Shared Ownership

Frequently Asked Questions

Factsheet

# Shared Ownership

**What is Shared Ownership?**

Shared Ownership makes it possible for you to buy a home that otherwise may not have been affordable. It is a Welsh Government supported scheme for people who are unable to afford to buy a home at the full market value. It is a part buy/part rent scheme, which means you buy a share in the home and pay rent on the remaining share you do not own.

Here at North Wales Housing we hope to play a part in helping people realise their home ownership aspirations.

**How it works**

When you buy through Shared Ownership this makes you part owner of your new home rather than just a tenant. You are buying a share in your new home on a long term lease.

You will be able to buy an initial share of the property – this can be between 25% and 75% depending on the value of your chosen property. You then pay rent on the have not owned. The higher the share you purchase, the less rent you will have to pay. After 12 months occupancy you can buy further shares in the property - this is called **staircasing** or buy the whole remaining share of your home; you will then own your home outright.

As a shared owner you will own a lease, you will be a ‘Leaseholder’ and we will be what is known as the ‘Landlord’. Your lease is a legal document that proves you own part of your home and therefore you will have the same rights and responsibilities as a full owner-occupier, subject to the terms and conditions of your lease.

**Who can buy?**

Shared Ownership is not just for First Time Buyers, it is also an option for those whose current home does not fit the needs of a growing family or for those who have experienced a relationship breakdown.

You should only buy what you and your Landlord feel you can comfortably afford.

**Am I Eligible?**

* Must be over 18
* In employment
* Annual gross income between £16,000 - £45,000
* You must be unable to afford to buy a property suitable for your family size on the open market
* Must be a first-time buyer, or
* Newly formed household i.e., starting again relationship break-up
* Must be able to afford the minimum share.

**How do I apply?**

To be considered for any shared ownership properties available at North Wales Housing you will firstly need to be registered with Tai Teg (Affordable Housing Register). Once registered Tai Teg will assess your application and inform you of the properties available to you. Tai Teg can be contacted by visiting their website <https://taiteg.org.uk> emailing them at info@taiteg.org.uk or telephone 03456 015 605.

If you meet the Tai Teg criteria you will then meet with the Homes Ownership Co-ordinator at North Wales Housing who will explain to you the next steps in the sales process.

**What will it cost?**

When you buy your share of the property, North Wales Housing will own the remaining share and you will then pay rent on this remaining share. The more of the property you own the less rent you have to pay. You will pay a mortgage on the share that you own unless you have capital.

**Do I pay a service charge?**

You may be required to pay a service charge. This is a sum of money collected monthly which covers your share of the cost of maintaining any communal areas of the development if applicable i.e., car parks, gardens and play areas. These costs would be displayed along with the rent costs on the marketing details.

Please also remember that you will have other costs to consider such as valuation fee, mortgage arrangement fee and legal fees.

Each month you will make a payment to your mortgage lender (if applicable) and a rent payment to your Landlord. The rent you pay will be subject to an annual increase of no more than the 12 month average Consumer Prices Index plus 1%.

*Please note – it is important you notify your mortgage lender and North Wales Housing if you are unable to meet your monthly payments. Failure to meet the monthly payments could result in action~~s~~ being taken to recover the arrears. This action, could as a final resort, include the repossession of your home.*

**Who will be responsible for maintaining my home?**

As a shared owner you will be responsible for **all** the repairs and maintenance inside and outside of your home. You will be expected to fully maintain the home which means not causing damage and dealing with all maintenance issues related to your home and keeping both home and garden in good order.

**Can I buy further shares?**

Yes - you can buy further shares in the property if you are in a position to afford to do so – this is called staircasing. The greater share of the property you own the less rent you will pay and you could purchase your own home outright. The cost of further shares will depend on the value of the property at the time. Your Home Ownership Co-Ordinator will support you through all arrangements for this request.

**Can I sell?**

Yes you can sell your share of the property to an eligible purchaser. The value of your home will be assessed at the time you decide to sell and the price of the share will be based on the market value at that time. As with any home the market value can rise or fall.

**Can I make alterations and improvements?**

You must ask for the consent of North Wales Housing to do any form of alterations and improvements. Small DIY jobs and decorating will be authorised. The value of such works will not be discounted from the staircasing value.

You are authorised to undertake works of general up-keeping and maintaining of gardens, fence panels, tree cutting (unless they have a Tree Preservation Order), boilers and fitted wardrobes for example in accordance with the terms of your lease. The value of such works will not be discounted from the staircasing value

Significant and/or structural repairs and improvements are not permitted although though they may increase the market value of the property. This is due to the value of our loan being directly linked to the value of the property.

These will include works such as:

* Loft conversions
* Extensions
* Conservatories
* Change to the floor plan or layout of the property

**Will I be a Leaseholder ?**

When you buy through a shared ownership scheme you will then become a Leaseholder. Although you don’t own all of the property you will have all the rights and responsibilities of a homeowner.

These responsibilities will include for example:

* Paying your rent and possible service charges on time.
* You are required to keep the property to a well-maintained standard inside and outside

**Where can I find further information?**

Comprehensive information for those looking to apply for Shared Ownership scheme can be found in the **Shared Ownership – Wales: buyer’s guide** <https://gov.wales/shared-ownership-wales-buyers-guide>

**For further information please contact the Homes Ownership Coordinator on 01492 563287 / 07976 829 252**