


settle.

YOUR GUIDE TO

shared ownership





the scheme allows you
to purchase between
10-75% 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 10-75% 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 a regulated Qualified Advisors from our panel who will assess, based on the current mortgage market and the monthly rent and service charge of the property that you are interested in, what share is affordable to you

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 on the open market

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 sold subject to contract to be allocated a property. You must have completed the sale of the home on, or before the date you complete your shared ownership purchase



What's the process?

- 01.** Visit our website to find your home and Register Your Interest
- 02.** Once the home is available we'll notify you by email & explain how you can complete your Initial Affordability Assessment and Settle Application Form
- 03.** Once you pass your Initial Affordability Assessment we will provide you with your booking code to book a viewing of the Show Home through our website.
- 04.** Once you've viewed we'll ask you to email us confirming (in order of preference) which plot you're interested in.
- 05.** When looking to offer you one of the plots you are interested in we'll do so by following our [First Come First Serve Policy](#).
- 06.** We'll provisionally offer you a home subject to you passing the Full Assessment
- 07.** Accept the offer and reserve your plot by paying a £500 reservation fee and completing your Offer Acceptance Form telling us which solicitors and mortgage brokers you've instructed
- 08.** Complete your Full Affordability Assessment with the appointed Qualified Advisor
- 09.** We'll issue the MOS (Memorandum of Sale) to you, your solicitors and mortgage broker to begin the formal sales process
- 10.** Your Mortgage Broker will be in touch with you to submit your mortgage application. Whilst your waiting for you mortgage offer, sign & return your legal paperwork to your solicitors. Send your deposit to your solicitors to hold ready for you to exchange contracts

Settle are building a number of different types of homes across Hertfordshire, Bedfordshire and Cambridgeshire. You can search for our available homes at Settlesales.co.uk

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 we'll notify you by email & explain how you can complete your Initial Affordability Assessment and Settle Application Form

Affordability Assessments

At Settle we have a two stage approach to assessing your affordability and the suitable share you could buy, provided by a regulated Qualified Advisor from our panel. The assessments will be free of charge and we'll provide you with the details of the nominated Qualified Advisor for the development you are interested in.

Stage 1: The Initial Assessment

The Qualified Advisor will request details of your income and expenditure and will assess, based on the current mortgage market and the monthly rent and service charge of the property that you are interested in, what share is affordable to you. If you pass this stage, Settle's provisional offer to you will be based on this professional advice.

Stage 2: The Full Assessment

Once we provisionally offer you a home you'll then proceed to complete Stage 2: The Full Assessment. This is a more detailed assessment of your income and expenditure, your circumstances and preferences including any known or likely future changes that will impact your income and/or expenditure. This more detailed assessment will also involve a budget planner. This must be completed by the nominated Qualified Advisor.

Settle staff are not qualified to provide financial advice and so will always advise you to obtain advice from someone who is suitably qualified and experienced in shared ownership mortgages. Please note that a customer's affordability assessment does not constitute mortgage advice or guarantee the availability of a mortgage

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 you passing the Full Affordability 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 affordability assessment with the appointed Qualified 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 at the Stage 2 Full Assessment you will need to prepared to provide the following documents to the Qualified Advisor

- 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



Application Responsibilities

The below table outlines which organisation is responsible for each stage of the application and assessment process. Should you have any queries, questions or complaints relating to a particular stage please direct these to the responsible organisation

Application/Assessment Element	Responsible Organisation
Applicant eligibility and prioritisation	Settle
Financial assessment of affordability	Nominated Qualified Advisor (on behalf of Settle)
Decision to accept or decline an application and at what share level	Settle
Application of provider specific policies	Settle
Mortgage advice (if requested)	Nominated Qualified Advisor (on behalf of Settle)
Complaint regarding application or share decision	Settle
Complaint regarding mortgage advice	Nominated Qualified Advisor (on behalf of Settle)



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

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

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



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

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

settle.