



shared ownership

explained...

Contact our Home Ownership
support team today



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a guide to your future...



Soha and you...

This booklet aims to provide you with a clear and informative overview of what it means to have a shared ownership home, and all the great benefits this will bring to your life.

We are here to help for the complete journey.

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A guide to shared ownership with Soha Housing...

- Soha provides homes to buy and rent in Oxfordshire, Wiltshire, Buckinghamshire, Berkshire and Gloucestershire.
- This guide provides more information about shared ownership, the party-buy and part-rent scheme that we operate.
- If you are interested in a shared ownership home, you need to complete an application form and send it to our Home Ownership team, along with your documentation as requested.
- The Soha Home Ownership team will advise and guide you through the buying process. We offer a quality service and help is always available.
- Our shared ownership schemes provide an opportunity for you to buy a home at an affordable price.

Low cost home ownership schemes are offered by non-profit making housing associations like Soha Housing. With the help of government funds and private finance we can provide opportunities to those who cannot afford to buy a home of their own on the open market in communities where they want to live.

What is shared ownership?

Shared ownership is a part-buy and part-rent scheme. If you cannot afford to buy a suitable property outright on the open market you can buy your home in stages and take the first step on the housing ladder through buying a share in a home, usually a minimum of 50%. Shared ownership is a 'stepping stone' between renting and outright home ownership. A subsidised rent is paid to Soha Housing on the share they own. The monthly costs of the rent and the mortgage usually works out cheaper than the cost of a mortgage on the whole property. If you wish, you can buy further shares in the property.

Am I eligible for shared ownership?

Shared ownership is open to everyone, although priority is given to those who are registered with their local authority for housing. Please apply to join your local Council's Housing Register and inform them that you are interested in low cost home ownership. Soha Housing will normally request a nomination from your local authority to enable you to proceed with the purchase of a property. You will also need to demonstrate that you can comfortably afford the mortgage, rent and all associated costs of home ownership (e.g. council tax, utility bills, etc).

You will have to obtain a mortgage from a lender or have sufficient savings to cover the cost of the share you are buying.

How do I get a mortgage?

You will need to arrange a meeting with a bank, building society or Independent Financial Advisor. Soha Housing are able to recommend an Independent Financial Advisor or lenders that have experience of shared ownership schemes. At your meeting explain to them that you are buying a shared ownership property with Soha Housing. Your lender will need to know the purchase price and how much the rent is. They will advise you:

- How much they are prepared to lend you.
- How much your mortgage will cost.
- How much deposit you will need.
- The cost of valuation and application arrangement fees.

Your lender will arrange a mortgage valuation to be carried out on the property you are buying by a qualified surveyor. When your lender is satisfied with the valuation and any other financial checking they should be in a position to give a formal mortgage offer.

What will my monthly costs be?

The total cost will depend upon a number of factors and will include the following:

- Mortgage payments – these are calculated by the lender and vary according to interest rates.
- Rent – this is calculated on the share Soha Housing own and is reviewed in April of each year.
- Building insurance – this is arranged by Soha Housing and you pay a monthly charge.
- Service charges – these will be charged for maintaining common parts and management fees.



What other costs will there be?

Before you decide to proceed it is important that you consider purchasing costs and the costs of running your own home.

Reservation fee

A fee of £250 is paid to Soha to reserve your property and is put towards the purchase price. Soha will reserve the right to retain this fee should you change your mind and decide not to purchase the property.

Valuation fee

Your lender will arrange this for you. The cost may vary from lender to lender and is also based on the purchase price of the property.

Legal fees

You will need to instruct a solicitor to act on your behalf. The solicitor will give you an estimate of the legal fees you will have to pay including their own fee, land registry fees and other associated costs. Stamp duty may still apply if you are paying more than £125,000 for your share.

Soha Housing will contribute £500 towards your legal fees if you use our preferred purchaser solicitor scheme.

Mortgage arrangement fee

Some lenders will charge you an administration fee and the cost may vary from lender to lender.

Deposit

Lenders normally require a deposit from you, although some may lend 100% of the share you are buying.

Once you have your home...

You will be responsible for the running costs of your home including:

Repairs

You will be responsible for all repairs and maintenance to your property, just like an owner-occupier. You will need to make sure that you allow a sufficient budget for the upkeep of your property.

Services

You will be responsible for all utility bills such as gas, electric, council tax, water rates, contents insurance etc. You should include these costs in your monthly budget.

After you move in...

How do I buy more shares in my home?

You will need to live in your home for one year before you can buy more shares. Buying further shares is called 'staircasing'. A minimum of 10% can be purchased when you 'staircase'. After your initial purchase, you can 'staircase' buying a minimum of 10% at a time to outright ownership (there may be different conditions on some rural schemes, Soha Housing will advise you if this applies). When you do buy further shares, your rent will be reduced accordingly.

You are under no obligation to buy further shares if you prefer not to.

Can I make alterations or improvements to my home?

Before you make any alterations, you will need to ask Soha Housing in writing. If we agree to the alterations we will give our written consent.

Soha Housing do not unreasonably withhold approval.

How do I sell the property in the future?

Soha Housing will help you sell your property. Under the terms of the lease, Soha Housing have a duty to sell the property to a person nominated by the Local Authority. A timescale is allowed, usually two months, to obtain the nomination. If no nominations are forthcoming, you can sell your property on the open market.

What happens in the event of a death?

In accordance with your will or the law of Intestacy, the lease can be passed on or sold.

The new shared owner will be equally bound by the lease.

Soha Housing provides affordable homes in the following Local Authority areas:

● **Oxfordshire** ● **Berkshire** ● **Wiltshire** ● **Swindon** ● **High Wycombe**

The availability of properties will depend on the funding available in each area.

For further details call the Home Ownership team on:

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