

Your guide to Shared Ownership



This leaflet provides information on how Shared Ownership works, where our properties are located and what you need to do should want to go onto the waiting list or if you require more information.

What is Shared Ownership?

Shared Ownership allows access to home ownership for first time buyers. It may enable you to buy a percentage share in a home depending on what you can afford. You will pay a reduced rent on the remaining share. In exceptional circumstances you may qualify for shared ownership if you have previously owned a home but you would need to discuss this with the Association before applying.

How does it work?

The purchaser buys a share in the property and pays rent on the remaining share. An initial 50% can be purchased which is usually funded by taking out a mortgage. Further shares may be bought until the property is owned outright. There are some exceptions for rural or elderly schemes where equity may be restricted to a lower %.

- Properties are sold on a decreasing 99 year lease as 50% (average) of the market value. This is called a premium lease.

What is the Purchaser Responsible for?

- Purchasers will be responsible for any stamp duty, their own legal fees, the Association's legal fees any other incidental expenses.
- Rent is paid to the Association for the unsold percentage.
- Further shares can be purchased one year after the grant of the Lease in stages up to 100%, when in some instances full ownership is achieved. This is called 'stair casing' in the Lease.
- The price is calculated on the current open market value, determined by an independent qualified valuer and multiplied by the percentage you wish to purchase.

Location of Shared Ownership homes

We have a small number of Shared Ownership homes in Warrington, located in Rixton, Grappenhall and Fairfield which include 2 & 3 bedroom houses and 2 bedroom bungalows.

How do I apply?

We manage a waiting list for Shared Ownership properties and will give notification when a property is about to be marketed. You will need to complete an application form before you can be considered for the waiting list and forms are available on our website or a copy can be posted out if requested.

Increasing your share

Additional shares can be purchased at any time after the Lease has been granted for one year. Full 100% ownership is therefore available when you can afford it. The price you pay for additional shares is based on the value when you buy as assessed by an independent qualified valuer. For example, if your home is valued at £140,000 and you wish to purchase an additional 25% the cost would be £35,000.

Selling your share

You can sell your share to another purchaser by first notifying the Association of your intention in writing. If you own 50% and the property was independently valued at £140,000 your share to sell would be £70,000.

Your shared ownership lease

A Lease is used as the legal agreement between you and the Association. The lease is based on a model approved by the Council of Mortgage lenders and the Department for Communities and Local Government, the Government agency that regulates Housing Associations. Your solicitor will receive a copy of the Lease and should explain it in detail to you. Copies of the Lease are also available on request.

Insurance

We are responsible for insuring the buildings structure, but not for insuring your furnishings and belongings, or for damage to any decorations. You should ensure you have suitable contents insurance to cover damage from fire, flood, burglary and other dangers.

We can offer you the option of taking out a contents insurance policy where you will pay premiums with your weekly rent. A reputable company provides the insurance cover and the premiums are reasonable. Please contact us for more information on the contents insurance scheme for tenants.

Repairs and Maintenance

Shared owners are responsible for all the repairs, maintenance and any servicing requirements in their home. The property should be kept in good repair and condition and the lease reserves the

right for the Association to inspect periodically via an agreed appointment between both parties.

Improvements and /or alterations

You are requested in the Lease not to damage or alter the property, except for the installation or removal of normal domestic fittings and other non-structural alterations, with the Associations written permission.

More Information

Please visit our website if you wish to download an application form or require any further information about shared ownership. You can also contact us via email or telephone on the details at the bottom of this leaflet.

Suggestions

We welcome useful suggestions on how we might improve our service to you and the way we manage your home and if you you have any ideas please contact us.

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