside their flats but are not usually responsible for external and communal areas such as stairways and communal gardens as your service charge will contribute towards this.

Can I buy further shares later on?

You may have the option to purchase further shares depending on your lease. This is known as Staircasing. There is no obligation to do this and you can stay forever as a Shared Owner if you like. If you buy further shares, the rent you pay on the share you do not own will go down. A surveyor will normally assess the value of your home based on the market value at that time, so that the value of further shares can be calculated. If house prices increase, you may have to pay more to buy another share than when you originally bought it.

What happens when I want to sell?

You can get advice about selling your Shared Ownership home from the Housing Association that dealt with the original purchase. The terms of your lease will specify a period of time when your property will be marketed for sale by the Housing Association you originally purchased through. This ensures that other people are able to benefit from affordable home ownership.

The Housing Association will charge to do this, but it is likely to be cheaper than if you were to sell through an estate agent. The property is then sold at the market value at the time of resale. If your Housing Association is unable to find a buyer for your share, it may be possible to sell your home on the open market but you will then need to pay the full cost of the estate agent fees.

Standard costs will include a fee for the resales service, a valuation report, an Energy Performance Certificate and solicitors fees.

Contact us

If you require any further information please get in touch

By Post

Help to Buy South
Collins House
Bishopstoke Road
Eastleigh
Hampshire
SO50 6AD

By Phone

0800 456 11 88

By Email

info@helptobuysouth.co.uk

Via the Website

www.helptobuysouth.co.uk

The advice team is available to take your phone calls

Monday to Friday, 9am – 5pm.

Help to Buy South is also on Facebook, Twitter and Instagram. Search for 'Help to Buy South' and like our page and follow our updates.