



Shared Ownership



What is Shared Ownership?

Shared Ownership is a fantastic opportunity for people who cannot afford to buy a property outright on the open market.

With Shared Ownership, you buy an initial share of a home (25% – 75% of the current open market value) using a mortgage or savings. You then pay rent on the share you do not own.

You may increase your share in the future through a process known as 'staircasing'. Your rent is adjusted to reflect this.

In some cases you may be able to buy outright after as little as 1 year of occupation, although there are some restrictions on rural schemes.

When you buy a Shared Ownership property, your deposit will be lower than on the open market.

This is because you only need to raise a deposit for the share you are buying, and not the full open market value.

Broadland has Shared Ownership homes available across Norfolk and north Suffolk, which are newly built or resales from existing shared ownership stock.

Who can apply?

Check if you are eligible for Shared Ownership on the Government's website:
<https://www.gov.uk/shared-ownership-scheme>

To qualify for Shared Ownership:

- Your annual household income must be no more than £80,000.
- You are unable to purchase a home suitable for your needs without assistance.
- You are not a current home owner (or named on the deeds of another property).
- You must have no outstanding credit issues (i.e. unsatisfied defaults or county court judgements).

Buyers will be subject to an affordability assessment carried out by Broadland Housing Association.

You can search for shared ownership properties for sale in Norfolk and north Suffolk on our website:

www.broadlandgroup.org

or by local authority area on the Government's website.



Shared Ownership is designed to assist first-time buyers to get a foot on the property ladder, but is also available to assist those who need to buy a property in a situation such as a relationship breakdown or where your household has outgrown existing arrangements.

Priority will be given to applicants who are serving military personnel. Some properties may require you to have a local connection to the area where you are interested in purchasing a shared ownership new home.

Can I afford it?

A bank or building society will be able to determine your mortgage eligibility and it is recommended that you seek independent financial advice prior to applying for a property to see how much you will be able to afford to borrow.

The Association will carry out an affordability check based on your borrowing and savings. The methodology used in the assessment ensures where an applicant is using a mortgage, that no more than 30% of the applicants net income after firm commitments such as rent and service charge is used. The Association has also adopted a 10% surplus income policy is required for all applicants.

What expenses will I be responsible for?

You will need to be able to cover the following expenses:

- mortgage fees/repayments
- rental and service charges
- legal and valuation fees
- stamp duty (please seek independent legal advice)
- household bills – utility bills, council tax, contents insurance
- future repairs and maintenance to the property

Who pays for repairs and ongoing maintenance in a new home I may buy?

It is your responsibility to repair and maintain your new home, including servicing your boiler annually. Our new-build shared ownership homes come with a guarantee that will cover defects in your home for the first year of occupation. This guarantee

covers defects in the builder's workmanship only. This does not apply to resales or purchases via the intermediate rent route.

**Responsibility varies depending on your lease, please check.*

Can I buy additional shares?

If you buy a Shared Ownership property you can increase your ownership at a later stage and in some cases you may be able to own the property outright. This is called 'stair-casing'. Many people who buy affordable homes eventually staircase to become 100% owners depending on the property. You will need to notify the Association in writing of your intention to staircase and you will be responsible for any valuation or legal fees incurred during this process.

**Costs associated, the maximum you can staircase and the number of increments varies per lease, please check.*

What happens if I wish to sell my share of the property?

You are required to notify Broadland Housing in writing of your wish to sell. The Association will confirm whether we wish to exercise our nomination rights which is a period of time we have to find you a buyer as contained in your lease. If we do, a RICS valuation must be obtained at your expense. The valuation will reflect the property's full market value, including any improvements, and your share will be sold based on the percentage you own. If Broadland Housing does not find a buyer during the nomination period, or waives its right, you may sell the property on the open market without requiring a RICS valuation. You will also be required to provide a valid Energy Performance certificate which are valid for 10 years when marketing the property.

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