

# Shared Ownership

a flexible purchase option



poob living



## SHARED OWNERSHIP

helps purchasers who want to buy a home but cannot afford to buy a home at full market value.

### How does it work?

Shared Ownership allows buyers to part buy and part rent a brand new home, based on how much of a property you can afford to buy (typically between 50% and 70%) and pay a monthly rent on the remaining share that you don't own.

Although you don't own all of the property you will have all the rights and responsibilities of a homeowner.

### Who can benefit from shared ownership?

Shared Ownership can help first time buyers and homeowners alike who have equity from the sale of a previous property.

You could be downsizing or have a change of circumstances which means you cannot afford to buy a home to meet your needs or requirements.



## Is my property leasehold?

Yes, the property is leasehold until you buy more shares. Once you have purchased 100% of the current market value, the property becomes freehold (subject to the development and property type: please refer to the Sales Negotiator for more details.)

## Can I buy more shares?

Yes, you can buy more shares if you want to and can afford to, following one year of occupation. This is called 'staircasing'. You can staircase until you own the property outright.

When you buy additional shares, the current market value will be determined by an independent valuer. So, for example, if you wanted to buy a further 25% and your property is valued at £100,000, the purchase price would be £25,000 for the 25% that you wish to buy.

The share you wish to buy will be sold at the current market value and disregard any major improvements to your home which Pobl Living have consented to.

Before you staircase it is important to consider all the related costs of purchasing more of your home. Your rent account and any other charges must be up to date.

In some cases, Shared Ownership may not be suitable for you.

For example, if:

- You are unable to get a mortgage from an approved lender.
- More than 15% of your monthly income is spent on loans, credit cards or other credit arrangements.
- You are behind in payments on an existing loan.
- You are unable to prove you can afford to maintain a home in the long term.
- You wish to sublet the property
- You currently own another property including anywhere outside of Wales
- You wish to run a business from home.
- You are able to purchase a property on the open market.

Shared ownership is not available to assist buy-to-let investors.





## Your next steps

We normally ask you to provide a current agreement / decision in principle certificate from a reputable mortgage broker, bank or building society to prove your eligibility for our Shared Ownership product. You will also then be required to complete a shared ownership application form which will be assessed by Pobl Living.

You will not be able to benefit from Shared Ownership if you have a household income that would enable you to buy a suitable property on the open market. But, we might still be able to help, talk to us about the homes we have available for open market sale.

## Buying your home

Once you know that you are eligible for a Shared Ownership property and you have an 'agreement / decision in principle' you can start the process of purchasing your new home.

Buying a home is likely to be the biggest financial transaction you'll ever make. It can feel overwhelming and can be complicated and time consuming. We have a publication called 'Buying a home with us', a step by step guide designed to help you through this process.









## How do I pay my rent?

When you complete the sale of your property, a member of our Home Ownership team will call you to complete a direct debit form for collection of your rent.

Your rent is paid monthly on a date chosen by you.

Each year your rent will be assessed and any increase will be introduced in line with the terms of your Shared Ownership lease.

## What if my partner and I separate?

In the event of any partnership separation, you would both need to agree as to whether the property is to be sold, or whether one or the other partner wishes to take over the mortgage. In this instance, then the remaining partner's income would need to be reassessed to ensure that they can keep up the mortgage and rent payments.

You will also need to instruct a solicitor who will arrange for you to sign a deed of transfer, a copy of which should be sent to us. Please note, this process may incur costs.



## What if I want to sell my property?

You will need to inform us in writing that you wish to sell your property.

There are two options for the sale of your share and in each case you benefit from the proportionate share of any profit.

- You may sell your share via Pobl Living. In this case the household you are selling to must have been approved by us as being eligible for Shared Ownership.
- You can sell the whole of the property on the open market with the proceeds being split between you and Pobl Living according to the relevant percentages owned. The value of these percentages is determined by a current market valuation.

Please note when buying, selling or purchasing more of your property you may incur costs with your building society / lender.

You will also have to instruct an estate agent / solicitor to act on your behalf who will also charge a fee for their service.





# INTERESTED?

**Talk to us to discuss your situation and the options available to you, you should get in touch with us; one of our sales team will be more than happy to help you and talk through your options.**

You may also need to be registered on your local authority's 'low cost home ownership' register, we can advise how to go about doing this. We can also talk you through any specific eligibility criteria for the properties that you are interested in.


If we have a home that you think is perfect, you will need to fill out an application form. The information you provide will help us to understand if you are eligible and what share you can comfortably afford to purchase.

If you are eligible you'll be asked to put your finances in place and formally apply for your mortgage. We can help you with this by putting you in touch with one of our recommended financial advisers.





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