



# New home

A guide to shared ownership



# Your questions answered

## What is shared ownership?

Shared ownership is a home ownership scheme. It is designed to help people unable to purchase a home outright get on the property ladder. Based on your household income and lifestyle, you can purchase as little as a 25% share in a property and pay a subsidised rent on the remaining share. At a later date, you can increase your share all the way to 100% and outright ownership (some properties are exempt from outright purchase).

## How does shared ownership work?

The minimum share you can buy is 25% of the full market value up to a maximum of 75%, although most of our schemes are sold on a minimum 50% share basis. By initially buying a share, the total monthly mortgage and rent cost is typically less than renting a similar property privately. As your household income allows, you can purchase additional shares in increments of 10% or more.



## Am I eligible for shared ownership?

Our criteria for eligibility is based on the following points:

- Your gross household income must be less than £80,000 per year.
- You must have funds available to cover legal/mortgage fees and a deposit.
- You do not own or have a mortgage on any other property.
- You must be approved by Help to Buy.
- You meet the income criteria for the development/property you are interested in.
- Your income is not sufficient to purchase a suitable property outright.
- You must be employed and have a contract for at least six months.
- If self-employed you will require two years' audited accounts.
- Any County Court Judgment made against you has been satisfied.
- You must hold a British or EU passport, or your passport should be stamped with either 'indefinite right to enter' or 'right to abode'.
- Existing homeowners in the process of disposing of their interest in another property with a housing need approved by the Local Authority where you are looking to buy
- Applicants whose income is severely restricted by commitments such as childcare/maintenance payments.
- Applicants with large savings but low income.

## How are properties allocated?

If you are unable to afford to buy a home on the open market you could qualify for a shared ownership property. These are allocated according to the following priorities:

- Priority will be given to serving members of the British Armed Forces and those honourably discharged in the last two years (or those who are the surviving partners of regular personnel who have died in service and applied within two years of bereavement)
- First time buyers
- Existing shared ownership owners

You will need to demonstrate to us that you meet any local connection required for the development/property you're interested in.

## How much do I need to earn?

A minimum and maximum household income level will be required for each home we sell, but this will vary depending on the price and locality of the property concerned. However, you should not be able to afford the property outright and you will be offered the maximum share you can afford to buy. Ideally your combined mortgage and rental payments should be approximately 45% net of your household income.



## What about the lease?

The lease is normally 99 years and is based on a model lease published by the Homes and Communities Agency. It is a legally binding document between the landlord and the leaseholder and covers the rights and responsibilities of both parties, maintenance, rent, buying more shares and re-selling.

## How do I get a mortgage?

When purchasing a shared ownership property it is important that you choose a mortgage specially designed for this scheme. Not all major lenders offer shared ownership mortgages so receiving informed professional advice from an Independent Financial Advisor with experience of shared ownership is vital.

Our panel of Independent Financial Advisors will be able to advise you on the right mortgage and will help you through every stage of the process right up to the day you move in.\*

\*You are not obliged to use a Financial Advisor from our panel.



## How do I decide on the right solicitor?

It is advisable to instruct a solicitor who has good knowledge and understanding of shared ownership leasehold properties. Flagship Homes has selected a panel of solicitors to represent its purchasers who have received positive customer feedback and demonstrated a high level of service, support and understanding of shared ownership to help the purchase of your new home run smoothly.

Details of our panels of Independent Financial Advisors and Solicitors are available through our website [flagship-homes.co.uk](https://flagship-homes.co.uk) or the sales team.\*

\*You are not obliged to use a Solicitor from our panel

## What purchasing costs are involved?

- Mortgage arrangement fee
- Mortgage valuation fee
- Solicitor's fee
- Stamp duty
- Deposit
- Removal costs
- Reservation fee (new build Shared Ownership properties only)

## When I move in, what will I have to pay?

- Monthly mortgage and rental payments
- Service charge
- Buildings insurance
- Contents insurance
- Council Tax
- Utility bills
- Other household bills

## What documents will I need to provide?

You will be required to provide evidence of income, savings, any credit agreements, loans and a mortgage agreement in principle from a bank, building society or Financial Advisor.

## How much is the reservation fee?

Once we have approved your application and you have viewed our properties, you will need to put down a £250 reservation fee to secure the property. This fee is non-refundable should you withdraw from the process.

The reservation fee applies to new build Shared Ownership properties only.



## When can I buy additional shares?

You may usually purchase additional shares in your home at any stage. The property will need to be valued by an independent chartered surveyor appointed on behalf of Flagship Homes to establish the current open market valuation. You will be required to pay the agreed proportion of the new valuation to Flagship, in addition to your own legal and mortgage fees.

With the exclusion of exempt properties, you may staircase to full ownership in multiples of at least 10% over four stages. Your monthly rent payment will decrease as you acquire additional shares in your home.

Our leaflet - 'Staircasing- a guide to owning more of your home' explains the process in more detail and is available on our website [flagship-homes.co.uk](https://flagship-homes.co.uk).

## What if I want to sell my home?

Whenever you decide the time is right to move, you must complete a re-sale request and specification form, provide a Valuation carried out by an Independent Chartered Surveyor who must be a Royal Institute of Chartered Surveyors (RICS) accredited valuer, and an Energy Performance Certificate (EPC). Under the terms of the lease, Flagship Homes normally has eight weeks to nominate any prospective purchaser and should we be successful a fee is payable upon legal completion, which is normally less than an estate agent will charge.

After this period, you are free to appoint an estate agent to market the property on your behalf. Any prospective purchaser will still need to be approved by Flagship Homes to confirm they meet the shared ownership criteria applicable to the property.

Our leaflet 'Moving on - a guide to selling your home' explains the process in more detail and is available on our website [flagship-homes.co.uk](https://flagship-homes.co.uk).

## What are re-sale properties?

These are where the current owner of a shared ownership property wishes to sell it on.

You purchase the percentage share as owned by the existing leaseholder and you pay a subsidised rent on the remaining share to us; there may be an option to buy a larger share, subject to an affordability check. After three months you have the option if you wish to purchase additional shares in the property known as staircasing.

## Can I make improvements to my home?

You can, but you will need our consent first and you must ensure the relevant planning permission and building regulations are obtained. If the improvements add value to the property we will take these into consideration when you either sell your share or purchase extra shares in the property.



## How much stamp duty will I pay?

Please contact the Stamp Duty Hotline on **08456 030 135** or contact your solicitor for further information on stamp duty costs.

## What are my responsibilities as a leaseholder?

When you purchase through shared ownership you enter into a lease agreement with your Registered Provider (Flagship Housing Group Limited), which is normally 99 years long. Your solicitor will explain your responsibilities but generally the main ones are:

- To pay rent, service charge, buildings insurance and administration fees on time.
- Not make any alterations to the structure of your property without our consent.
- To maintain and repair the interior of your home.
- To maintain and repair the exterior of your home (houses only).

You can find out more about your responsibilities in our 'Homefile - for Flagship leasehold customers' - available on our website [flagship-homes.co.uk](https://flagship-homes.co.uk).

## What happens next?

Call the Flagship Homes sales team on **01603 255444** to discuss your eligibility for the shared ownership scheme.

You will also need to register with Help to Buy at [www.helptobuyese.org.uk](http://www.helptobuyese.org.uk). You can also request an application form by calling 03333 214 044.

## How to contact us

### Flagship Homes sales team

31 King Street, Norwich, Norfolk NR1 1PD

**Telephone:** 01603 255444

**Email:** [sales@flagship-homes.co.uk](mailto:sales@flagship-homes.co.uk)

**Web:** [flagship-homes.co.uk](http://flagship-homes.co.uk)

Our sales team is available to assist you Monday to Friday 9.00am - 5.00pm



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