

## The Buyer

### What is a shared ownership re-sale?

Shared ownership properties become available through re-sales where a current shared ownership property is going to become available for sale. You purchase a share of a property – 25%, 50% or 75% which you will pay mortgage payments towards and the Association will own the remaining share, which you then pay an occupancy charge on.

### Who can apply for shared ownership housing?

Anyone, provided that they are a qualifying applicant and either live in Lochaber, or have a reason to move to Lochaber and who have sufficient income to afford a shared ownership property. To qualify for shared ownership, you should generally be in one of the following groups and 18 or over:

- ✔ first-time buyers, who would not otherwise be able to afford outright purchase of a property,
- ✔ owner-occupiers who have had a change in circumstances which means they can no longer afford to sustain, or move back to, full owner-occupation,
- ✔ existing local authority, or housing association, or other public sector tenants,
- ✔ applicants on the Highland Housing Register with un-met housing needs,
- ✔ older people unable to purchase a property outright on the open market,
- ✔ serving members of the armed forces, or veterans who have left the armed forces within the last two years – or widows, widowers, or other partners of service personnel killed in action during the last two years, or
- ✔ people with special needs who are unable to purchase a property outright that is suitable for their needs.

The property size must be appropriately apportioned to the applicants household in line with the Associations Shared Ownership Policy.

Should the Association receive interest from more than one interested party, the Association must assess all eligible applicants in line with the Shared Ownership Policy, which can be viewed on our website.



## **I am interested in a property – what happens next?**

Applicants who meet the qualifying criteria will be referred to the sharing owner's estate agent to arrange a viewing. If the applicant wishes to proceed after viewing the property, they should complete a Shared Ownership Application Form and apply to the Association so that their eligibility can be assessed.

Financial affordability checks will be made to ensure the successful applicant is likely to sustain occupancy after the purchase. If the applicant does not have enough capital to buy the intended share outright, the Association need to see evidence of a mortgage-in-principle from a lender. This is only requested if the successful applicant passes the affordability check and is selected to purchase the share to avoid negative impact on a person's credit file unnecessarily. The decision is confirmed in writing and the Association's solicitor takes over the process to complete the sale.

## **What size of share can I sell / purchase?**

A selling owner can only sell the share they own at the market value. Existing sharing owners can buy further shares (known as staircasing or tranche) after one year and can go on to own the property outright. You can purchase in tranches of 25%: for example if you own a 25% share, you could purchase an extra 25%, or 50%, or buy your property outright.

A request to staircase or buy outright must be made in writing and signed by all joint owner's where there are any. The request can only be considered after one year from the date the sharing owner took entry to the property.

## **What costs are involved in purchasing a shared ownership property?**

The costs are the same as they would be with a house purchase on the open market. Firstly, you will have to pay the initial purchase costs for your share along with the associated legal fees, etc. Once you have purchased your share, you will be liable for all the costs associated with home ownership, including all repairs and maintenance costs, and you should think carefully and seek independent advice before committing to the purchase.

## **How long does the whole process take?**

As soon as we have all the relevant information we can get the process of the sale started. This means that it is important you give us all the information we need as soon as possible. Once the sale has been put in the hands of your solicitor and the seller's solicitor, the Association merely gives consent to the sale and cannot influence the length of time the legal process takes. You should ask your solicitor for an estimate of when they expect the sale to complete.

## **What happens once the sale has gone through?**

The purchasing sharing owner must pay an occupancy charge on the share the Association owns, and enters into an Exclusive Occupancy Agreement (EOA). The shared ownership EOA expires 20 years from the date the sharing owner took entry to the property and it is expected that a sharing owner staircases to full ownership in that time. Sharing owners are responsible for the costs of staircasing, including the property valuation survey.

You may also have to pay a service charge, as well as your occupancy charge. The service charge consists of communal charges for flat owners and grounds maintenance charges.

## What if I change my mind?

It depends what point the sale is at. If you decide not to buy the property at any point once the legal process has been started you should contact your solicitor immediately for advice. If you require further information about shared ownership properties, please contact our office.

## Maintenance and repairs

Sharing owners are responsible for the cost of all repairs. Although a sharing owner may only own a share in the property, their ongoing responsibilities are like that of any other owner occupier and will relate to the whole property. This means that although the Association may retain a share, the sharing owner will still be responsible for the cost of all the repairs. If there are communal areas to the property - i.e. if flats, the Association will arrange communal repairs that are reported to us and recharge the cost back to the sharing owners.

## The Seller

### How much can I sell my share for?

You must obtain a home report which will show the market value of your property and provide this to the Association. You cannot accept "offers over", the share must be sold at the market value.

### How do I sell my shared ownership property?

A request to sell an interest in a property must be made in writing and signed by all joint owners where there are any. A selling sharing owner should complete the Shared Ownership - Intention to Sell (SO004) form (at the back of this leaflet) which requests the name and address of the seller's mortgage lender and solicitor. Sharing owners are responsible for advertising the property on the open market, for all their legal and marketing costs, and for obtaining a home report.

## Useful Contacts

### Lochaber Housing Association

101 High Street, Fort William, PH33 6DG

Telephone: 01397 702530

Email: [housingmgt@lochaberhousing.org.uk](mailto:housingmgt@lochaberhousing.org.uk)

### Allpay rent payments:

Telephone: 0844 557 8321 Online: [www.allpayments.net](http://www.allpayments.net)

### Housing Benefit, Council Tax Benefit and

**Council Tax enquiries:** Freephone: 0800 393811

### Lochaber Citizens Advice Bureau:

Dudley Road, Fort William, PH33 6JB

Telephone: 01397 705311

Freephone: 0808 800 4444



# Shared Ownership - Intention to Sell

To be completed by, or on behalf of, sharing owners who wish to sell their property, to provide basic information of their intention to sell.

I hereby notify Lochaber Housing Association that it is my intention to sell the property mentioned below:

<b>Name(s) of current sharing owner(s)</b>	
<b>Address of property</b>	<b>Postcode:</b>
<b>Address for any correspondence (if different from above)</b>	<b>Postcode:</b>
<b>Email address(es)</b>	
<b>Name and address of your mortgage lender</b>	
<b>Name and address of the solicitor to be engaged to deal with the sale (if known)</b>	<b>Postcode:</b>
<b>Name and address of the organisation marketing the property (if different from above)</b>	<b>Postcode:</b>
<b>Signature(s)</b>	
<b>Completed</b>	