Shared Ownership – Selling – a step by step guide

Factsheet

**Selling your share**

If you decide that you want to sell your share of the property, the first step will be to contact your Homes Ownership Coordinator at North Wales Housing. She / he will then be able to guide you through the process.

Once confirmation in writing is received that you wish to sell, a RICS Chartered Surveyor will be asked to value the property. The Surveyor will conduct a 100% open market valuation and the share price will be based on this.

Any unauthorised improvements or failure to keep the home in a good state of repair could affect the value of your home.

The valuation fee is payable by the shared owner and due upon completion of sale and this is still payable should you decide to withdraw the share from sale.

You will need to provide up to date pictures for marketing, walk through videos have also been proven to be beneficial with the sales process. Once all the sale particulars are in place and you are satisfied with the details they will be sent to Tai Teg for marketing. They will also be marketed on the North Wales Housing website.

**When a buyer is found**

When a potential buyer is found the Homes Ownership Coordinator will then arrange for an informal interview with the applicant, this is to ensure that the applicant has understood the important facts surrounding shared ownership and the responsibilities that go with it.

Points that we will cover:

* Application details
* Rent element
* Leasehold responsibilities

After the interview the Homes Ownership Coordinator will discuss the interview and applicant with a colleague and the application will either be approved or declined.

**What happens next**

If the applicant is approved we will notify you in writing and when we receive the mortgage in principle from the prospective purchaser we will then instruct our solicitors to carry out the transaction on our behalf. We do not instruct the solicitors until this paperwork is through – this is to avoid any unnecessary costs that may arise.

**Things to remember**

The value of your home will be assessed at the time you decide to sell and the value of the share for sale will be based on the market value at that time. As with any home the market value can rise or fall.

***Lease extensions***

A lease extension is the process of adding years back to a lease and extending the time before the property goes back into the ownership of the landlord.

If a lease is short mortgages are much harder to obtain as lenders will refuse to loan on properties with leases less than 80 years remaining.

Properties with a short lease are harder to re-mortgage, as the length of the lease goes down the cost of extending the lease will go up.

Extending a lease with less than 80 years can increase the value of the property.

***Cost to extend the lease.***

This is based on Marriage value and is the increase in value thanks to the lease extension.

For example –

If a property is worth £125,000 with 60 years remaining on the lease and then valued at £140,000 with 99 years year lease, then the marriage value is worth £15,000. If the shared owner owns 50% of the property, they must pay 50% of the value – in this case £7500 to North Wales Housing to extend the lease.

Summary of fees related to the selling procedure and due upon completion of sale:

* Valuation Fees £200 - £350 + VAT
* Administration Charge £150 + VAT
* EPC £60 + VAT – if you have requested that we instruct
* Legal Fees £200 + VAT – payable once the solicitor has been instructed
* In the event of any disposal or deed of variation (approximately £175 - £400 plus VAT), this figure is dependent upon the work involved.
* Lease extension – if required

These fees are an approximation and are subject to change.

**For further information please contact the Homes Ownership Coordinator on 01492 563987 / 07976 829 252**