

Key information about the home

There are variations of shared ownership models which have different features. The model of shared ownership may vary depending on:

- what rules were in place at the time the home was funded or planning permission granted
- where the home is located
- whether the home is for a specific group of people

The table below highlights the key features of common shared ownership schemes. The information in this document is for the new model shared ownership.

Shared Ownership Model	Older Model Shared Ownership	Standard Model Shared Ownership	New Model Shared Ownership
Minimum Initial Share	25%	25%	10%
Lease Length	Typically, Leases were issued for 99 years from new	Lease are for a minimum of 99 years from new but typically at least 125 years	Leases will be for a minimum of 990 years from new
Initial repair period	No	No	Yes
Buying More Shares -- minimum purchase	10% or 25%	10%	5%
1% share purchase	No	No	Yes
Landlords Nomination Period	8 weeks or 12 weeks	8 weeks	4 weeks

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

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.

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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 key information 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. You should take financial advice on whether this will be sustainable for you.

Address	18 Tippen Court, Bucknall Place, WATFORD, WD19 7EH												
Property type	2 bedroom, 3rd floor flat												
Scheme	Shared ownership resale												
Full market value	£350,000.00												
Share purchase price	<p>£87,500.00 (25% share)</p> <p>The share purchase price offered to you will be based on an assessment of what you can afford.</p>												
Rent	<p>If you buy a 25% share, the rent will be £725.71 a month (reviewed annually)</p> <p>If you buy a larger share, you'll pay less rent. Examples below</p> <table> <thead> <tr> <th>Share</th> <th>Monthly rent</th> </tr> </thead> <tbody> <tr> <td>40%</td> <td>£580.57</td> </tr> <tr> <td>50%</td> <td>£483.81</td> </tr> <tr> <td>60%</td> <td>£387.05</td> </tr> <tr> <td>75%</td> <td>£241.90</td> </tr> <tr> <td>90%</td> <td>£96.76</td> </tr> </tbody> </table> <p>The percentage share and rent amount will change depending on the amount you can afford. You'll receive a worked example after a financial assessment carried out by The Mortgage People.</p>	Share	Monthly rent	40%	£580.57	50%	£483.81	60%	£387.05	75%	£241.90	90%	£96.76
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<p>Monthly payment to the landlord</p>	<p>The monthly payment to the landlord includes:</p> <table data-bbox="486 212 949 376"> <tr> <td>Rent</td> <td>£725.71</td> </tr> <tr> <td>Service charge</td> <td>£70.07</td> </tr> <tr> <td>Buildings insurance</td> <td>£8.33</td> </tr> <tr> <td>Management fee</td> <td>£23.00</td> </tr> <tr> <td>Reserve fund payment</td> <td>£47.05</td> </tr> </table> <p>Total monthly payment £874.16 (reviewed annually)</p> <p>The monthly payment to the landlord from 1st April 2024</p> <table data-bbox="486 533 949 696"> <tr> <td>Rent</td> <td>£793.93</td> </tr> <tr> <td>Service charge</td> <td>£66.16</td> </tr> <tr> <td>Buildings insurance</td> <td>£23.67</td> </tr> <tr> <td>Management fee</td> <td>£23.00</td> </tr> <tr> <td>Reserve fund payment</td> <td>£48.79</td> </tr> </table> <p>Total monthly payment £955.55 (reviewed annually)</p>	Rent	£725.71	Service charge	£70.07	Buildings insurance	£8.33	Management fee	£23.00	Reserve fund payment	£47.05	Rent	£793.93	Service charge	£66.16	Buildings insurance	£23.67	Management fee	£23.00	Reserve fund payment	£48.79
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<p>Reservation fee</p>	<p>N/A</p>																				

Eligibility	<p>You can apply to buy the home if both of the following apply:</p> <ul style="list-style-type: none"> • Your household income is £80,000 (£90,000 in London) or less • You cannot afford all of the deposit and mortgage payments to buy a home that meets your needs <p>One of the following must also be true:</p> <ul style="list-style-type: none"> • You're a first-time buyer • You used to own a home but cannot afford to buy one now • You're forming a new household - for example, after a relationship breakdown • You're an existing shared owner, and you want to move • You own a home and want to move but cannot afford a new home for your needs* <p>*If you own a home, you must have completed the sale of the home on or before the date you complete your shared ownership purchase.</p> <p>As part of your application, your finances and credit history will be assessed to ensure that you can afford and sustain the rental and mortgage payments. The financial assessment will be done by The Mortgage People.</p>
Pets	<p>Pets are not permitted</p>
Tenure	<p>Leasehold</p>
Lease type	<p>Shared ownership flat lease, assignable</p>
Lease term	<p>250 years (less 5 days) from 8th February 2017</p> <p>For more information, see section 2.5, 'Lease extensions', in the 'Key information about shared ownership' document.</p>
Maximum share you can own	<p>You can buy up to 100% of your home.</p>
Transfer of freehold	<p>At 100% ownership, the leasehold title remains in your name but the shared ownership obligations fall away.</p>

<p>Landlord</p>	<p>Home Group One Strawberry Lane Newcastle Upon Tyne NE1 4BX</p> <p>Under a shared ownership lease, you pay for a percentage share of the market value of a home. You enter into a lease agreement with the landlord and agree to pay rent to the landlord on the remaining share.</p>
<p>Landlords Nomination Period</p>	<p>When you give the landlord notice that you intend to sell your share in your home, the landlord has 8 weeks to find a buyer. If they do not find a buyer within the nomination period, you may be able to sell your share yourself on the open market. For example, through an estate agent.</p>
<p>Subletting</p>	<p>You can rent out a room in the home at any time, but you must live there at the same time.</p> <p>You cannot sublet (rent out) your entire home unless either:</p> <ul style="list-style-type: none"> • You own a 100% share and your lease permits subletting • You have Home Group's permission, which they will only give in exceptional circumstances <p>and</p> <ul style="list-style-type: none"> • Have your mortgage lenders permission, if you have a mortgage <p>If you're a serving member of the armed forces, and you're required to serve away from the area where you live for a fixed period, you may be able to sublet the entire home subject to Home Group's permission.</p>

Summary of costs

The information in this document is for the standard shared ownership model. There are variations of shared ownership which have different features. For more information on the variations, see the 'Key information about the home' document.

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

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. You should take financial advice on whether this will be sustainable for you

Purchase costs

Full market value	£350,000.00
Share purchase price	£87,500.00 (25% share)
Your solicitors' fees	<p>Solicitors' fees can vary. You can expect to pay fees including:</p> <ul style="list-style-type: none"> • Legal services fee • Search costs • Banking charges • Land Registry fee • Document pack fee • Management agent consent fee - subject to development and terms of the management company <p>You'll need to ask your solicitor what the fees cover and the cost for your purchase.</p>
Stamp Duty Land Tax (SDLT)	<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"> • Stamp Duty Land Tax: shared ownership property • Calculate Stamp Duty Land Tax (SDLT)

Your monthly/annual payments to the landlord

Rent	<p>If you buy a 25% share, the rent will be £725.71 a month (reviewed annually)</p> <p>If you buy a larger share, you'll pay less rent. Examples below</p> <table> <thead> <tr> <th>Share</th> <th>Monthly rent</th> </tr> </thead> <tbody> <tr> <td>40%</td> <td>£580.57</td> </tr> <tr> <td>50%</td> <td>£483.81</td> </tr> <tr> <td>60%</td> <td>£387.05</td> </tr> <tr> <td>75%</td> <td>£241.90</td> </tr> <tr> <td>90%</td> <td>£96.76</td> </tr> </tbody> </table> <p>The percentage share and rent amount will change depending on the amount you can afford. You'll receive a worked example after a financial assessment carried out by The Mortgage People..</p>	Share	Monthly rent	40%	£580.57	50%	£483.81	60%	£387.05	75%	£241.90	90%	£96.76
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Service charge	£70.07 per month (£66.16 per month from 1 st April 2024)												
Estate charge	There is no estate charge to pay.												
Buildings insurance	£8.33 per month (£23.67 per month from 1 st April 2024)												
Management fee	<p>£23.00 per month</p> <p>The management fee is payable to Home Group</p>												

Reserve (sinking) fund payment	£47.05 per month (48.79 per month from 1 st April 2024) For more information, see section 5.7, 'Repairs reserve fund', in the 'Key information about shared ownership' document.
Total monthly payment to the landlord	Your total monthly payment for the rent and other charges described above will be: £874.16 per month (£955.55 per month from 1 st April 2024) 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.

Rent review

Rent review period	Enter the date when the rent will be reviewed. Your rent will be reviewed every year on 1 st April										
Rent increase	<p>The maximum amount your rent can go up by is the same as the percentage increase in the Retail Prices Index (RPI) for the previous 12 months plus 0.5%.</p> <p>Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.</p> <p>You should expect your rent to go up by the maximum amount possible each year when it is reviewed.</p> <p>Example rent increases - The example below illustrates how the Rent shown in this document (£725.71 per month) would rise during the first five Review Dates based on an example percentage increase each year of 6%*</p> <p>Please note that the below table is for illustration purposes only, using an example rate increase and the actual RPI for the relevant period will be used to calculate your new rent which may be more or less than the percentage shown.</p> <table border="1"> <thead> <tr> <th>New rent at Year 1 Review Date (applying an example percentage increase of 6%)</th> <th>New rent at Year 2 Review Date (applying an example percentage increase of 6%)</th> <th>New rent at Year 3 Review Date (applying an example percentage increase of 6%)</th> <th>New rent at Year 4 Review Date (applying an example percentage increase of 6%)</th> <th>New rent at Year 5 Review Date (applying an example percentage increase of 6%)</th> </tr> </thead> <tbody> <tr> <td>£769.25 per month</td> <td>£815.41 per month</td> <td>£864.33 per month</td> <td>£916.19 per month</td> <td>£971.16 per month</td> </tr> </tbody> </table>	New rent at Year 1 Review Date (applying an example percentage increase of 6%)	New rent at Year 2 Review Date (applying an example percentage increase of 6%)	New rent at Year 3 Review Date (applying an example percentage increase of 6%)	New rent at Year 4 Review Date (applying an example percentage increase of 6%)	New rent at Year 5 Review Date (applying an example percentage increase of 6%)	£769.25 per month	£815.41 per month	£864.33 per month	£916.19 per month	£971.16 per month
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Future costs if you buy more shares (staircasing)

<p>Home valuation</p>	<p>If you choose to buy more shares in the property, You will need to arrange a valuation by a surveyor the valuation must be carried out by an independent MRICS qualified surveyor. We cannot accept valuations from an associate member of RICS (AssocRICS). Royal Institution of Chartered Surveyors</p> <p>You will need to arrange the valuation directly with the surveyor.</p> <p>You can find a registered surveyor on the RICS website.</p> <p>The price of the share you wish to purchase is based on the original full market value adjusted up or down each year in line with the House Price Index (HPI). You'll receive a 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>
<p>Share purchase admin fees</p>	<p>Admin fee to be confirmed.</p>
<p>Your solicitors' fees</p>	<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

<p>Landlord's current selling fee</p>	<p>1% of the sale price plus VAT</p>
<p>Leasehold Pack</p>	<p>£200 + VAT</p>
<p>Administration fee</p>	<p>£250.00 + VAT</p>
<p>Estate agent's fee</p>	<p>You'll need to pay their fee</p>
<p>Your solicitors' fees</p>	<p>You e responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.</p>
<p>Home valuation</p>	<p>You are responsible for paying the cost of the valuation by a surveyor the valuation must be carried out by an independent MRICS qualified surveyor. We cannot accept valuations from an associate member of RICS (AssocRICS).</p>

Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 85 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

Lease Term	250 years (minus 5 days)
Maximum share you can own	You can buy up to 100% of your home
Transfer of freehold	At 100% ownership the freehold cannot be transferred to you

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the 'Key information about shared ownership' document.

Other potential costs from the landlord

Mortgage approval	£40 + VAT
Notice Fees x 2	£75 + VAT per notice
Deed of Covenant fee	£225 + VAT
Licence to Assign	N/A
Consent for works; alterations and or improvements	£100 + VAT
Staircasing fee	TBC
Pet licence	£125 + VAT
Subletting	TBC
Ground rent	One peppercorn per annum (if demanded)

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.

Mortgage repayment	£____ a month
Contents insurance	£____ a month
Council Tax	£____ a month
Gas and electricity	£____
Water	£____
Annual boiler service	£____ a year
Other payments	

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1. How shared ownership works

- 1.1 You pay for a percentage share of the market value of a home. You enter into a lease agreement with the landlord, and agree to pay rent to the landlord on the remaining share.
- 1.2 You can buy more shares in your home, which is known as 'staircasing'. This is covered in section 6, 'Buying more shares'.
- 1.3 When you buy more shares in your home, the rent you pay goes down in proportion to the landlord's remaining share.
- 1.4 You can rent out a room in the home at any time, but you must live there at the same time.
- 1.5 You cannot sublet (rent out) your entire home unless either:
 - You own a 100% share and your lease permits subletting
 - You have your landlord's permission, which they will only give in exceptional circumstances
- 1.6 If you're a serving member of the armed forces, and you're required to serve away from the area where you live for a fixed period, you may sublet the entire home subject to the landlord's permission.

2. Lease

- 2.1 All shared ownership homes are sold as leasehold, even houses. This is because you only pay for part of the market value up front, and the landlord has an interest in the remaining share. If you reach 100% ownership, where possible, for most houses the freehold will transfer to you, and the shared ownership lease falls away. For most flats, the lease will remain in place, but the shared ownership obligations will fall away.

For more information, see the 'Maximum share you can own' section in the 'Key information about the home' document.

- 2.2 You are buying a long leasehold interest in the home but only paying for part of the market value. The length of the lease is stated in the 'Key information about the home' document.
- 2.3 Information included within your lease:
 - 2.3.1 A description of the home, including its boundaries.
 - 2.3.2 Your responsibilities as a leaseholder, such as repairs and maintenance, and your landlord's responsibilities, such as buildings insurance. For more information on repairs, see section 5, 'Maintaining and living in the home'.
 - 2.3.3 Details of any restrictions or obligations, such as decoration and alterations.
 - 2.3.4 The lease start date.
 - 2.3.5 The share that you have bought.
 - 2.3.6 The amount of rent you must pay, together with any other amounts due under the lease.
 - 2.3.7 How the landlord will review your rent.
 - 2.3.8 The method by which you can buy additional shares to own more of your home in the future (staircasing).
 - 2.3.9 The method by which you can move home, either by selling your share or selling the whole home.
- 2.4 As the lease is a legally binding contract, review it carefully with your solicitor. It's important that you make sure that you understand the lease before you sign it. Your solicitor will provide you with a copy of the lease.

2.5 Lease extensions

- 2.5.1 Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term.
- 2.5.2 You'll need to contact your landlord before you buy to confirm their lease extension policy and what rules they have for shared owners who want to extend. There will be costs associated

with a lease extension that you need to be aware of. The length of your lease can affect the value of your home. Usually you can extend your lease, but this can be expensive.

- 2.5.3 You may need to extend the term of your lease as a short lease can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.
- 2.5.4 Before you buy a property, you should ask your legal adviser about your lease and the implications that has for you now and in the future.
- 2.5.5 Your landlord may not own the freehold which may limit the lease extension length they can provide you with.
- 2.5.6 You should ask your landlord the terms on which they will allow shared owners to extend their leases. You should check how they apportion costs relating to this.
- 2.5.7 Extending a lease can be expensive. Costs to consider are:

The “premium”. This is the amount of money charged for increasing the lease length. Some landlords may charge the full amount whilst others link this to the share owned. Where the landlord is not the freeholder, they may need to pay a “premium” to the freeholder in order to extend their own lease.

Valuation costs. In order to find out the “premium” a specialist valuation will need to be carried out. Your landlord should be able to give you an indication of the cost but this may change in the future.

Legal costs. You and your landlord will need to take legal advice. Your landlord may require you to pay their legal costs in addition to their own.

2.6 100% ownership

- 2.6.1 See ‘Transfer of freehold’ in the ‘Key information about the home’ document to find out what will happen once you own 100% of your home.
- 2.6.2 When you reach 100% ownership of a shared ownership house, the shared ownership obligations falls away and the freehold may be able to be transferred to you. When you reach 100% ownership of a shared ownership flat, your lease will normally continue but certain clauses will no longer apply. Your lease will set out which clauses fall away at 100% ownership.
- 2.6.3 There may be charges payable to third parties on reaching 100% ownership. For example, Land Registry fees to register the change in ownership or notice fees to third parties such as estate management companies.
- 2.6.4 You may need to enter into direct agreements with third parties such as estate management companies on 100% ownership.
- 2.6.5 Your legal adviser should advise you on any of the above which apply to your home.

3. Rent

- 3.1 Under a shared ownership lease, you only pay for part of the market value up front, and you agree to pay rent on the remaining share to the landlord.
- 3.2 The total rent to pay in the first year is a percentage of the remaining share of the market value you did not pay for. This percentage is in the ‘Key information about the home’ document. If you buy more shares in your home, the rent will go down.
- 3.3 The landlord will review your rent periodically at the times set out in the lease. Typically, they review the rent every year.

Depending on the terms of your lease, your rent will be reviewed by reference to either the Retail Price Index (RPI) or the Consumer Price Index (CPI). This will be shown in the ‘Rent Review’ section in the ‘Summary of Costs’ document. Your rent will in normal circumstances increase when it is reviewed . Your actual rent increase will be calculated each year and will usually be based on the RPI or CPI increase and additional percentage set out in your lease. Your landlord will notify you each year what this amount will be.

In the event of an RPI or a CPI decrease, your landlord does not have to decrease your rent and they may still increase it should an increase be possible once the additional percentage is taken into account.

3.4 Your lease will include the dates used for calculating the increase in RPI or CPI. For more information see the 'Rent Review Period' and 'Rent Review' sections in the 'Summary of Costs' document. A worked example demonstrating how the rent is calculated at review is also set out in Appendix 2 of the lease.

3.5 Your landlord may be entitled to terminate the lease if you:

- Do not pay the rent
- Do not observe and perform your obligations in the lease

The landlord will need a court order to terminate the lease. If the landlord terminates the lease, you may lose any equity in the home you had bought. You could also lose any deposit or monies you have contributed towards the purchase of your home.

If action is needed for non-payment of rent or breach of another obligation in the lease, the landlord will be obliged to make your mortgage lender aware of this. The mortgage lender may take their own action as they feel is appropriate.

3.6 When you complete (the day you buy your home), you will need to pay these costs for the rest of the month and possibly for the following month:

- Rent
- Service charge (where applicable)
- Estate charge (where applicable)
- Buildings insurance
- Reserve fund (also known as 'sinking fund') payment (where applicable)
- Management fee (where applicable)

Remember to plan for these amounts when you work out how much money you need for completion. You will receive a completion statement that explains what you need to do. Your solicitor will go through it with you.

For more information on what these costs are for, see 'Your monthly payments to the landlord' in the 'Summary of costs' document.

4. Other costs

1.1 You'll need to make monthly payments to the landlord for the:

- Rent
- Service charge (where applicable)
- Estate charge (where applicable)
- Buildings insurance
- Reserve fund (also known as 'sinking fund') payment (where applicable)
- Management fee (where applicable)

There is more information on the GOV.UK website about [service charges and other expenses](#).

1.2 You'll need to budget for your other monthly costs, which may include:

- Mortgage repayment
- Contents insurance
- Council Tax
- Gas and electricity
- Water

4.3 You'll need to pay a deposit towards your purchase:

- Check with your solicitor when you need to pay the deposit
- Check with your mortgage adviser when your first mortgage payment is due after completion

4.5 You'll need to pay for your [contents insurance](#). You'll need to arrange this yourself before completion.

4.6 The landlord is responsible for the buildings insurance while you are a shared owner. This applies to both houses and flats.

If you reach 100% ownership and remain a leaseholder, you'll continue to pay the landlord for buildings insurance.

If you reach 100% ownership and become the freeholder, you'll need to arrange buildings insurance yourself.

To find out which of these apply, see the 'Maximum share you can own' section in the 'Key information about the home' document.

4.7 You'll need to pay your own solicitors' fees and any associated purchase costs. You can expect to pay fees including:

- Legal services fee
- Search costs
- Banking charges
- Land Registry fee
- Document pack fee
- Management agent consent fee - subject to development and terms of the management company

Solicitors' fees can vary. Your solicitor should confirm what the fees cover and the cost when you instruct them to act on your behalf.

4.8 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:

- [Stamp Duty Land Tax and shared ownership property](#)
- [Calculate Stamp Duty Land Tax \(SDLT\)](#)

4.9 Remember to plan for these amounts when you work out how much money you need for completion. You will receive the following documents from your solicitor:

- An initial quote for the costs involved
- A completion statement after exchange of contracts, which describes the actual costs

Your solicitor will go through these documents with you.

5. Maintaining and living in the home

This section describes the responsibilities for repairs and maintenance and who pays the costs.

5.1 As the leaseholder, you are responsible for keeping the home in good condition.

5.2 You are responsible for the cost of repairs and maintenance of the home.

For information on help from the landlord with the cost of essential repairs in the first 10 years of the lease, see section 5.8, 'Initial repair period'.

- 5.3 The landlord is not responsible for carrying out refurbishment or decorations. For example, replacing kitchens or bathrooms.
- 5.4 You are responsible for arranging and paying for a boiler service every year. The service must be carried out by an engineer on the [Gas Safe Register](#).

5.5 Decoration and home improvements

- 5.5.1 You can paint, decorate and refurbish the home as you wish. For new-build homes, it's better to not decorate for the first year though. This gives building materials like timber and plaster time to dry out and settle.
- 5.5.2 If you want to make any structural changes to your home, check with your landlord first to see if you need permission.
- 5.5.3 You'll need to check with your landlord what counts as a home improvement and get permission before you carry out these works.
- 5.5.4 Home improvements may increase or decrease the market value of your home. How this affects you is covered in more detail in section 6, 'Buying more shares'.

5.6 Responsibilities for maintaining the building

- 5.6.1 For new-build homes, the building warranty will cover the cost of structural repairs (typically for the first 10 or 12 years). You'll need to check with the landlord who the building warranty provider is.
- 5.6.2 For flats, outside of the initial repair period (see section 5.8), the building owner (typically the landlord) will arrange external and structural repairs required. The cost will be divided between you and the other flat owners in the building, if the reserve fund does not cover the cost. Check with your solicitor to confirm what is in your lease.
- 5.6.3 If you buy a home through a shared ownership resale, any remaining period on the building warranty will transfer to you.
- 5.6.4 The service charge covers the items described in the 'Summary of costs' document. During the initial repair period, the landlord cannot use the service charge to cover external and structural repairs. After the initial repair period, the landlord will use the service charge to pay for the costs, unless they are covered by the repairs reserve fund.

5.7 Repairs reserve fund

- 5.7.1 If there is a reserve fund (also known as 'sinking fund'), you will need to pay into the fund. The fund covers major works, like replacing the roof. There are [rules](#) about how landlords must manage these funds. You will not usually be able to get back any money you pay into them. For example, if you move home.
- 5.7.2 Repairs which are the landlord's responsibility during the initial repair period will not be paid for using the reserve fund.
- 5.7.3 Refer to your 'Summary of costs' document to check if there is a reserve fund payment.

6. Buying more shares

- 6.1 You can buy more shares in your home. This is known as 'staircasing'.
- 6.2 If you buy more shares in your home, the rent will go down.
- 6.3 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.
- 6.4 It is advisable to take independent legal and financial advice before buying more shares to be clear on your options. For example, you might need to pay Stamp Duty Land Tax (SDLT) on these purchases.
- 6.5 You can buy additional shares of 10% or more at any time.
- 6.6 You'll need to know your home's market value. You'll need to pay for a valuation by a surveyor, the valuation must be carried out by an independent MRICS qualified surveyor. We cannot accept valuations from an associate member of RICS (AssocRICS). The responsibility for who

arranges the valuation (you or the landlord) is in the 'Home valuation' section of the 'Summary of costs' document. You can [find a registered surveyor on the RICS website](#).

- 6.7 The landlord may charge an administration fee each time you buy a share of 10% or more. The fee is stated in the 'Summary of costs' document.
- 6.8 You will need to have your landlord's permission to make home improvements.
- 6.9 If you have made home improvements, then your home valuation must show two amounts:

- The current market value - this is the home's value including any increase because of home improvements
- The unimproved value - this is the home's value ignoring the value added by any home improvements carried out

The price of additional shares is based on the unimproved value.

7. Selling your home

7.1 You can sell your home at any time.

7.2 If you do not own 100% of your home, you must inform your landlord when you intend to sell your share.

7.3 If you do own 100% of your home, you can sell it on the open market. For example, through an estate agent however you still need to inform your landlord.

7.4 Landlord's first option to buy

- 7.4.1 When you give the landlord notice that you intend to sell your share in your home, the landlord has 'first option to buy'. This means the landlord has a period of time to find a buyer. The period is specified in the 'Key information about the home' document.
- 7.4.2 If the landlord does not find a buyer within the specified period, you can sell your share yourself on the open market. For example, through an estate agent.
- 7.4.3 There are certain limited circumstances where the landlord's first option to buy does not apply. These include the death of a leaseholder or if a court order requires you to transfer your ownership. You should ask your solicitor if you think these circumstances may apply. The landlord's first option to buy also does not apply once you own 100% of your home.
- 7.4.4 If your landlord finds a buyer during their period of first option to buy, the price will be no more than the current market value of your share of the home based on a MRICS valuation.

7.5 Selling fees and costs

- 7.5.1 The landlord may charge you a fee when you sell your home. The cost is stated in the 'Summary of costs' document.
- 7.5.2 You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.

7.6 Valuations

- 7.6.1 The sale price of your home is based on an MRICS valuation.
- 7.6.2 For information on who is responsible for arranging and paying for the MRICS valuation, see the 'Summary of costs' document.

Useful links

- Service charges and other expenses (GOV.UK)
<https://www.gov.uk/leasehold-property/service-charges-and-other-expenses>
- Service charges and other issues (Leasehold Advisory Service)
<https://www.lease-advice.org/advice-guide/service-charges-other-issues/>
- A guide to mortgage fees and costs (Money Advice Service)
<https://www.moneyadviceservice.org.uk/en/articles/mortgage-related-fees-and-costs-at-a-glance>
- UK House Price Index (Land Registry)
<https://landregistry.data.gov.uk/app/ukhpi>

Retail Prices Index percentage change over 12 month (Office for National Statistics)
<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23>