

# What is Shared Ownership?



worth it!





# What is Shared Ownership?



Shared Ownership has been helping people become homeowners for over 30 years. The scheme enables you to buy a share in a property, usually between 25% and 75%, and pay a low cost rent on the remaining share.

With most homes you will have the option to buy additional shares in your property up to 100% ownership, as and when you can afford to do so, in small minimum increments of 10%\*.

In many cases, Shared Ownership purchasers are first-time buyers who can't afford a home at full market value. The scheme is also available to those who used to own a home but can no longer afford one.

\*Some of our leases require further shares to be purchased in minimum increments of 25%. This will be clearly stipulated in your contract.

Read the information in this booklet to find out all you need to know about Shared Ownership and whether it could work for you.





“  
Right from the beginning Curo were there. Whenever I needed anything they were happy to answer.”

Nina, Curo Shared Ownership customer



# Do I qualify for Shared Ownership?



- Are you over 18?
- Are you unable to afford a property on the open market?
- Are you a first-time buyer, or in the process of selling your existing home?
- Do you have savings of at least 5% of the share price, plus £2,500 to cover the purchase costs?
- Have you always kept up your payments on any loan or form of credit agreement?
- Is your household income less than £80,000 per year?

If you answered yes to all of these questions, then you are likely to be eligible for Shared Ownership.

Shared Ownership is a government funded programme and you'll need to complete an application on the [www.helptobuyagent3.org.uk](http://www.helptobuyagent3.org.uk) website.

Once your application has been approved you'll be registered with the Help to Buy Agent for the South and will be able to start your search for a home. Unless stated otherwise, all homes for this scheme are offered on a 'first come first served' basis. We'll have to carry out a specific affordability assessment for the home you wish to purchase.

If you couldn't answer yes to all of the questions above, then Shared Ownership might not be the right solution for you. Please get in touch with us to discuss further options.



# How does Shared Ownership work?

## What is the minimum share I can purchase?

The minimum share you can purchase can be as low as 25%, however this will vary on a scheme by scheme basis. Curo homes available through Shared Ownership usually require you to purchase around 40% of the property's value. Information about the minimum share you can buy will be clearly stated in the sales details.

## Can I purchase a larger share than the minimum share listed on the sales details?

Yes, we will carry out an affordability assessment and advise you on the minimum and maximum share you can purchase, based on your individual financial circumstances. The maximum share you can buy initially is 75%.

## Can I buy a Shared Ownership home with other people?

Yes, up to four people can become joint owners.

## Can I get my mortgage through Curo?

Curo doesn't offer mortgages - you will need to arrange your mortgage through a financial advisor or directly through a bank / building society. For more information about who can help you with your mortgage please talk to us on 0345 140 50 50.

When you buy your home through Shared Ownership we will grant you a 125-year\* lease which sets out your rights and responsibilities as the Leaseholder (owner occupier).

It will tell you:

- How the rent and service charge will be calculated and when these must be paid
- What you are responsible for, e.g. boundary fences
- How you can buy further shares in the property (up to 100%)
- How to sell your home

\*Some older leases have been granted on a 99-year period. The lease length will be clearly stipulated in your contract.

## What do I do about repairs and maintenance?

If you purchase a house, you are responsible for all repairs and maintenance of your home, covering anything from a broken window to issues with your boiler. It is also your responsibility to ensure an annual gas safety check is carried out.

If you've purchased an apartment, you are responsible for all repairs and maintenance of your individual property. You'll also need to pay a service charge and contribute to a sinking fund, which are used to look after the structure of the building and maintain shared common areas.

## What if I am purchasing a new home?

If you're purchasing a newly built home you'll benefit from a defect warranty of up to 12 months from the developer. You'll be advised of the specific defect period that applies to the home you're purchasing. New-build homes are also covered by a 10-year National House Building Council (NHBC) warranty.



### What are service charges for?

Service charges are used to cover the general upkeep of external communal areas; if you're purchasing an apartment this will include any internal communal areas, such as lifts and hallways.

These areas will either be maintained by Curo directly or an independent management company. Many new-build developments will have management companies in place to look after any unadopted areas such as roads, grass verges, pavements and playgrounds. Either way you will need to pay the service charges directly to Curo.

### What are sinking funds for?

Sinking fund payments generally only apply to apartments and cover the cost of long term repairs and maintenance to the external structure of the building and communal areas.

### Can I make improvements to my home?

You are free to decorate and carry out repairs and maintenance work without having to ask permission from Curo.

For larger home improvement projects you must first ask for our consent in writing, informing us of the changes you would like to make.

Curo won't withhold consent for these works unless there's a good reason for it. A small admin charge for consent of alterations to your property usually applies.

For further details get in touch with us at [home.improvements@curo-group.co.uk](mailto:home.improvements@curo-group.co.uk) and [leaseholder.mailbox@curo-group.co.uk](mailto:leaseholder.mailbox@curo-group.co.uk).

### Can I increase my mortgage?

Curo will only approve an increase in your mortgage when you buy further shares in your property; we won't consent to adding other borrowings such as home improvements or a car purchase.

### Who's responsible for building and contents insurance?

Curo will insure the building; this will be paid by you through the service charge. You are responsible for arranging your own contents insurance.

**If you need to make a claim under building insurance please contact us.**

### What if I fall behind on my mortgage repayments?

The mortgage contract is between you and your lender. If you fall behind with your mortgage repayments due to temporary financial difficulties, you must let them know immediately. Please also talk to Curo as we may be able to advise on benefit entitlements.

If your financial difficulties cannot be overcome, as in any owner-occupier situation, your lender may repossess your home.

Repossession is a last resort for banks and building societies who will usually make every effort to help you maintain ownership of your home.

**Your Shared Ownership property is your home and you can decorate it to suit your taste. You'll only need our consent for larger, structural alterations.**



### What if I fall behind on my rent or service charge?

Under the terms of the lease, you are required to pay the rent and service charge. If you fall behind with these payments or you experience difficulties please talk to Curo.

### How do I purchase further shares in my property?

Providing your lease allows you to buy further shares in your property (this is called staircasing), you'll usually be able to do so in tranches of minimum 10%. The minimum amount of shares you can buy via the staircasing process may vary and will be clearly stated in your lease contract. Once you reach 100% you become the outright owner of your home and will no longer need to pay rent.

**Please call Curo on 0345 140 50 50 for more information about staircasing.**

### How can I sell my home?

If you wish to sell your share in the property we'll arrange for your home to be valued by a Royal Institute of Chartered Surveyors (RICS) qualified surveyor.

Costs to consider:

- Valuation fee
- Admin fee (according to your lease)
- Legal costs

Once the price of your property and the costs involved have been determined, we'll start marketing your property. In line with the terms of your lease, we usually have eight weeks to introduce a buyer to you. If a buyer has not been identified in this time, we'll talk you through the next steps.



# Your 10-step journey to buying a Shared Ownership home

- 1 Register and search for a home
- 2 Affordability assessment and eligibility checks
- 3 Allocation of homes if demand exceeds supply
- 4 Meeting with a Sales Advisor
- 5 Submitting a reservation
- 6 Acceptance of your reservation
- 7 Obtaining a mortgage
- 8 Appointing a solicitor
- 9 Exchange of contracts
- 10 Completion and handover





# Your 10-step journey to buying a Shared Ownership home

## 1 Register and search for a home

Complete an online application form at [www.helptobuyagent3.org.uk](http://www.helptobuyagent3.org.uk). Look for a property online at [www.curo-group.co.uk/sales](http://www.curo-group.co.uk/sales) and [www.helptobuyagent3.org.uk](http://www.helptobuyagent3.org.uk) or call us on 0345 140 50 50 to find out what developments we're currently working on.

Once you've found a property you like, you'll need to register your interest through Help to Buy Agent for the South.

## 2 Affordability assessment and eligibility checks

Once you've applied for a property, we'll carry out an affordability assessment and we'll check if you are eligible for the property. We need to verify:

- Your ability to keep up the monthly mortgage, rental and service charge payments.
- That you have sufficient savings to cover the deposit for your mortgage and associated costs of purchasing a home (you will need at least 5% of the share purchase price plus £2,500).

Some properties may require a connection to the local area. This requirement applies to some affordable housing schemes to ensure that local people have access to homes in the area.

## 3 Allocation of homes if demand exceeds supply

Homes are allocated on a 'first come first served basis', the exception being serving military personnel. Sometimes Shared Ownership homes will require a local connection.

## 4 Meeting with a Sales Advisor

Successful applicants will be invited to meet one of our Sales Advisors at our offices. You'll have the opportunity to look at the site plans and floor plans.

We'll explain everything you need to know about Shared Ownership and the purchasing process. We encourage you to ask any questions you may have about the scheme and the properties available.

To view our Shared Ownership homes, you'll need to arrange a visit with the Curo Sales team. Please note viewings may not always be possible due to the build stage of the properties.

**Due to health and safety regulations, children under the age of 16 will not be allowed on site.**

## 5 Submitting a reservation

After meeting with your Sales Advisor you'll be given the opportunity to reserve one of the Shared Ownership properties. We'll provide you with a reservation form which requests details of your mortgage lender, solicitor and your property choice. You'll need to return this form along with supporting documents.

Once your Sales Advisor confirms all supporting documents are in order, you'll need to pay a reservation fee of £300; this will be deducted from the purchase price of the property. Curo reserves the right to retain the £300 reservation fee to meet our legal and administrative expenses should you cancel your reservation.

**Nb. Do not spend any money on arranging a mortgage or instructing a solicitor until we have confirmed your reservation.**



## 6 Acceptance of your reservation

We'll send you a letter and a memorandum of sale confirming your reservation which will include confirmation of the property's price details. This letter will tell you that you now need to arrange your mortgage and instruct solicitors.

## 7 Obtaining a mortgage

Once you have your reservation letter, you must proceed with your mortgage application. As part of this process your lender will want to carry out a valuation of the property for mortgage purposes and they should contact Curo to arrange this. It will take approximately 3–4 weeks for your full mortgage offer to be provided.

## 8 Appointing a solicitor

You'll need to appoint a solicitor to carry out the legal transaction on your behalf. Charges do vary, so it is worth shopping around. If you'd like some assistance in appointing a solicitor, we'll be happy to put you in touch with solicitors who have experience in Shared Ownership. As a guide, you could incur the following costs:

- Solicitor's fee: £1,000 - £2,000
- Disbursements, searches and VAT
- Stamp duty: [www.tax.service.gov.uk/calculate-stamp-duty-land-tax](http://www.tax.service.gov.uk/calculate-stamp-duty-land-tax)

These are approximate figures and should only be used as a guide.

## 9 Exchange of contracts

It will take your solicitor approximately 28 days to review the draft contract and lease, carry out a local authority search and investigate the title of the property, and carry out any other searches they feel are necessary. Once these investigations are completed and you have obtained a mortgage offer from your lender, your solicitor will receive the final contract and Shared Ownership lease for you to sign.

Once your solicitor is happy with your purchase they will agree to the exchange of contracts. Depending on the build stage of your property, you'll then either set a completion date or complete on notice. 'On notice' completion happens if the completion date is subject to us receiving the handover of the property. At this point we'll endeavour to provide four weeks' notice of completion but where this is not possible we'll provide at least ten working days' notice of completion.

## 10 Completion and handover

Before you complete we'll arrange a home demonstration to talk you through certain features of your new home and provide some helpful tips.

On the day you complete, we'll arrange to meet you at the property to hand over the keys to your new home and take current meter readings. We can't arrange an exact time to meet you as we must wait for the money to transfer across.

**Important:** If you fail to keep up your payments to your mortgage or your rent your home will be at risk.



I'd definitely use Shared Ownership again, I think it's a really good scheme. With me only working part-time I didn't think we would be able to get something as nice as this.

Beth, Curo Shared Ownership customer



Show Home Image

# Shared Ownership in numbers

Based on the price of a two-bed semi-detached Curo property in Bath & North East Somerset, here is an example of how Shared Ownership works.

\*The monthly mortgage payments will depend on your specific circumstances. On top of this, Shared Ownership buyers will also have to budget for monthly service charges, which will vary from one property to another.

\*\*These figures are for illustration purposes only. What you can buy depends on meeting the criteria, your affordability assessment, the share you buy and the mortgage deal you are able to secure. Your circumstances are unique and you should always seek advice and recommendations from an Independent Financial Advisor regarding mortgage products, affordability, interest rate, terms, conditions and method of repayment.



More information about Shared Ownership homes from Curo is available at [www.curo-sales.co.uk](http://www.curo-sales.co.uk) or by calling 0345 140 50 50

Full market value:  
**£260,000**

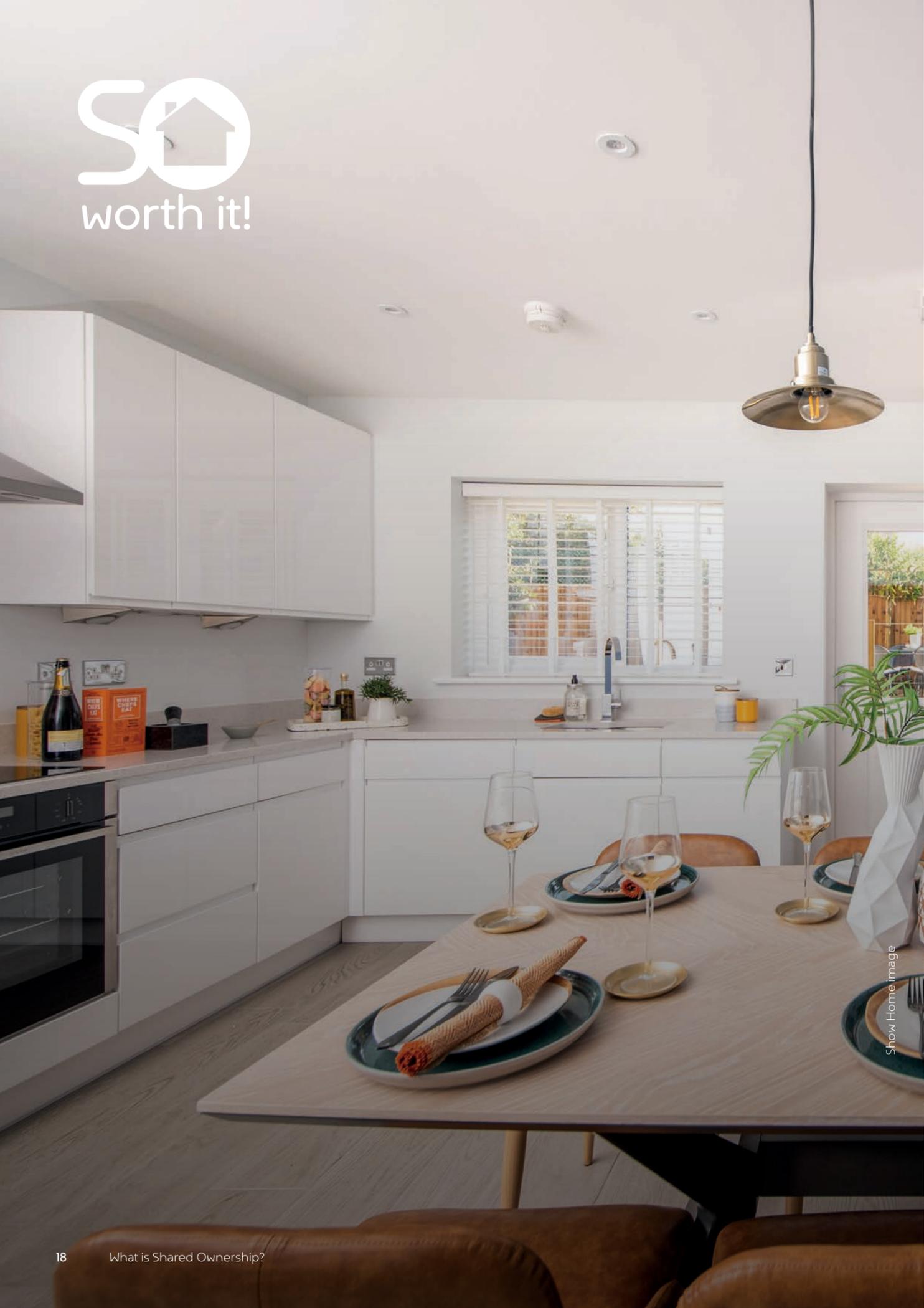
Buyer's share:  
**40% at  
£104,000**

Curo share:  
**60% at  
£156,000**

Buyer's deposit:  
**5% of 40%  
share at  
£5,200**

Mortgage required:  
**Remaining  
35% at  
£98,800**

Monthly rent for the share owned by Curo:  
**£357.50**



# Serving military personnel have priority



To qualify as serving member of the MOD, you must have completed your basic (phase one) training and be either regular service personnel (including Navy, Army and Air Force), clinical staff (with the exception of doctors and dentists), Ministry of Defence Police Officers or uniformed staff in the Defence Fire Service.

Also benefitting from priority for Shared Ownership properties are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, if they apply within 24 months of the date of discharge from service. A Discharge Certificate (or similar documentation) is required as proof.

Surviving partners of regular service personnel who have died in service have priority as well, if they apply to buy within 24 months of the date of being bereaved.

## Exceptions

Some properties may need to be prioritised by the Housing Association/Local Authority offering the home, due to planning conditions. If applicable, priority will be given to:

- Council and housing association tenants
- Serving military personnel
- Applicants given high priority by the Local Authority; for example, families or people living or working in the area

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#SharedOwnership

