

Shared
Ownership



The **key** to
buying your
home



A provider of quality affordable housing solutions
helping to achieve community well being

Shared Ownership is a government-backed scheme which makes home ownership available and more affordable to those who want to buy their own home but cannot afford to buy outright.

Part buy, part rent enables you to buy your home in stages. Through this scheme you buy a share in the home you want, usually 50% of market value, and rent the rest from us at a subsidised rate.

You are able to buy further shares in your home once you have lived there for 12 months. In this way you can become an outright owner as and when you can afford to do so. This is known as 'staircasing'. There is, however, no obligation to buy further shares if you do not wish to.

If you want to move you can, simply by contacting the Association who will help and advise in the selling of your share to someone else. Alternatively, you could buy the remaining share from us and sell outright on the open market. The price for buying further shares is set by an Independent Valuer on the basis of the market value at that time.

Who is eligible?

Shared Ownership is intended for people who cannot afford to buy a suitable home outright, for example;

- First time buyers looking for their first home
- Those who need to move due to marriage or relationship breakdown
- Those affected by clearance due to redevelopment
- Job movers who are joining an area of higher property values than the one they have moved from.

Can I buy with my partner or friends?

Yes, that's not a problem. Up to four people can become joint owners; you will need to speak with your solicitor who will give you guidance.

How will I know if Family will sell me a home?

Once a suitable property is available you will meet with one of our representatives. They will take time to explain Shared Ownership and answer any questions you may have. If you wish to proceed, your application will be assessed and shortly after you will be contacted to let you know if you have been successful or not.

How do I arrange a mortgage?

We may be able to suggest local mortgage providers who are familiar with Shared Ownership or if you already save with a bank or building society speak with them. It is important to shop around and

advisable to seek independent advice. We are unable to give mortgage advice as we are not registered to do so.

What are the costs involved?

Before you decide to purchase you will need to budget for the costs involved. You will need money to pay your reservation fee, deposit, legal fees, valuation and possibly stamp duty.

Reservation fee

You will need to pay a reservation fee of £200. This will hold the property for you for a period of eight weeks whilst your solicitor deals with the purchase of the property. This money will be credited to your rent account when you complete on the property. However, if you decide not to go ahead, this money will not be refunded and will be used to offset our administration costs.

If you are arranging a mortgage to purchase your share you will usually require a deposit of 5% as most lenders will only lend up to 95% of the share you are buying.

Legal fees

You will need a solicitor, who will act for you to make sure all the legal requirements are taken care of and to make sure you understand what both your and Family's responsibilities are.

We recommend you obtain at least two quotes in writing, detailing total charges including land registry, searches and VAT before you instruct a solicitor to act on your behalf.

Stamp Duty

You may be required to pay stamp duty depending on the 100% value of the property.

The Lease

You will sign a lease because you will be renting part of your home. The lease will state the rent, management fee, building insurance and in some cases a service charge. It will detail yours and Family's responsibilities.

If you choose to exercise your right to staircase to outright ownership, in the majority of cases the freehold will be transferred to you at no extra cost.

The lease also provides a mortgage protection clause which makes it unnecessary to pay Mortgage Indemnity Insurance to your chosen mortgage lender, saving you a considerable sum of money.



Valuation Costs

Your chosen mortgage lender will require a valuation to be made on the property. There are various types of valuations providing different levels of information at different costs which you are responsible for. It is important to choose the valuation that best suits the age and condition of the property and not just the cheapest.

Moving In

Once you have moved in you will be responsible for the ongoing cost of ownership which you will need to budget for. These will include the mortgage, rent and household costs such as council tax, contents insurance and fuel bills.

Repair and maintenance

You are responsible for repairing and maintaining your home. If you pay a service charge we will carry out works covered by this charge which will be clearly stated within your lease. You can make improvements or alterations to your home but you must first obtain written agreement from the Association and comply with local planning and building regulations. This allows the added value of these works to be discounted from the purchase price, if you exercised your right to staircase to outright ownership.

What next?

If you would like to proceed, the first thing you should do is to complete and return the application form that is included in this information pack.

On receiving this we will make certain checks to ensure you are eligible. We will then identify suitable properties and arrange for you to view. An informal interview will be arranged where we can explain Shared Ownership in detail and assess affordability. Once your application is approved and you are happy to go ahead we will continue to offer help and assistance during the sales process when required.

After moving in, you will have dedicated staff at the Association who will continue to offer support and assistance on a variety of issues relating to your home and lease.

Your home is at risk if you do not pay your rent, mortgage or other loans secured on it.

**For further
information call
0121 766 1100**





Family Housing Association (Birmingham) Ltd
Bordesley House, 44/46 Coventry Road
Birmingham B10 0RX

Tel : 0121 766 1100 **Fax :** 0121 766 5115

Email : post@family-housing.co.uk
Website : www.family-housing.co.uk

Family Housing Association (Birmingham) Ltd is a Charitable Industrial & Provident Society