


own it your way

whg
shared
ownership

If you have any questions about anything in this guide, please get in touch

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A buyer's guide



What these logos mean for you
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What is shared ownership?

Shared ownership means you can own your home in a way that works for you. It lets you buy a portion of a home and pay rent on the rest. This helps lower the deposit and mortgage required.

You can increase your share over time, through a process called “staircasing”.

About staircasing

Staircasing allows you to increase your ownership gradually, making it easier to manage financially while working towards full ownership of your home.

The initial share of your home you buy will be between 10% and 75% of the full purchase price, dependent upon which model lease you’ve purchased. You can then buy more shares in your home through a process known as staircasing. This can be done in small increments or larger chunks, depending on what you can afford. You can usually buy additional shares up to 100% of the value of your home. Once you staircase to 100% there will be no rent to pay as you will own the property outright.



Own it your way with shared ownership
– the affordable way to own your own home.

What are the benefits of shared ownership?

Lower initial costs:

Shared ownership generally has lower costs compared to other housing options. You only need to secure a mortgage for a percentage of the property price, making it more affordable in the short term.

Smaller deposit:

The deposit required is much smaller than if you were buying the property outright. Often, it may only be 5% of your initial share.

Affordable monthly payments:

The combined monthly mortgage and rent payments are usually cheaper than buying outright and often less than renting a similar property privately.

Flexibility to increase ownership:

You can buy additional shares of your home as your income increases, a process known as “staircasing.” This means you can gradually work towards owning your home outright.

Financial safety

You only buy the share you can afford, so you don't overstretch yourself financially.

Building equity

Even though you pay rent, the share of the home you own can increase in value in line with local house prices, helping you build equity.

Accessibility:

Shared ownership is more accessible than buying outright, making it a great option for those who can't afford to buy on the open market.





How does shared ownership work?

Shared ownership enables you to buy a share in a new home and pay a subsidised rent on the remaining share.

The initial share you buy will usually be between 10 -75%* (depending on which model you are purchasing under) of the full purchase price and is tailored to your circumstances. This means it is not only affordable to you now, but in the future too.

EXAMPLE:

An example of shared ownership breakdown based on a house value of £250,000 with a 40% share.

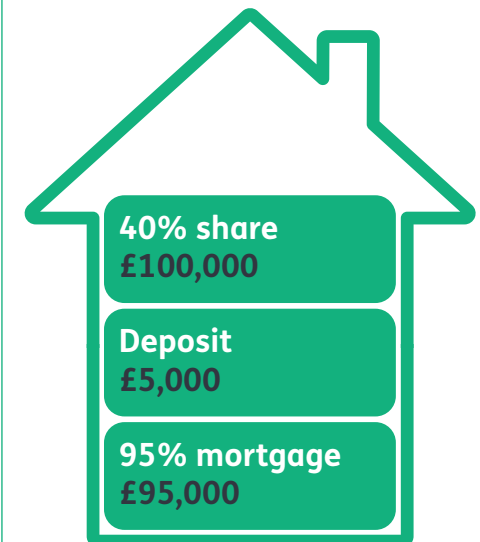
Shared ownership is designed to keep both the initial costs and ongoing costs of home ownership manageable and affordable.

The monthly costs of owning a shared ownership home usually work out less than if you had bought the home outright. In many cases the monthly costs are also less than renting privately.

You can apply for a shared ownership mortgage to buy your share or pay using savings, it really depends on what works for you.

You will need a minimum 5% deposit of the share amount, not the full market value, making it a more affordable.

Monthly rent paid £343.75
(2.75% of **£150,000**
– unsold 60% share)



Am I eligible?



Shared ownership is available to those who:

- Are unable to afford a suitable home on the open market
- Have a household income of £80,000 a year if you live outside of London
- Are at least 18 years old
- Have access either via savings or gift to a minimum 5% deposit

One of the following statements must also be true:

- You're a first-time buyer
- You used to own a home but can't afford to buy now
- You're forming a new household - typically after a relationship breakdown
- You're already part of the shared ownership scheme but want to move
- You own a home and want to move but can't afford a new home that meets your needs

If you already own a home, you must have:

- Formally accepted an offer for the sale of your current home, "sold subject to contract" (SSTC)
- A memorandum of sale confirming your sale details

You will not be eligible for shared ownership if:

- You can afford to buy outright on the open market
- You cannot afford the monthly costs; this will be determined by an affordability assessment
- You have unsatisfied CCJ's, a history of rent arrears or poor credit





What will it cost?

It is important to seek independent financial advice, as one of the first things you will need to consider when buying a home is how much deposit you can afford to put down, how much you can borrow, and which is the most suitable mortgage for your circumstances.

An Independent Financial Advisor (IFA) will be able to assist you with this and will also help you to complete your mortgage application.

To help you to decide which IFA to appoint we will provide you with a list of advisors who are experienced with shared ownership purchases.

You do not have to use one of the IFAs from our list, however buyers who do generally find it easier and more efficient.

It is important that you know from the beginning what your new home will cost you.

During your purchase there will be several associated purchase costs and once you have moved into your property there will be ongoing costs of home ownership.

Purchase costs

Reservation fee

This is a £300 fee you pay to reserve your home. You'll get this back when the sale completes as it will be deducted from the monies due on completion. If you withdraw from your purchase during the sales process, you may receive a full or partial refund depending on what stage the sale is at. However, we do have the right to retain all £300 to cover legal and administrative costs incurred.

Mortgage deposit

Your mortgage will usually require a deposit for you to secure a mortgage. This typically begins at 5% of the share you are purchasing but will vary from lender to lender.

Your IFA will be able to discuss the deposit requirements of different lenders with you.

Mortgage fees

Depending on which lender you choose there may be a fee as part of the mortgage application or mortgage valuation process. Your IFA or lender will be able to advise you about the fees applicable to you.

Solicitor's fees

These vary depending on the solicitor you use and will include items such as Land Registry fees, search fees and other expenses. We will provide you with a list of solicitors who have experience of shared ownership.

Stamp Duty Land Tax (SDLT)

This is a government tax on buying a home. Your solicitor will be able to tell you if the tax applies and if it does, how much it will be.



Additional information

Shared ownership doesn't mean that you must share your home with anyone else! When you buy a home with shared ownership you are a homeowner and will take on all the responsibilities and gain all the benefits that go with owning your home.

You begin by purchasing part of your home under a lease. A lease is a legal document between you and whg which proves that you own part of your home and will set out certain conditions which may include:

- Your rights and responsibilities as a homeowner
- How often your rent and service charge are reviewed
- what you should expect from us

Since you purchase your home under a lease you will be a 'leaseholder' and we will be what is known as a 'freeholder'.

You will have all the rights and responsibilities that you would have if you owned the home outright.

Can I sell my home?

Yes, just like any other homeowner you are free to sell the percentage that you own to another eligible person at any time. If you decide to sell your share you must instruct an Independent Valuer to set the selling price.





What's next?

How to get in touch – if you are thinking of purchasing a shared ownership property then contact our team.

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your way