

A guide to
shared ownership



Welcome to our shared ownership guide

Shared ownership is a scheme designed to help people get on the property ladder. It involves purchasing a share in a property and paying a subsidised rent on the remaining share.

Our friendly and professional advisers will offer you expert guidance and ongoing support throughout your shared ownership journey. We'll be by your side as you find the home that's right for you!

How does it work?

You'll buy an initial share in a property, based on your affordability, and then pay rent on the remaining shares.

The minimum initial share you'd need to pay will vary depending on the type of scheme. For all grant funded schemes the minimum share is 10%, whereas for any other scheme, it's 25% - both up to a maximum of 75%. On some properties, you can increase your share all the way to 100%, meaning you'd own your home outright.

Later down the line, and as your household income allows, you can choose to buy more shares in your home - this is called staircasing.

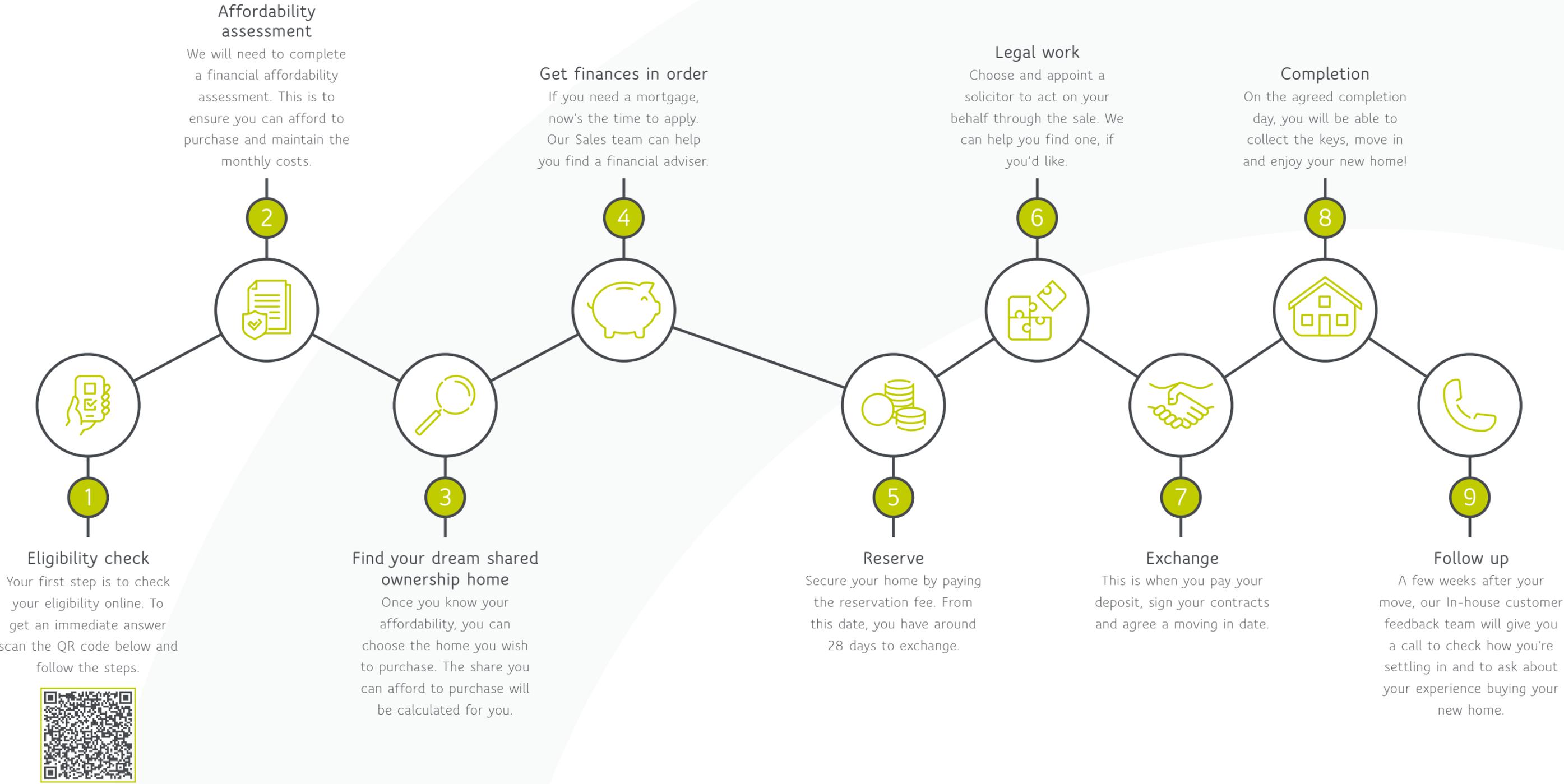


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The shared ownership buying process



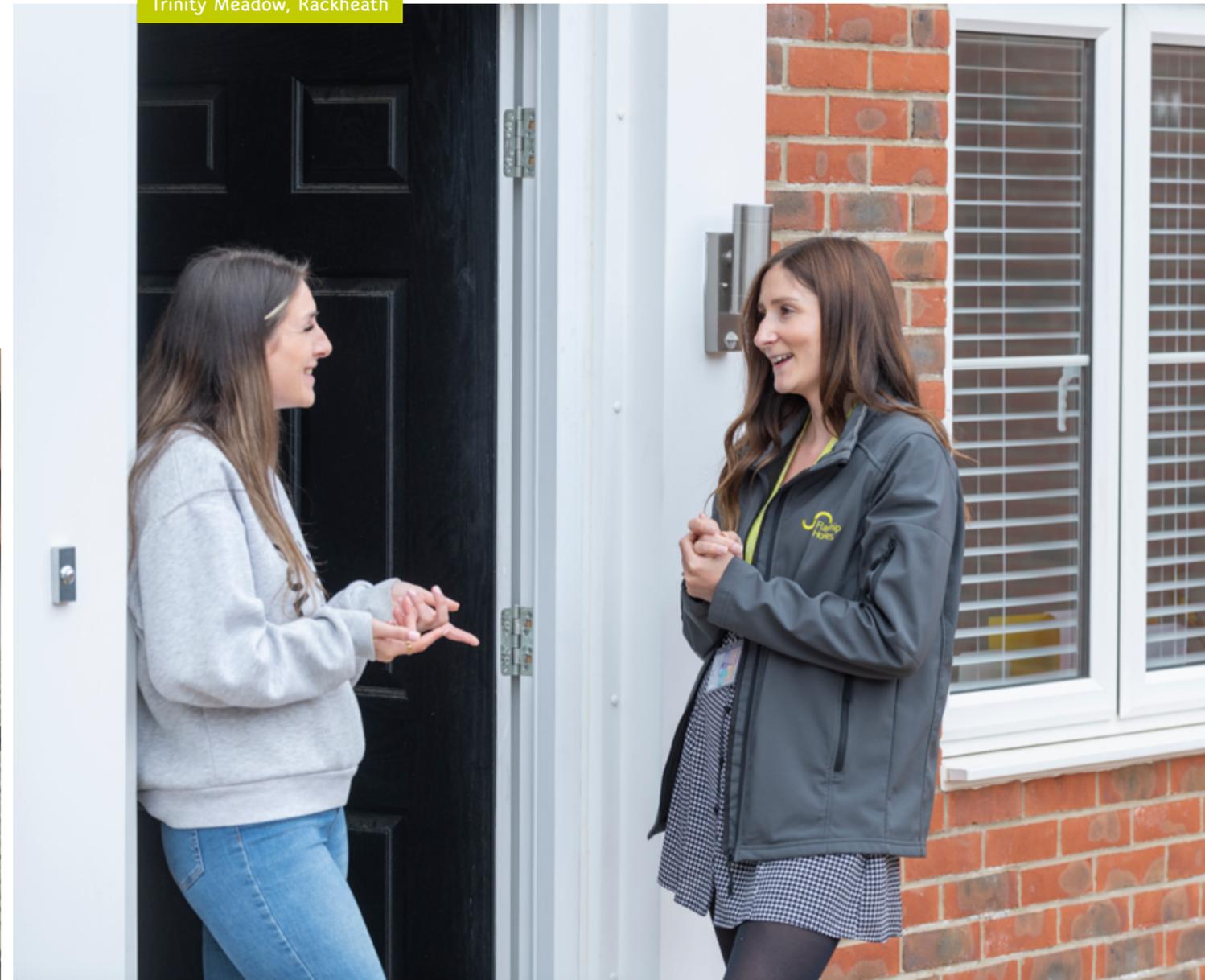
Am I eligible for shared ownership?

Our criteria for eligibility are based on the following points:

- Your gross household income must be less than £80,000 per year
- You must have funds available to cover legal/ mortgage fees and a deposit
- You do not own or have a mortgage on any other property
- You must be approved by Help to Buy Agent 3
- You meet the income criteria for the development/ property you are interested in
- Your income isn't sufficient to purchase a suitable property outright
- If self-employed, you will need two 'years' audited accounts
- Any County Court Judgment made against you has been satisfied
- You must hold a British or EU passport, or your passport should be stamped with either 'indefinite right to 'enter' or 'right to 'abode'
- Applicants whose income is severely restricted by childcare/maintenance payments
- Applicants with considerable savings but low income



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Financial FAQs

How much is the reservation fee?

This fee applies to new build properties only. Once we've approved your application, you'll need to put down a £250 reservation fee to secure the property. This fee is refundable until the solicitors have been instructed.

How do I decide on the right solicitor?

We advise choosing a solicitor who has good knowledge and understanding of shared ownership and leasehold properties. Flagship Homes has selected a panel of solicitors who have received positive customer feedback and demonstrated a high level of service, support and understanding of shared ownership, but you're not obliged to use someone from our panel.

You can find details of our panels of IFAs and Solicitors online at flagship-homes.co.uk.



How much stamp duty will I pay?

Please contact the Stamp Duty Hotline on 08456 030 135 or contact your solicitor for further information on stamp duty costs.

How do I get a mortgage?

It's important you choose a mortgage specifically designed for shared ownership. Not all major lenders offer them, so we recommend seeking informed advice from an Independent Financial Adviser (IFA) with experience of shared ownership.

Our panel of IFAs will be able to advise you on the right mortgage and will help you through every stage of the process right up to the day you move in, but you're not obliged to use someone from our panel.

Shared ownership FAQs

There are some other things to consider when thinking about shared ownership:

- Priority will be given to serving members of the British Armed Forces
- First time buyers
- Existing shared ownership owners
- Some developments are only available to people who have a connection to the local area. This is something you'll need to be able to demonstrate.

How much do I need to earn?

A minimum and maximum household income level is required for each home we sell, but this will vary depending on the price and where the property is. However, shared ownership properties are only available to those who cannot afford to purchase it outright. You'll be offered the maximum share you can afford to buy.

Ideally, your combined mortgage and rental payments should be approximately 35% and 45% of your net household income.



What documents will I need to provide?

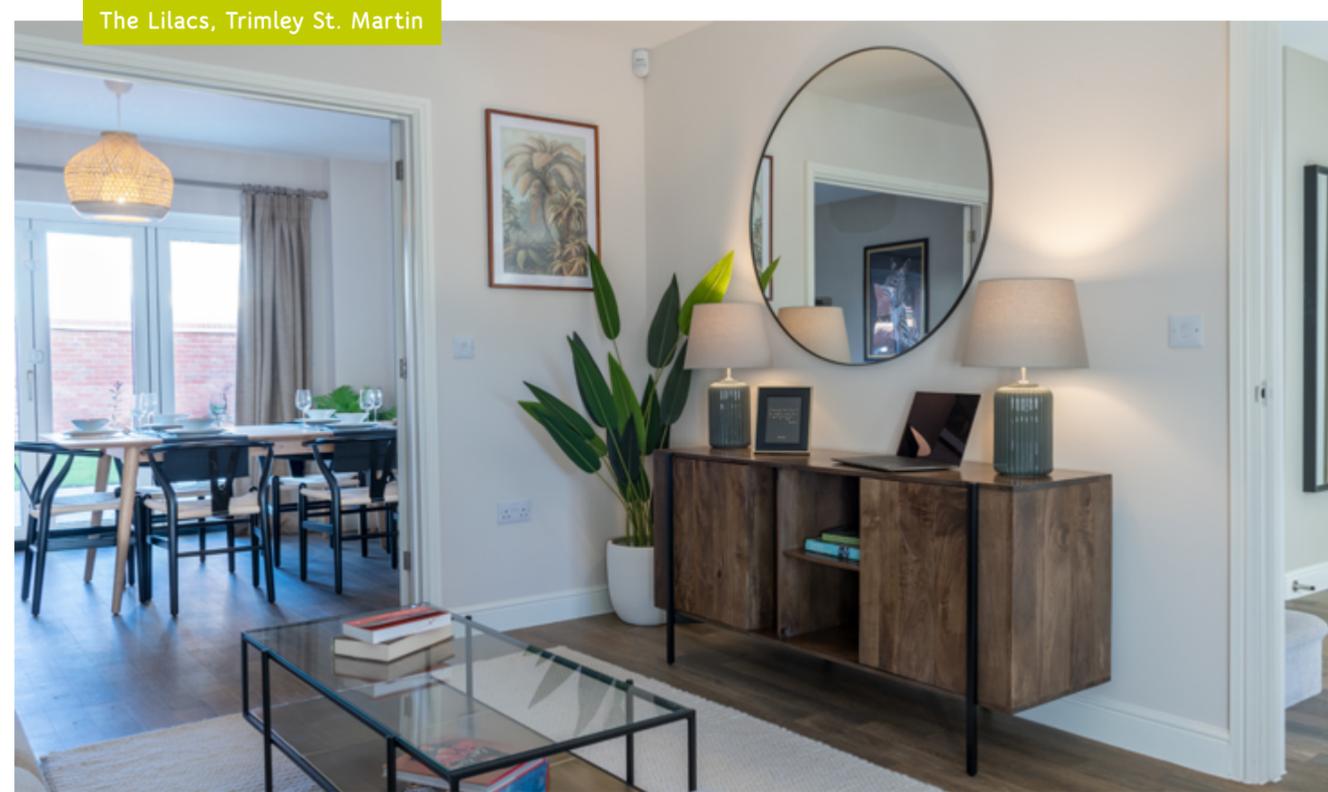
You'll need to provide evidence of your income, savings, any credit agreements, loans and an Agreement in Principle from a bank, building society or mortgage adviser. You will also have to provide photo ID.

Will my home be leasehold?

Yes, shared ownership properties are leasehold. The lease is usually 990 years and is based on a model published by the Homes and Communities Agency. It's a legally binding document between the landlord and the leaseholder and covers the rights and responsibilities of both parties, maintenance, rent, buying more shares and re-selling.

What are resale properties?

This is when the current owner of a shared ownership home wishes to sell it on, and you can purchase the percentage share that they currently own. You'd then pay a subsidised rent on the remaining share to us. There may be an option to buy a larger share, subject to an affordability check. After three months you have the option to staircase your initial share.



Once you've moved in

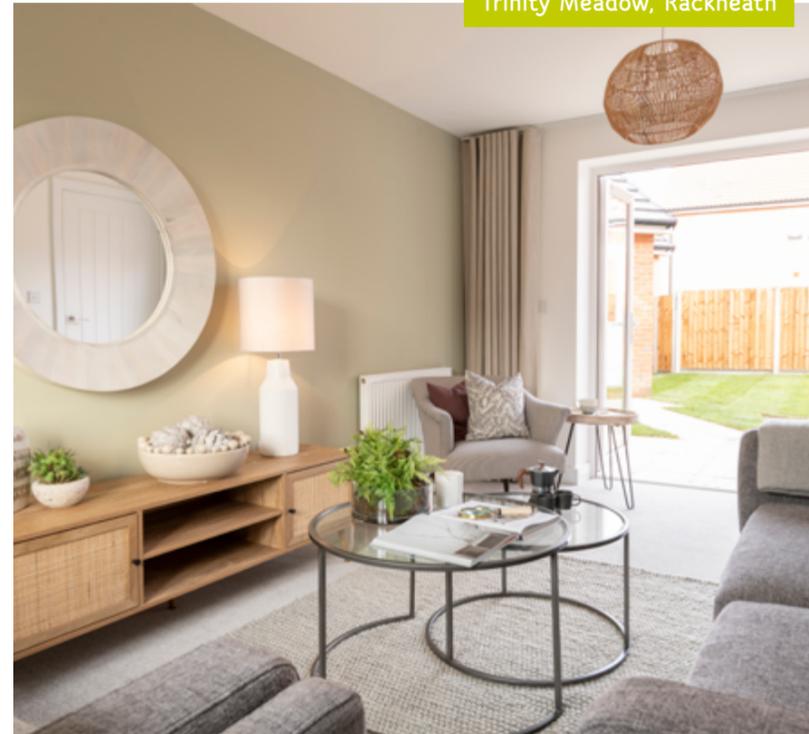
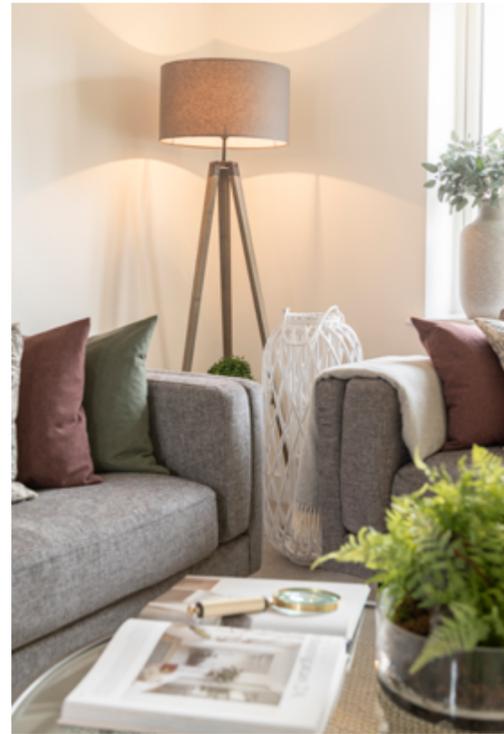
When can I buy additional shares?

Once you've moved in, you can buy additional shares in your home anytime. First, you'll need to instruct an independent RICS approved Chartered Surveyor to establish the current open market valuation, and then you'll be required to pay the agreed proportion of the new valuation to Flagship, in addition to your own legal and mortgage fees. Your monthly rent payment will decrease as you acquire additional shares in your home.

Our Staircasing leaflet explains the process in more detail and is available at flagship-homes.co.uk.

Can I make improvements to my home?

You can, but you'll need our consent first and you must obtain the relevant planning permission and building regulations. If the improvements add value to the property, we'll take these into consideration if you purchase extra shares in your home later down the line.



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What are my responsibilities as a leaseholder?

Your solicitor will explain your responsibilities but generally the main ones are:

- To pay rent, service charge and buildings insurance on time.
- Not make any alterations to the structure of your property without our consent.
- To maintain and repair the interior of your home.
- To maintain and repair the exterior of your home (houses only).

Can I sell my home?

You're able to sell your home whenever you think the time is right to move on, but there are some things you'll need to consider before you put your house on the market.

Our guide to selling your home explains the process in more detail and is available on our website flagship-homes.co.uk.

What is staircasing?

Once you've bought a shared ownership home, you can purchase additional shares – this is called staircasing.

For grant funded homes, the minimum amount you can staircase in one go is 5%, with the option of purchasing an additional share of 1% per year for the first 15 years. For all other schemes, the additional purchases must be at least 10%, and you're entitled to purchase extra shares at any time in multiples of 10% or 12.5% over four stages.

Depending on your lease, you can purchase the full remaining share in your property, allowing you to progress to 100% ownership, all in one go (please note that some properties are exempt from full ownership). Your lease will explain the process in more detail, along with any terms or exclusions.

How to staircase in six easy steps

- 1 Complete application form
- 2 Valuation carried out
- 3 Flagship Homes calculate cost of share
- 4 Confirm your acceptance back to Flagship Homes
- 5 Instruct solicitor and arrange a mortgage
- 6 Completion

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Your questions answered

How is the purchase price calculated?

When you decide to staircase, you buy the additional shares at the current market value of the property. To work out the value of your home on the open market, you'll need to instruct a RICS approved Chartered Surveyor to provide a new valuation. For 1% staircasing transactions the valuation is calculated from the Land Registry's HPI.

How long is the valuation valid?

The valuation is valid for three months. If you don't buy new shares within this timescale, you'll need to arrange another valuation, which you may have to pay for.

How do I begin to staircase?

The first thing to do is appoint a surveyor to carry out a staircasing valuation. Don't forget to advise the surveyor of any improvements you've made to your home and ask them to provide a valuation which excludes these.

Once you've arranged a valuation, please complete the staircasing application form and send it back to us.

Will my rent payments alter?

If you're partially staircasing, rather than buying your home outright, the amount of rent you pay will reduce in line with the additional shares purchased. If you staircase to full ownership, you will no longer have to pay rent to us, although a ground rent or service charge may still apply.

What else will I need to pay?

In addition to the cost of a new valuation and our administration fee, you are responsible for your solicitor's costs, any mortgage arrangement/valuation fee and potentially stamp duty. If you decide to go ahead and buy additional shares in your home, an administration fee of £120 (£100+VAT) is then payable. This is non-refundable.

What about service charge and buildings insurance?

If you're staircasing to full ownership and your home becomes freehold, you'll be responsible for arranging buildings insurance. However, if your home is to remain leasehold, your buildings insurance and service charge will remain unaffected. In both cases, service charges will still apply.

What about improvements made to my home?

Please notify us on your application form about any improvements you've carried out to your home so that we can instruct the surveyor to disregard these when they provide the new valuation.

As long as you gained our consent and any relevant planning permission or building regulations before the work started, improvements you need to let us know about could include:

- A kitchen or bathroom
- Upgraded central heating
- A loft conversion
- Double-glazing
- Conservatories

General repairs, maintenance or redecoration are not considered to be improvements



We are Flagship Homes and we are different

We provide homes for sale and private rent - not just places to live, but places to love. Whatever your circumstances, we have a home for you.

We're different. We have a social purpose. We reinvest any profit we make into providing more affordable homes - we call it profit for purpose. And as part of Flagship Group, we're solving the housing crisis. So, by making a Flagship Home your home, you're helping us to do just that...



Customer testimonials

"They went above and beyond, I cannot thank everyone enough"

"We didn't have a large deposit, and shared ownership enabled us to get on the property ladder"

"From start to finish the sales adviser was excellent, couldn't fault them at all. Always kept up to date and always helped with every query I had. This is my first time buying a property so I had no experience of what to do or what to expect and they made the whole process so easy and stress-free"

"Communication was on a personal and human level"

"Flagship has changed my life for the better"

How to get started

If you think shared ownership is the right choice for you, call the Flagship Homes Sales Team on 01603 255444 and we'll discuss your eligibility and the homes available to you. Or you can request an application form by calling 0800 456 1188 if you'd prefer.



How to contact us

Flagship Homes Sales Team

31 King Street, Norwich, Norfolk NR1 1PD

Telephone: 01603 255444

Email: sales@flagship-homes.co.uk

Web: flagship-homes.co.uk

Our sales team is available to assist you

Monday - Thursday: 9.00am - 5.00pm

Fridays: 9:00am - 4:30pm

