

Shared Ownership Frequently Asked Questions

What is Shared Ownership?

Shared ownership enables you to purchase a share in a home and pay a discounted rent to Brighter Places on the part you don't own. You can usually buy between 25% - 75%. The minimum share for brand new leases has changed to 10% minimum from April 2021.

Purchasers need to take out a mortgage to pay for their share of the home's purchase price, or fund this through savings. Shared Ownership properties are always leasehold.

Who qualifies?

To be eligible for Shared Ownership, you must:

- earn less than £80,000 annual household income
- have a deposit and funds ready for your mortgage and moving costs
- be unable to afford to purchase a similar property that suits your needs on the open market not currently own or have interest in another property
- have completed the application form on our website and qualify for shared ownership.

You can also be an existing Shared Owner looking to move. Please be aware that in order to be eligible for a property at Marshfield, you must have a local live/work connection to the local area.

How much does it cost?

Some of the costs you will need to consider are:

- Reservation fee – For newbuilds, a fee of £500 will be required up front in to reserve the property. This amount will be taken off the final sale price on completion of the purchase.
- Deposit – The required minimum deposit will be 5% of the value of the share you are purchasing.
- Mortgage arrangement fee – Some lenders will charge you an administration fee and the cost may vary from lender to lender.
- Valuation fee – Lenders require a 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 and stamp duty – 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, stamp duty, land registry fees and other associated costs.

How do I buy more shares?

As a Shared Owner, you will be able to buy more shares in your home if you wish. This is called staircasing. At Marshfield, the maximum share you can purchase will be 80%. This is because

Eden House, 10 Eastgate Office Park, Eastgate Road, Bristol BS5 6XX

General Enquiries: 0117 942 4600 Email: info@brighterplaces.co.uk Website: www.brighterplaces.co.uk



Marshfield is in what is known as a 'Designated Protected Area' (DPA). In short, DPAs ensure that affordable homes remain in the ownership of local residents and cannot be sold to those who live outside of the area. The value of any additional shares you buy is based on the market value at the time you buy the shares. If you increase your share in the property your rent will decrease proportionally.

How do I resell?

Your lease will set out the rules on selling your property. Leases can vary but normally you must give us up to eight weeks to find a buyer if you choose to sell. If we cannot find someone within this time, you can then sell your share on the open market. Please contact us for information on what you need to do before you contact an estate agent to sell your home for you.

What are my responsibilities?

Once you have completed, you will have an ongoing monthly rent and service charge to pay. You will also be responsible for all utility bills such as gas, electricity, council tax, water rates and contents insurance etc. You should include these costs in your monthly budget. Your monthly mortgage repayments will depend on the size of your mortgage and interest rates. 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.

Do I need to get permission for anything?

You must get written confirmation from Brighter Places before you carry out any structural changes to the property. You may also need to get approval from your mortgage lender, as well as any legal permission you need, for example, planning permission or building regulations. You will also require our written consent if you wish to keep a pet in the property. If you live in a house there are not usually any restrictions. However, if you live in an apartment which shares a communal area you are unlikely to be able to keep a pet.

Can I sublet the property?

No. Government money goes into affordable home ownership schemes, so we have to control who benefits from it. Also, if you have a mortgage on your home, your lender will probably be concerned if you let it to someone else. However, in certain circumstances, we may give permission to sub-let a shared-ownership property, but only in exceptional cases and only where there is a genuine and unavoidable need.

Eden House, 10 Eastgate Office Park, Eastgate Road, Bristol BS5 6XX

General Enquiries: 0117 942 4600 Email: info@brighterplaces.co.uk Website: www.brighterplaces.co.uk