

## Summary of costs

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the 'leaseholder') and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should ensure you take independent legal and financial advice.

This summary of costs document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

It does not form part of the lease. You should carefully consider the information and the accompanying lease, and discuss any issues with your solicitor before signing the lease.

Failure to pay your rent or service charge or your mortgage could mean your house is at risk of repossession.

Examples and figures provided in this summary of costs document are correct at the time of issue but will change over time in accordance with changes in house prices and the terms of the shared ownership lease.

The monthly payments to the landlord will be reviewed annually. The figures in this document will only apply to the first year of the lease.

## Purchase costs

<b>Full market value</b>	£405,500
<b>Share purchase price</b>	£101,375 (25% share)  The share purchase price and percentage are based on the amount you can afford.
<b>Deposit</b>	£5068.75 (5% minimum)
<b>Reservation fee</b>	£350
<b>Your solicitors' fees</b>	<p>Solicitors' fees can vary. You can expect to pay fees including:</p> <ul style="list-style-type: none"><li>• legal services fee</li><li>• search costs</li><li>• banking charges</li><li>• Land Registry fee</li><li>• document pack fee</li><li>• management agent consent fee - subject to development and terms of the management company</li></ul> <p>You'll need to ask your solicitor what the fees cover and the cost for your purchase.</p>
<b>Stamp Duty Land Tax (SDLT)</b>	<p>You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your solicitor. There is more guidance on the GOV.UK website:</p> <ul style="list-style-type: none"><li>• <a href="#">Stamp Duty Land Tax: shared ownership property</a></li><li>• <a href="#">Calculate Stamp Duty Land Tax (SDLT)</a></li></ul>

## Your monthly payments to the landlord

<b>Rent</b>	<p>If you buy a 25% share, the rent will be £506.88 a month.</p> <p>The percentage share and rent amount is based on the amount you can afford.</p>
<b>Service charge</b>	<p>£19.88 a month</p> <p>The service charge is for maintenance of communal areas, estate charges, buildings insurance, sinking fund.</p>
<b>Estate charge</b>	<p>£33.35 a month.</p> <p>The estate charge is for maintenance of grounds, communal areas, facilities, appliances.</p>
<b>Buildings insurance</b>	£26.37
<b>Management fee</b>	£11.94 (included in service charge)
<b>Reserve (sinking) fund payment</b>	Included in service charge
<b>Total monthly payment to the landlord</b>	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p>£598.42 a month</p> <p>You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.</p>

## Rent review

<b>Rent review period</b>	Your rent will be reviewed every year on 31 <sup>st</sup> March.
<b>Rent increase</b>	The maximum amount your rent can go up by is the same as the percentage increase in the <a href="#">Retail Prices Index</a> (RPI) for the previous 12 months plus 0.5%.

## Future costs if you buy more shares

<b>Home valuation</b>	<p>If you choose to buy shares of 5% or more, you'll need to pay for a valuation by a surveyor who is registered with the <a href="#">Royal Institution of Chartered Surveyors</a> (RICS). The estimated current cost is £260 inc VAT.</p> <p>You will need to arrange the valuation – if you instruct from our panel quoting 'Latimer' the fee is as above. If you choose a valuer off panel then it will be variable.</p> <p>You can <a href="#">find a registered surveyor on the RICS website</a>.</p> <p>The price of a 1% share is based on the original full market value adjusted up or down each year in line with the <a href="#">House Price Index (HPI)</a>. You'll receive an HPI valuation at least once a year. You or the landlord can choose to use a RICS valuation instead of HPI. The party who chooses to instruct a RICS surveyor pays for the cost of the valuation.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
<b>Share purchase admin fees</b>	<p>Buy shares of 1% - no admin fee.</p> <p>Buy shares of 5% or more - £250 up to 100%. £500 on final staircasing (fees inclusive of VAT)</p> <p>You cannot buy shares of 2%, 3% or 4%.</p>
<b>Your solicitors' fees</b>	<p>Where you require legal advice when buying more shares, you are responsible for paying your own legal fees. Your mortgage lender will require you to instruct a solicitor if you are borrowing money to fund any purchase of additional shares. The landlord is responsible for paying their own legal fees related to share purchase transactions.</p>

## Future costs if you sell your home

<b>Landlord's current selling fee</b>	<p>The current charge is 1.5% plus VAT of the value of the share sold – up to 1% plus VAT of the market value. NB this fee is payable if a buyer is found by us or our appointed agent in the nomination period. If using an agent the below will apply</p>
<b>Landlord admin fee</b>	£180 (Inc VAT)
<b>Our solicitors fee</b>	£420 (inc VAT)

<b>Leasehold pack</b>	When you sell you'll need to purchase a leasehold pack for your buyer. This is currently charged at £180 (inc VAT) for a house and £300 (inc VAT) for an apartment
<b>Estate agent's fee</b>	You'll need to pay their fee, which is negotiable.
<b>Your solicitors' fees</b>	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
<b>Home valuation</b>	The landlord arranges the valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

## Other potential costs from the landlord

For other potential costs now and in the future please refer to the below link to our website.

<https://www.latimerhomes.com/my-home/service-charges-fees-and-rent/administration-fees-table>

## Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

<b>Mortgage repayment</b>	£_____ a month
<b>Contents insurance</b>	£_____ a month
<b>Council Tax</b>	£_____ a month
<b>Gas and electricity</b>	£_____

<b>Water</b>	£_____
<b>Annual boiler service</b>	£_____ a year
<b>Other payments</b>	