

settle.

YOUR GUIDE TO

shared ownership



The scheme allows you to purchase between 40–75% of a home.*



what is shared ownership?



Shared ownership is a great way to get your foot on the housing ladder if you're unable to purchase a home on the open market.

This government backed scheme allows you to purchase between 40-75%* of a home available for shared ownership, and you'll usually pay a mortgage on the part you own.

You'll then pay a subsidised rent of typically 2.75% on the remaining share of your home. This figure is reviewed annually in line with the Retail Price Index (RPI).

The deposit required for a shared ownership mortgage is a lot lower than if you were purchasing the property outright. This is because it is calculated on the initial share you are purchasing, rather than the full value of the property and can be as little as 5%.

We'll work with you and an independent financial advisor to confirm how much you can afford to purchase, whilst not leaving you financially stretched.

Depending on what type of property you buy, you will also pay service charges which cover the cost of services such as buildings insurance, communal cleaning and gardening.

All shared ownership homes are purchased on a leasehold basis. The lease sets out the rights and responsibilities of the Leaseholder and the Landlord.

If your lease allows you to staircase, you can eventually own the full 100% of your home and in some cases allow you to purchase the freehold. ** Some properties have a staircasing restriction and will be advertised as such.

If you are renting privately you may be able to reduce your monthly outgoings with a shared ownership home, providing you with the security and stability to build your future.

Am I eligible?

You can apply to buy the home if both of the following apply:

- your household income is £80,000 or less
- you cannot afford all of the deposit and mortgage payments to buy a home that meets your needs.

One of the following must also be true:

- you're a first-time buyer
- you used to own a home but cannot afford to buy one now
- you're forming a new household - for example, after a relationship breakdown
- you're an existing shared owner, and you want to move
- you own a home and want to move but cannot afford a new home for your needs
- if you own a home, you must have completed the sale of the home on or before the date you complete your shared ownership purchase.

You must have a good credit record. Your application will involve an assessment of your finances. You will not be allocated a home until you have an offer on your current home

Priority is given to buyers who are in, or have been in, eligible roles within the Ministry of Defence, current council or housing association tenants, and those who live or work in the location of the property, however applications are welcome from all interested parties. In some instances, local authorities may set specific eligibility criteria.

*** Speak to a member of the Sales Team for more information as lower shares may be available.**



what's the process?

- 01.** Visit our website to view our developments and find your home at settlements.co.uk/findahome
- 02.** Complete your settle application form by clicking 'apply now' on each development page
- 03.** Complete and initial affordability assessment with our appointed financial advisor
- 04.** If we can offer you a home we will try to offer your top plot choice, if we can't we will offer your second plot choice and so on.
- 05.** Like what you see? We'll send you a provisional offer with our terms of offer
- 06.** Accept the offer and reserve your plot by paying a £500 reservation fee
- 07.** Complete the full financial assessment with the appointed financial advisor
- 08.** Tell us which Solicitors and Mortgage Broker you've instructed so we can issue the MOS (Memorandum of Sale) to them and our Solicitors to begin the formal sales process.
- 09.** Your Mortgage Broker will be in touch with you to submit your mortgage application. Whilst you're waiting for your mortgage offer, sign and return your legal paperwork to your solicitors. Send your deposit to your solicitors to hold ready for you to exchange contracts.
- 10.** Once your home is ready for you to move into we'll agree a completion date with you and arrange to meet you at your new home on the day of completion to hand over the keys.

***where more than one applicant has applied for the same property, properties will be offered in priority order.**

settle are building a number of different types of homes across Hertfordshire, Bedfordshire and Cambridgeshire. You can search for our available homes at settlements.co.uk and complete a settle application form via our apply now section.

Many of our new homes will be available to reserve off plan but some might be built already and ready to move into. For homes that are coming soon we will update you with progress and when they are released for sale. For homes that are released for sale you will be required to complete a basic online affordability assessment.

This initial Affordability Assessment is carried out by our appointed Financial Advisor to ensure you meet the financial criteria for the home you are interested in. This is free of charge and will provide you with an idea of what share will be affordable for you and what your monthly costs could be.

If more than one customer who meets the financial criteria is interested in the same home we will allocate based on our Allocations Criteria. Therefore it is important on your settle application form you tell us which plots you're interested in, in order of preference.

Most homes will be reserved off plan and so access to view the development will not be available. We will provide a development brochure which will run through the development in detail, looking at the plans and specification, to give you a full understanding of the new homes on offer. Where homes are already complete, we will arrange a viewing on site

If we're unable to offer you a home at this stage, we'll let you know that your details have been added to the waiting list and should any of the plots you are interested in become available again we'll get back in touch with you.

If we are able to offer you a home, we will issue a provisional offer which is subject to a full financial assessment. To accept the offer you'll then need to pay a £500 reservation fee. This is refundable up until we issue the Memorandum of Sale, and ensures that the home is no longer marketed. The reservation fee will be deducted from the funds payable on completion.

Complete a full financial assessment with the appointed financial advisor by providing them with proof of income, savings and ID.

Tell us which solicitors and mortgage broker you've instructed within 3 working days of your reservation being made. We will provide you with details of firms who specialise in Shared Ownership but you can also instruct your own preferred firms.

We'll issue the Memorandum of Sale to our solicitors and your solicitors and mortgage broker. Your broker will now need to apply for your mortgage. A survey will be carried out by your lender before the mortgage offer is issued.

Whilst you're waiting for your mortgage offer, sign and return your legal paperwork to your solicitors. Send your deposit to your solicitors to hold ready for you to exchange contracts. Once you receive a copy of your mortgage offer please send us a copy as we'll need to check and approve it before we can exchange contracts.

Once your home is ready for you to move into we'll agree a completion date with you and arrange to meet you at your new home on the day of completion to hand over the keys.

Please note, your reservation fee will not be refunded if you decide that you do not want to proceed with the purchase for any reason after the sale is instructed. In any circumstance where you are unable to proceed due to financial reasons, it is at the discretion of the sales team to advise whether you will be refunded.

Please be aware you will need to be prepared and have the following information readily available:

- Credit Report
- Valid passport or photo card driving licence
- Payslips from the last 3 months or latest P60
- If you are self-employed your last 3 years SA302/Tax calculations plus 3 years audited accounts.
- Proof of deposit
- Proof of address to cover the last 3 years
- Proof of financial commitments
- Proof of benefits if received
- If you already own a property: your latest mortgage statement and evidence property is currently under offer
- Marriage certificate
- Evidence of maintenance payments
- If you are pregnant: MATB1 form stamped by your doctor



the legal bit

When issuing the Memorandum of Sale, we are instructing the sale. We will set a deadline for exchange within 42 days.

The legal process:

- Your solicitor will raise any enquiries they have regarding the purchase
- Your mortgage lender will instruct a valuation on the property you are purchasing
- You will receive a copy of your mortgage offer
- Your solicitor will prepare the relevant documents for you to sign and will also ask you to send them your full deposit amount, which will be 5% or 10% of your share purchase, dependent on your mortgage.
- We will then exchange contracts with completion on notice. 'Completion on notice' means that, as soon as the properties are ready to move into, we will issue notice to solicitors and expect completion to happen within 10 working days of that notice having been served.
- Our sales team will keep you updated regularly on the progress of the build and will keep you informed about expected completion dates. If your property is ready to move in, we expect exchange and completion within 8 weeks.
- Your reservation fee will go towards your payments at completion.

when can I move in?

This date will be set when you exchange contracts, unless properties are not built, in this instance we will complete on notice, this means once the property is built we will issue you with 10 working days' notice to confirm a completion date.

On the day of completion, we will get in touch and arrange a time that suits you to meet you at the property and handover keys. A time cannot be confirmed until we have confirmation from the solicitor that the funds have been received.

Here we will take any meter readings so that you can set up your utility accounts with suppliers and provide you with a helpful homeowner user guide.

You will then need to contact the utility suppliers and council tax department to confirm your completion date and provide opening readings.

After this, all that is left to do is enjoy living in your new home!

FAQs

How much does purchasing cost?

You will need to pay a deposit based on the share you are buying.

A reservation fee

£500, this is non-refundable but will be deducted from your completion costs.

Solicitor fees

We will provide you with the contact details of the panel Solicitors who specialise in Shared Ownership conveyancing. They will be able to provide you with a quote for their work and may require some advance payment to cover some initial costs.

Stamp duty

Stamp duty may be payable on your purchase. You can ask your solicitor for advice on how much is due.

Mortgage fees

Your Independent Financial Advisor/Mortgage broker will give you details of any costs that apply to the mortgage recommend for you.

You'll need to make monthly payments to Settle for:

- The rent for the share you don't own
- Service &/or estate charge to maintain your building or estate
- Building insurance
- Reserve fund
- Management fee

You'll need to budget for your other monthly costs, which may include:

- Mortgage repayment
- Contents insurance
- Council tax
- Gas & electricity
- Water

* Check with the Sales Team that the home you are buying is covered as not all our homes are.

Who's responsible for the repairs and maintenance of my new home?

If it is a brand new home it is likely that it has a defects period whereby the builder is required to resolve any defects. Speak to the Sales Team for more information.

As a leaseholder, you are responsible for keeping your new home in good condition and will be responsible for the cost of repairs and maintenance.

In the initial repair period, you'll be able to claim costs up to £500* a year from settle to help with essential repairs or replacement (if faulty) of installations in the home of the supply of water, gas and electricity (see Key Information About Shared Ownership for more information).

You can paint, decorate and refurbish your home as you wish. For new build homes, it's better to not decorate for the first year though. This gives building material like timber and plaster time to dry out and settle.

What is staircasing?

Once you've purchased your initial share, you will be able to increase your share, and in effect, buy your home in stages. This process is called staircasing and could mean that you could end up owning your property outright. When you are ready to purchase additional shares, you will need to contact us and we will arrange for an up to date independent valuation. More information regarding staircasing can be found on the settlesales.co.uk website

How do I sell my shared ownership home?

If you choose to sell your share, we will require notification and as per the terms of your lease we are provided with 4 or 8 weeks to nominate a buyer for your share. If we cannot nominate a buyer you are able to list your property for sale with an agent. More information about selling your home can be found on the website settlesales.co.uk



(MONDAY- F R I DAY, 9AM TO 5 P M)

sales@settlegroup.org.uk
settlesales.co.uk

settle.