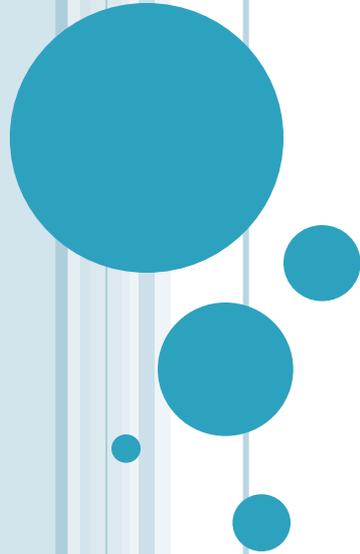




# SHARED OWNERSHIP

## WOKINGHAM BOROUGH COUNCIL



**WOKINGHAM**  
BOROUGH COUNCIL



# HOW IT WORKS

- Shared Ownership is a part-buy/part-rent scheme that enables the purchaser to buy a percentage of a newly built or resale property, usually from a Housing Association and pay a reduced rent on the remaining percentage.
- The purchaser initially buys between 25% and 75% of the newly built home from the particular provider. The provider then retains ownership of the unsold share, on which a subsidised rent is implemented. The rent is normally paid on a monthly basis, as it would if it was rented from a private landlord.
- This scheme is especially appealing to individuals who are unable to:
  - raise a sufficient deposit to allow a mortgage to be approved
  - obtain an adequate mortgage approval to purchase a property outright even when a healthy deposit is available.
- **Help to Buy South hold the list of people interested in Shared Ownership in Wokingham. To register, please visit: [www.helptobuysouth.co.uk](http://www.helptobuysouth.co.uk).**
- **The government have introduced various schemes to help those trying to purchase a home. To look at all of the potential options, please visit: [www.gov.uk](http://www.gov.uk) and see Affordable Home Ownership Schemes.**



# WHO IS ELIGIBLE?

You can buy a home through shared ownership if:

- **your household earns £80,000 a year or less**
- **you're a first-time buyer - or you used to own a home, but can't afford to buy one now**
- **you're an existing shared owner**
- **you rent a council or Housing Association property.**

**Priority for properties allocated via Wokingham Borough Council Section 106 Agreements will always be given to:**

- serving MOD personnel
- those living and/or working in the Wokingham Borough
- existing Council or Housing Association tenants
- those with a housing need.

**You would not qualify if:**

- you have a financial interest in a property (depending on circumstances)
- you can afford to buy a property outright
- you are unable to afford the cost of the rent and the mortgage.



# HOW MUCH DOES IT COST?

## What are the costs involved in purchasing?

- There are various costs involved in buying a home. As well as paying money to purchase your home, you will have to pay solicitor's fees and other charges. The costs are outlined below.

### Valuation fee

- The cost may vary from lender to lender and according to the purchase price of your property. When you make a mortgage application you will be required to provide a cheque for the valuation fee. You may also want to have an independent survey of the property.

### Legal fees and stamp duty

- You will need to instruct a solicitor to act on your behalf. Your solicitor will advise you on other fees that you are required to pay, including Land Registration fees, search fees and stamp duty.

### Deposit

- On exchange of contracts you will be required to pay a deposit – this is likely to be at least 5% of the share you are purchasing. Your solicitor will discuss this with you in more detail.

**You will need to have savings of at least £3,000 to cover the above costs. You will also need the deposit, and don't forget removal costs.**

## Are there any ongoing costs?

### Yes. Regular costs will include:

#### ○ Mortgage

You will need to make monthly mortgage repayments. The cost will depend on the amount you have borrowed and the interest rate you are being charged.

#### ○ Rent

After exchanging contracts on your new home, you will need to pay your rent and service charge for the month that you are exchanging and the month that follows. This is because your monthly rent and service charge are payable in advance.

Your monthly rent will be calculated as a percentage of the share that you do not own. Your rent will be reviewed on an annual basis and any increase in your rent will be linked to the Retail Price Index (RPI).

#### ○ Service charges

You are responsible for the upkeep of your property, both inside and outside. You will be required to pay a monthly service charge for the upkeep of communal areas. The services the charge covers will vary according to the new home you buy, but may include cleaning, lighting, and the maintenance of shared gardens or parking areas. Before you move into your new home, details of the service charge payable will be explained to you.





## Continued

### **Buildings insurance**

Buildings insurance will normally be covered in your service charge – you can check this with the Housing Association. You are responsible for ensuring that the contents of your property are insured. You may also want to insure yourself against loss of income, since state benefits do not usually cover mortgage repayments if you become unemployed.

### **Repairs**

You will have full responsibility for repairing and maintaining your property in the same way as any other home owner purchasing on the open market.

### **Utility bills**

You are responsible for paying your utility bills from the date the property becomes yours. As near after completion as possible. You will need to take gas, water and electricity meter readings and provide these to your suppliers. You are also required to send a copy of your meter readings to the Housing Association for their records.

**If you do not keep up your rent and mortgage repayments, your home could be at risk.**

### **What if I want to buy more shares?**

If you are a shared owner, you have the option of buying more shares in your property. This process is known as '**staircasing**' and allows you to buy more shares in your home until you own it outright.

You can buy extra shares, at least 10% After the first 12 months, in your property until you own it fully. Doing this reduces the rent you pay to the Housing Association. So the more shares you own, the less rent you pay.

A new valuation will be required from a qualified RICS valuer at the time of sale. As the tenant, you will have to pay for the valuation fee and any updates as necessary. This figure will then determine the price of the share you wish to purchase.

### **What happens if I want to sell my Shared Ownership home?**

You can sell your property at any time. If you own the property outright (100%), you may sell on the open market at any time. Before you consider this you must contact the Housing Association, as your contract may require you to offer the property back to them.



## What choice of properties are available?

There are numerous new housing developments being built in the Wokingham Borough as roughly 10,000 new homes are planned. A certain proportion of these will be available via Shared Ownership. These will range from three-bedroom houses with gardens, to one-bedroom apartments.

**All properties available for Shared Ownership with Wokingham Borough Council will be posted on the following website:**

[www.helptobuysouth.co.uk](http://www.helptobuysouth.co.uk)

## Resales

Resales are shared ownership homes that become available when existing 'shared owners' wish to sell their stake in the property they currently own. This is normally as a result of them moving up the property ladder due to a change in the owner's circumstances.

The share that can be purchased and the rent payable will differ from one property to another as a result of differences in the percentage initially purchased and any staircasing activity that has occurred.

Resales will also be displayed on the Help to Buy South website.

## How are the properties allocated?

Properties that come to Wokingham Borough Council via Section 106 Agreements will be allocated on the basis of the size and type of accommodation as well as housing need. We will also look into the applicant's local connection to the Wokingham Borough.

Applicants are able to apply for one bedroom above their need e.g. a single person could apply for a two-bedroom property.

In most cases single person households or couples would be offered one-bedroom properties. Families would be offered accommodation suitable to their needs, although children of the same gender would be expected to share a room.

If you are re-housed into a Shared Ownership property and in time require a larger property, you would need to contact the Council or Housing Association for further advice.



## WHAT HAPPENS NEXT?

- The first action to take is to complete an application via the Help to Buy South website. This will register your interest and allow you to apply for specific properties that are available.

[www.HelpToBuySouth.co.uk](http://www.HelpToBuySouth.co.uk)

- Help to Buy South and the Housing Associations will inform you of new developments in the borough and if you are interested in a property, you show interest on the website. The Housing Association will arrange viewings and the applications of all those wanting the property will be sent to Wokingham Borough Council.
- The Council then prioritise the list of applicants and decide how the property is allocated.



## HELPFUL LINKS

- [www.helptobuysouth.co.uk](http://www.helptobuysouth.co.uk)
- [www.gov.uk/affordable-home-ownership-schemes](http://www.gov.uk/affordable-home-ownership-schemes)
- [www.helptobuy.org.uk](http://www.helptobuy.org.uk)
- [www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk)



# CONTACT DETAILS

## **Help to Buy South (Wokingham's Help to Buy Agent)**

e-mail: [info@helptobuysouth.co.uk](mailto:info@helptobuysouth.co.uk)

0800 456 11 88

[www.HelpToBuySouth.co.uk](http://www.HelpToBuySouth.co.uk)

## **Housing Needs**

**Wokingham Borough Council**

**Shute End**

**RG40 1WN**

[housing.needs@wokingham.gov.uk](mailto:housing.needs@wokingham.gov.uk)

0118 9746760

## **Drop-in Service**

**Mon – Fri 9am – 5pm (except Tues afternoons)**