

Shared ownership with Selwood Housing

*Getting you on the property
ladder*





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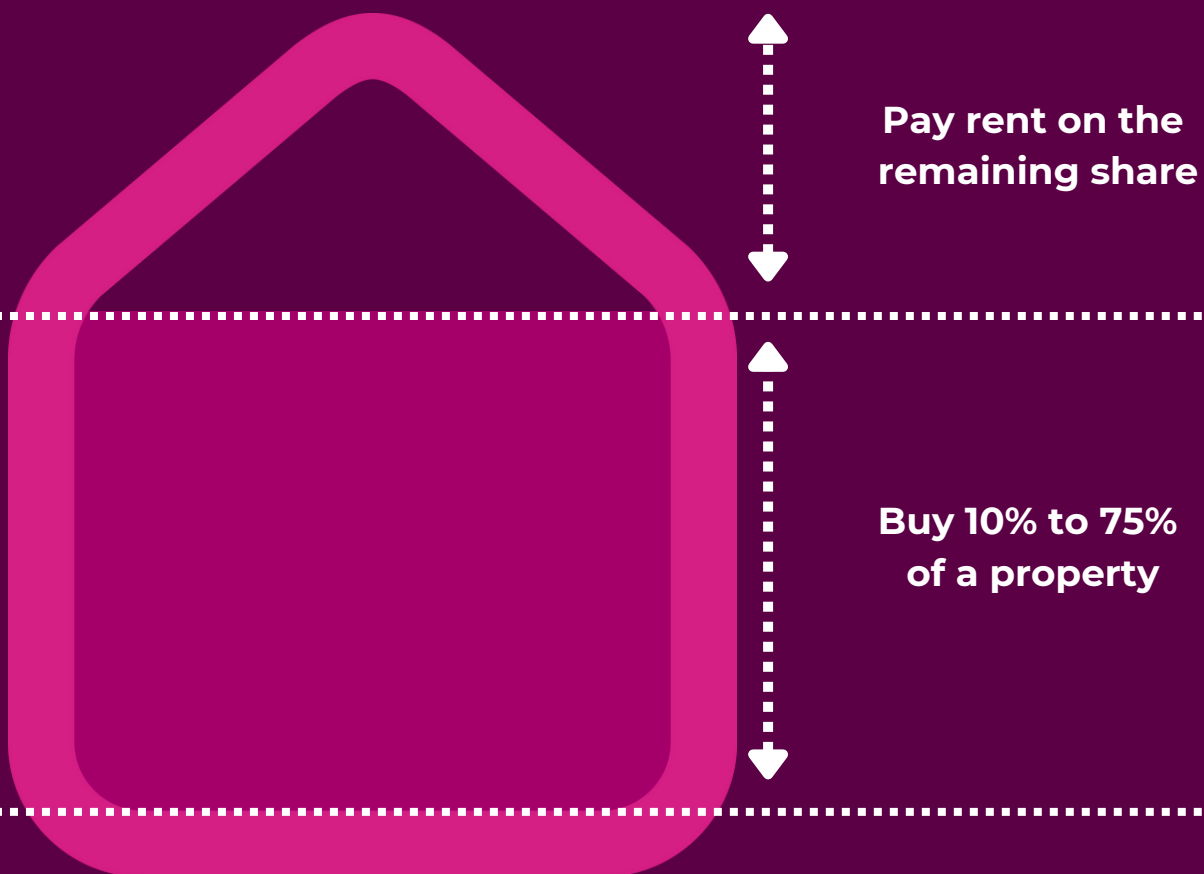
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What is shared ownership?

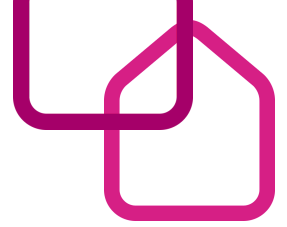
Shared ownership is designed to give you the chance to buy a share of your own home if you cannot afford to purchase a home on the open market. You will need to pay some one-off costs, such as legal fees and stamp duty land tax before you move in and make monthly payments to cover your rent and mortgage.

You will need to pay for your share of your home before you move in. You can either pay this in full or borrow it by taking out a mortgage. The good news is you don't have to put down a huge deposit to secure your shared ownership mortgage – deposits can be as little as 5% of your share.





Are you eligible?



You are eligible to buy a shared ownership home with Selwood Housing if:

- ✓ Your household income is less than £80,000 per annum
- ✓ You cannot afford a home on the open market
- ✓ You are a first time buyer or you used to own a home but cannot afford to buy one now
- ✓ You have a local connection to the area (only required on certain developments)

Eligibility criteria can vary between developments and also differ depending on the Local Authority area in which the property is. This information is typically stated on our website.

Types of buying

Selwood Housing: Built to last

We are a not-for-profit housing company, registered charity and social enterprise that has successfully been providing homes for people in Wiltshire, Mendip and Bath & North East Somerset since 1989.

Our homes are homes you can trust, built in areas you'll want to live: safe and vibrant. Constructed from quality materials and finished with stylish kitchen and bathroom fittings.

We often have a variety of properties on offer, from one to four bedroom homes. Make a house your home – come and see what we have to offer you.



New homes

We both acquire new build homes from national, regional and local housebuilders as well as build homes ourselves. Our new homes are typically sold before they have been fully built; known as 'off-plan'.

Floor plans and computer-generated images are usually available at the point of application, with physical viewing of your new home normally possible within a few weeks of reserving it.



Resale Homes

A resale property is a shared ownership property purchased previously by another customer who now wishes to sell their share.

You can buy the share owned by the current homeowner or a larger share of up to 75% initially if you can afford to.



Purchase costs

Mortgage deposit

You will require a minimum of 5% of the value of the share you intend to buy. For example, if your share value is £100,000 you would require a minimum of £5,000. The deposit amount will vary depending on your own circumstances and the mortgage lenders available to you, as well as the wider economy.

Reservation Fee

Upon being offered one of our new shared ownership homes you are required to pay a reservation fee of £250. This remains fully refundable until you have viewed your new home in person. Beyond this point, we reserve the right to retain your reservation fee to cover our legal costs. If you proceed to completion the reservation fee is deducted from the final balance due on completion.

Legal Fees

As with purchasing any property, you will need to employ the services of a solicitor. Fees can vary, so it is worth obtaining a number of quotes. It is essential that you check that your solicitor is able to act for your chosen mortgage lender, that they are familiar with shared ownership, new build and leasehold matters, and that any quotes they provide reflect this.





Mortgage services and lender valuation

Your mortgage broker or lender may charge you a fee for applying for a mortgage with them. The mortgage lender may also require you to cover the cost of the mortgage valuation they will instruct on your behalf. These charges may or may not apply and will vary. Your mortgage adviser should be able to inform you of these costs in advance.

Stamp Duty

Stamp Duty Land Tax (SDLT) will vary depending on the value of the share you buy. Your solicitor should be able to advise you of your options in respect of SDLT and the cost. You can find more information regarding shared ownership SDLT at:

www.gov.uk/stamp-duty-land-tax/shared-ownership-property



Shared ownership cost examples

Shared ownership with 25% share

Property price
£250,000

Share % purchased
25% (£62,500)

Remaining % unsold
75% (£187,500)

Rent on unsold equity
2.75%
(£429.69 pcm)

Shared ownership with 40% share

Property price
£250,000

Share % purchased
40% (£100,000)

Remaining % unsold
60% (£150,000)

Rent on unsold equity
2.75%
(£343.75 pcm)

Shared ownership with 75% share

Property price
£250,000

Share % purchased
75% (£187,500)

Remaining % unsold
25% (£62,500)

Rent on unsold equity
2.75%
(£143.23 pcm)

These examples are a guide only. For mortgage payment information, we recommend you contact a whole of market mortgage broker. The deposit required for your mortgage will differ between lenders, and their willingness to lend subject to your status.

All shared ownership homes are leasehold and will also be subject to a monthly service charge in addition to the rental figures in the above example. These examples assume a rent on the unsold equity at 2.75% annually. This is the typical rental charge, but this can vary between developments. Rent and service charge figures are subject to an annual review. Service charges will vary from one development to the next depending on the services provided.



Ongoing costs

Once you have purchased your home you will be required to make the following monthly payments:

Mortgage repayments:

Your mortgage adviser or lender will be able to advise you of what your monthly payments will be based on the mortgage products and rates available to you. Once you have completed on your new home you will make this monthly payment direct to your mortgage lender.

Rent:

You will pay a monthly rent to Selwood Housing for the part of the property you have not purchased. If you purchase additional shares at a later date, the rent payable reduces proportionally.

The rent you pay is reviewed annually in accordance with the terms of your lease. You are notified in writing several weeks in advance of what the change will be.

Service charge:

In addition to the rent you pay to Selwood Housing, you will also pay a service charge. The cost of the service charge and what it covers varies. This is always disclosed on our property listings, and a full breakdown is available from the sales team and will be provided once you reserve.

In addition, you will need to pay:

- Council Tax
- Utility bills (water, gas, electricity, phone/broadband)
- Contents insurance (buildings insurance is covered in your service charge)
- Annual boiler servicing / heating system



Other things you should know.

Can I buy more shares?

The answer is generally, yes. You can increase the number of shares you own at any time after you've moved in. This is known as 'staircasing' and means you can own more of your home when your finances and lifestyle change.

Some properties have 'restricted staircasing' which is usually for properties purchased in rural areas. If applicable this would always be stated on our property listings, and you would be made aware and asked to sign to confirm your understanding of this at the point of reservation.

The cost of your new shares will depend on the market value of your home at that particular time. To assess this, we will arrange for a valuation to take place, but you will need to cover the valuation fees. If the property prices in your area have risen, the share value you will need to pay will be more than you paid for your original share. If property prices have dropped, however, so too will the amount you will need to pay for your additional shares.

As a shared owner, you are not under any obligation to purchase further shares in future.





How do I sell my home?

There may come a time when you want to move on. If you own 100% of your home, you can put it up for sale yourself although we may have the right to buy it back.

If you own a share in your home, we have the right to find a buyer for it in the first instance. Shared ownership homeowners are required to give what is called a 'nomination period' for a number of weeks during which time Selwood Housing will attempt to find a buyer for the property. If one is not found during the nomination period the property can be placed on the open market. It can still be sold as a shared ownership home at this point, but it can also be sold at the full market value to a non-shared ownership buyer.

Will I benefit if my home increases in value?

Yes. The leaseholder will benefit from any increase in the value of their house proportionate to the share owned. It is important to point out that house prices can fall as well as rise and should this occur you could potentially face a decrease proportionate to the share owned the same as you would benefit from any increase.

Can I alter or improve my home?

It will be necessary to obtain the written consent of the housing association prior to making alterations or improvements to your property. The association will not unreasonably withhold approval.



Who is responsible for repairs?

You are responsible for keeping the inside and outside of your home (including the garden) in good condition and carrying out any repairs needed. We will maintain shared areas and facilities such as footpaths and open spaces.

If you live in a flat then you are also responsible for the inside of your home. However, Selwood Housing will take responsibility for the structure of the building and all communal areas, and the cost of repairs to these will be recovered through the service charge. Your service charge will include a sinking fund or reserve fund which is designed to build up sums to provide for the longer-term maintenance and repair of the building.

New build properties will come with a 12-month warranty from the date of legal completion. After this period, the above will apply.

What happens if the leaseholder dies?

The lease can be passed on or sold in accordance with the Will of the leaseholder or Law of Intestacy. The new leaseholder will be equally bound by the conditions of the lease.

If you don't already have a will then we would recommend you discuss your requirements with a solicitor.

What will happen if I don't pay the rent?

The shared owner is legally bound to pay rent to the housing association in the same manner as they pay the mortgage to the bank/building society. Should the shared owner fall behind with rent payments the housing association may ultimately take proceedings to evict a household.

If a shared owner is experiencing difficulties in paying their rent it is essential that they discuss the matter with the housing association at an early stage.

What will happen if I don't pay the mortgage?



The mortgage payment is a matter between the shared owner and their mortgage lender. It works in essentially the same fashion as a full owner occupier's mortgage. It is important to realise the bank/building society can take repossession proceedings and ultimately evict any household which falls behind on its mortgage repayments.

If a shared owner is experiencing difficulties in meeting their mortgage or rent payments it is essential that they discuss the matter with both their mortgage lender and the housing association at an early stage.



Post purchase costs

Remortgaging

£60

If you remortgage your property post completion either on your current mortgage or to increase your borrowing to make improvements to your home, Selwood Housing will need to approve the mortgage offer and the mortgage redemption statement. If you are increasing your mortgage, Selwood Housing will need to check the valuation.

In addition to Selwood Housing's administration fee, you will also be responsible for your own legal and valuation fees.

Once you have notified us of your intention to remortgage we will acknowledge this and confirm our requirements within 48 hours.

Resale administration fee

£720

If you wish to sell your property before you have staircased to 100% Selwood Housing will charge an administration fee to cover costs in respect of approving the valuation, approving any potential purchasers, dealing with the sale and providing replies to enquiries to your solicitors. This fee is payable whether or not Selwood Housing nominates a purchaser. In addition to Selwood Housing's administration fee, you will also be responsible for your own legal and valuation fees.

Once you have notified us of your intention to remortgage we will acknowledge this and confirm our requirements within 48 hours.

Landlord enquiries







£120

If Selwood Housing are required to provide management information in respect of the property (other than standard information provided as part of a resale) a fee will be charged to cover costs in respect of this.

<p>Pet permission</p>	<p>£30</p> <p>If you wish to have a pet at your property, we will need to provide consent to this under the terms of the lease.</p>
<p>Home improvements</p>	<p>£60</p> <p>If you wish to make improvements to your property such as refitting a bathroom or kitchen Selwood Housing will need to give consent to this and approve plans. Other fees such as planning fees will also be payable to you. Selwood Housing does not need to approve general redecoration work.</p>
<p>Transfer of equity</p>	<p>£60</p> <p>If you are transferring a property from joint to a sole name Selwood Housing will need to provide consent to the legal paperwork in addition to approving any mortgages. In addition to Selwood Housing's administration fees you will be responsible for your own legal and valuation fees.</p>
<p>Lease extension/variation</p>	<p>TBC – dependant on circumstances</p> <p>If you need to make changes to the lease Selwood Housing will consider these and will charge an administration fee which will be dependent on the circumstances of the request. Not all requests to vary the lease will be approved. In addition to Selwood Housing's administration fee you will also be responsible both your own and Selwood Housing's legal costs and any valuation fees.</p>

Our commitment to our customers

We will:

-  Respond to all post sales enquiries, within 48 hours of receiving the initial contact.
-  Provide you with clear and concise information.
-  Identify what are your responsibilities as a shared owner.
-  Identify what are Selwood Housing's responsibilities.
-  Be clear on when you can expect to hear from us if you raise an enquiry / have a question once you have moved into your home.
-  Be clear about timescales for fixing any defects which have been reported.



Application and assessment process

1

Register your interest with Selwood Housing and await the release mailer.

You can call us on 01225 715846, email us at sales@selwoodhousing.com, or complete a contact form on our website: www.selwoodhousing.com

Receive release mailer containing application forms from Selwood Housing via email when homes in the town(s) or on the site(s) you have registered an interest in are released

2

3

Submit your completed application and supporting documents to Selwood Housing via email or post.

A list of the required documents is provided.

*Applications will then be assessed by the sales teams.

4



5

The assessment has four main parts:

1. Confirm eligibility
2. Confirm mortgage affordability and viability
3. Confirm that you meet Homes England's affordability criteria
4. Confirm that you meet Selwood Housing's affordability criteria by means of a financial and budgeting assessment



Successful applicants will be offered a home or a choice of homes where possible. You are then normally asked to reserve your new home 'off plan'.

6

From here you progress to the buying process.

*Military personnel and certain branches within the Ministry of Defence will receive priority if multiple applications are made for the same property; all other applicants are considered on a first come first served basis once they have completed and returned their full application to us. Some of our housing developments fall within a Section 106 Agreement – a legal agreement between Local Authorities and the developers. These agreements can require that applicants must have a local connection to the area.

The buying process



Successful application

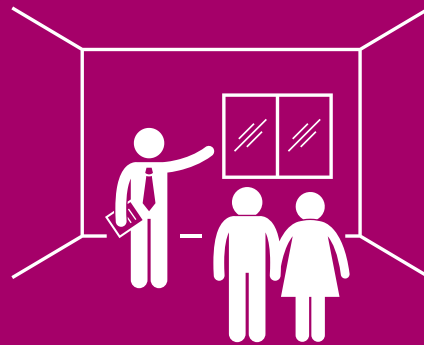
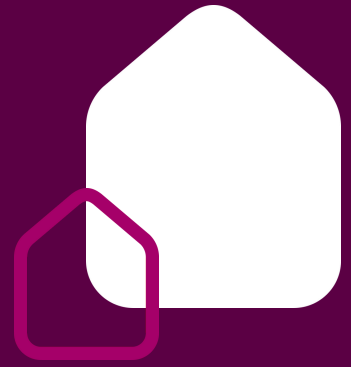


Reserve your new home
(typically 'off plan')





Instruct solicitors and mortgage adviser



View your new home in person as soon as possible and make choices where applicable



Sign documents from mortgage adviser, lender, solicitor



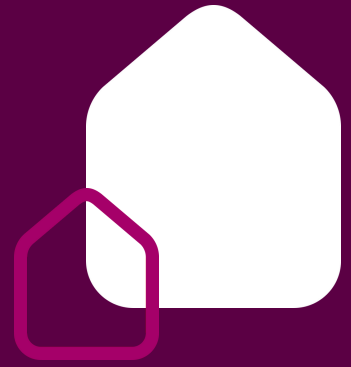
Exchange contracts.

At this point a completion date is agreed, and you will be required to transfer your deposit monies and legal fees to your solicitor



Completion

(This can happen on the same day as exchange)



Handover

A representative from the Selwood Housing sales team will be available to meet you at your new home once completion has taken place to hand over the keys and conduct the new home demonstration.

Moving home checklist



4 weeks to go...

Start packing.

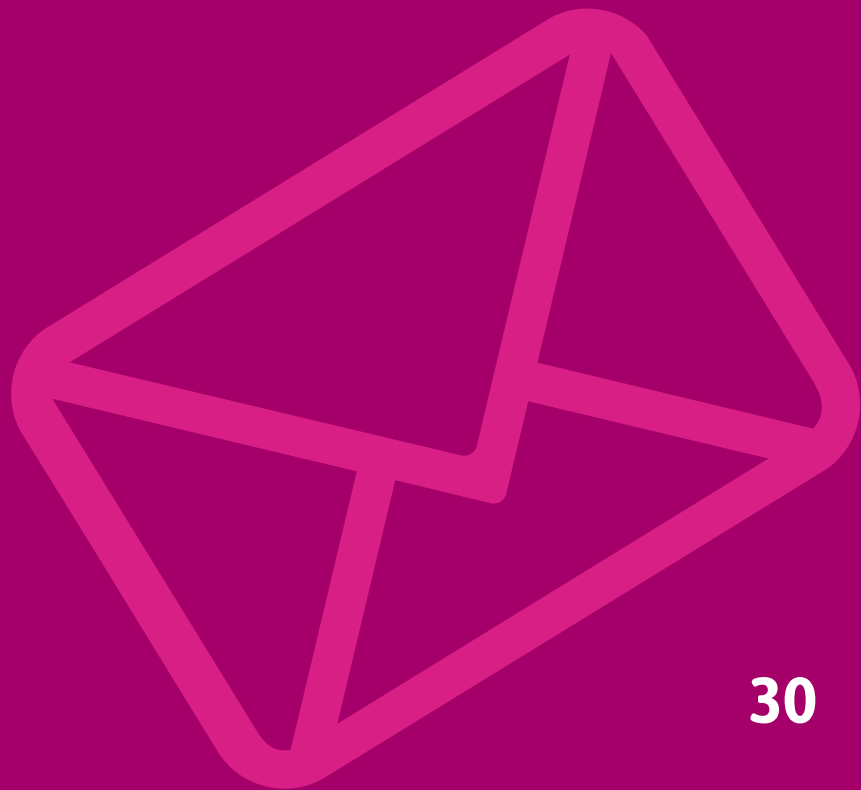
- Arrange van hire or removal firm.
- Start collecting suitable packing boxes and begin packing non-essential items. Ensure your packing boxes are labelled.
- Obtain a quote for or check existing contents policy prior to moving to your new home.
- Inform your employer you are moving house and inform them if you will require any time off of work.



2 weeks to go...

Change of address.

- Arrange for postal redirection.
- Begin arranging change of address:
 - *Bank/building society and any other credit card or store accounts*
 - *Driver and Vehicles Licensing Centre*
 - *HMRC*
 - *Doctor and dental practices*
 - *Local Council; register for council tax and arrange delivery of refuse and recycling boxes*
 - *Any other memberships or subscriptions who regularly mail you*



1 week to go...

Start clearing.

- Confirm moving arrangement with van hire or removal company.
- Label any items to be left by removal company as such.
- Collect all of the keys for your existing property.
- Ensure you have cleared your existing property completely (including all cupboards, loft and shed).
- Ensure your solicitor has everything they need including contact details where you can be reached on moving day.



1 day to go...

Final checks.

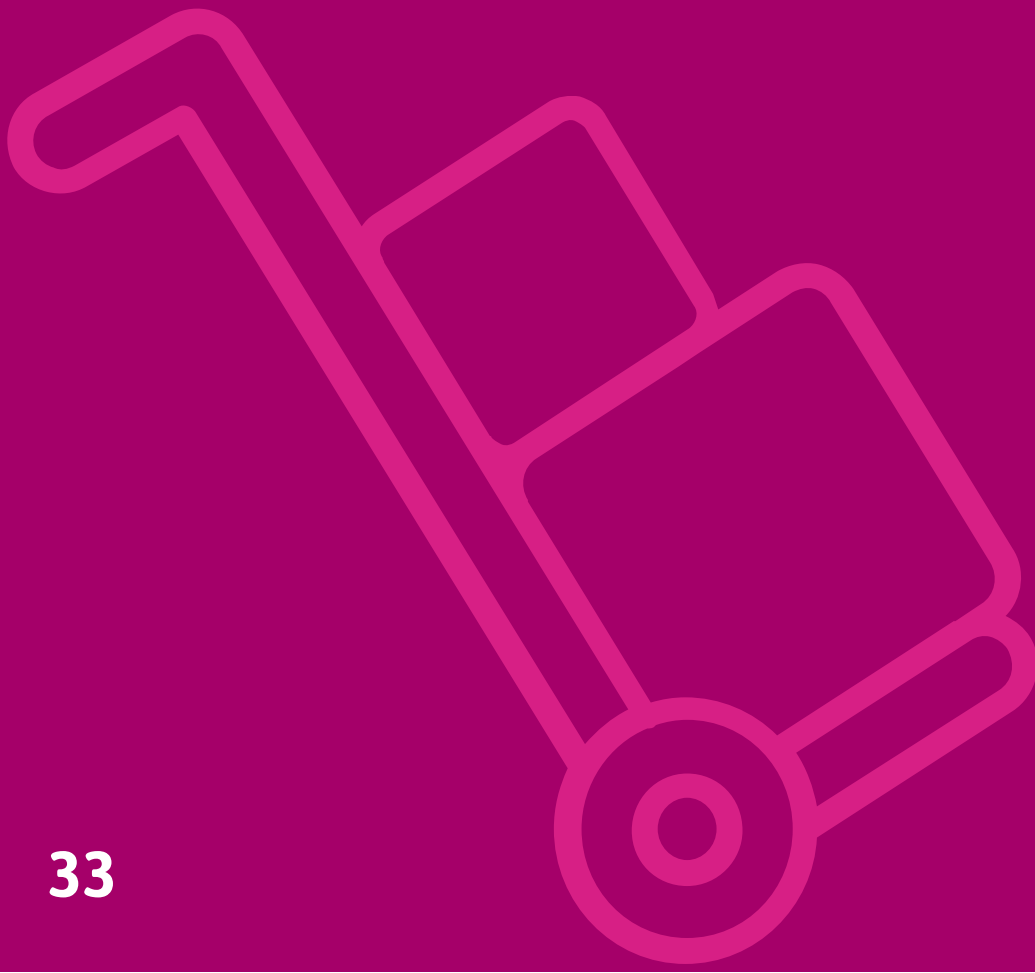
- Disconnect any appliances you are taking with you, and turn off any you are not.
- Complete packing except for things you will need overnight and on moving day.



Moving day

Congratulations!

- Leave or return keys for your existing property.
- Make a note of meter readings at the property you are leaving (if applicable).





Selwood
Housing



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