

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 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 legal adviser before signing the lease.

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

The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.

Purchase costs

Full market value	£470,000
Share purchase price	£282,000 (minimum 60% share) The share purchase price and percentage are based on the amount you can afford.
Deposit	£14,100 (minimum 5% of the sale purchase price) The deposit is payable when you exchange contracts to buy the home. It will be taken off of the final amount you pay on completion. For more information, speak to your legal adviser.
Reservation fee	£300
Your solicitors' fees	Solicitors' fees can vary. You can expect to pay fees including: <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 You'll need to ask your solicitor what the fees cover and the cost for your purchase.
Stamp Duty Land Tax (SDLT)	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: <ul style="list-style-type: none">• Stamp Duty Land Tax: shared ownership property• Calculate Stamp Duty Land Tax (SDLT)

Your monthly payments to the landlord

Rent	<p>If you buy a 60% share, the rent will be £348.14 a month.</p> <p>The percentage share and rent amount is based on the amount you can afford.</p>
Service charge	<p>£43.04 a month</p> <p>The service charge applies to the communal parts of the estate and the leaseholders will incur these charges in addition to the costs of maintaining their own flat. The service charge may also include annual contributions to a reserve fund, which is service charge money set aside to help cover the costs of major works. Service charges must be paid to ensure that the landlord or managers have sufficient funds to provide all of the services and maintenance needed for the effective management of the property.</p> <p>Southern Housing are signed up to the GLA's Service Charges Charter.</p>
Estate charge	<p>There is no estate charge to pay.</p>
Buildings insurance	<p>£26.44 a month</p>
Management fee	<p>£26.15 a month</p> <p>The management fee is payable to Southern Housing Group Limited.</p> <p>The management fee is part of the service charge payable to the landlord or manager in return for managing the leasehold property. This fee is the only part of the service charge that goes directly to the landlord or manager and the remaining income received is for the cost of services, repairs, maintenance, improvements, insurance or set aside as a reserve fund. Management fees or similar charges can only be recovered from leaseholders if a term in the lease specifically allows for this.</p>
Reserve (sinking) fund payment	<p>£39.95 a month</p> <p>For more information, see section 5.7, 'Repairs reserve fund', in the 'Key information about shared ownership' document..</p>

Total monthly payment to the landlord	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p>£483.72 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>
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Rent review

Rent review period	Your rent will be reviewed every year in February commencing from the 1 st April each year.																
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>Your rent will go up when it is reviewed. It will never go down.</p> <p>Example rent increases</p> <p>The examples below show how your rent could rise based on an RPI percentage increase of 3%, 6% and 9%. These are illustrations only and the actual RPI for the relevant year will be used to calculate your rent increases.</p> <table border="1" data-bbox="608 1552 1447 1850"> <thead> <tr> <th>Initial rent</th> <th>Example RPI increase percentage</th> <th>Applied percentage increase (RPI plus 0.5%)</th> <th>Example new monthly rent</th> </tr> </thead> <tbody> <tr> <td>£348.14</td> <td>3%</td> <td>3.5%</td> <td>£360.32</td> </tr> <tr> <td>£348.14</td> <td>6%</td> <td>6.5%</td> <td>£370.77</td> </tr> <tr> <td>£348.14</td> <td>9%</td> <td>9.5%</td> <td>£381.21</td> </tr> </tbody> </table>	Initial rent	Example RPI increase percentage	Applied percentage increase (RPI plus 0.5%)	Example new monthly rent	£348.14	3%	3.5%	£360.32	£348.14	6%	6.5%	£370.77	£348.14	9%	9.5%	£381.21
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£348.14	9%	9.5%	£381.21														

Future costs if you buy more shares

<p>Home valuation</p>	<p>If you choose to buy shares of 10% or more, you'll need to pay in full for a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). The estimated current cost is £180 - £330 Inc VAT</p> <p>You will need to arrange the valuation.</p> <p>You can find a registered surveyor on the RICS website.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
<p>Share purchase administration fees</p>	<p>Buy shares of 10% or more - £200.00 + VAT (£240.00)</p>
<p>Your legal adviser's fees</p>	<p>If you require legal advice when buying more shares, you are responsible for paying your own legal fees.</p> <p>Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares.</p> <p>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%+VAT of the market value</p> <p>Your landlord may charge a fee for marketing and finding a buyer for your home when you sell. If they do not find a buyer, this will not apply.</p>
<p>Estate agent's fee</p>	<p>You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.</p>
<p>Your legal adviser's fees</p>	<p>You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.</p>

Home valuation	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.
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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 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.

Lease term	112 years
Maximum share you can own	You can buy up to 100% of your home.

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

Sales Services – Admin Fees

Sales, Resales, Re-mortgage, Lease Extensions etc.

Solicitors' Enquiries (standard, 15 working days)	£250.00	20%	£300.00
Freehold Houses (FME1) pre-sales pack	£150.00	20%	£180.00
Additional Solicitors' Enquiries (charged per question)	£ 10.00	20%	£12.00
Re-mortgage Approval (same lender without additional borrowing)	£100.00	20%	£120.00
Re-mortgage Approval (same lender with additional borrowing)	£100.00	20%	£120.00
Re-mortgage Approval (change of lender without additional borrowing)	£100.00	20%	£120.00
Re-mortgage Approval (change of lender with additional borrowing)	£125.00	20%	£150.00
Transfer of Ownership: Joint to Sole or Sole to Joint	£100.00	20%	£120.00
Transfer of Ownership: Joint to Sole or Sole to Joint (including re-mortgage/additional borrowing)	£150.00	20%	£180.00
Lease Extension Admin - excluding any legal fees (100% Leaseholders & Shared Owners)	£300.00	20%	£360.00
Stair-casing Admin Fee	£240.00	n/a	£240.00
Deeds			
Deed of Variation	£150.00	20%	£180.00
Deed of Postponement	£100.00	20%	£120.00
Deed of Substituted Security	£60.00	20%	£72.00

Notices

Receipt of Notice of Charge (only)	£75.00	20%	£90.00
Receipt of Notice of Transfer (only)	£75.00	20%	£90.00
Receipt of Notice of Transfer & Charge	£120.00	20%	£144.00
Receipt of Deed of Covenant	£100.00	20%	£120.00
Certificate of Compliance	£80.00	20%	£96.00

Provision of documents/Information

Copy of Lease – Please be advised you can purchase direct from the Land Registry	£25.00	20%	£30.00
Insurance Policy (supply hard copy in post). Please note, this is available free of charge on the Southern Housing website)	£25.00	20%	£30.00
Insurance summary of cover (available free of charge on the Southern Housing website)	Free of charge	-	-
Copies of invoices requested within 6 months of reconciled year end account being issued – provided by post	£20.00	20%	£24.00
Making available invoices via secure temporary portal access	Free of charge	-	-
Making available facilities for inspection of invoices requested within 6 months of reconciled year end account. There is a £0.25 per sheet copying charge.	Free of charge	-	-
Copies of invoices requested more than 6 months after reconciled year end account issued provided via secure temporary portal access	£50.00	20%	£60.00
Making available facilities for inspection of documents on leaseholder request plus £0.25 per sheet copying charge.	£50.00	20%	£60.00

Leaseholder requests for consent/approvals/variations

Approval to Sublet	£116.67	20%	£140.00
Consent for Pet	£25.00	20%	£30.00
Approval for Minor Alterations simple shed / garden related requests.	£58.33	20%	£70.00
Approval for Alterations (simple changes)	£116.67	20%	£140.00
Approval for Alterations (complex changes) charged per hour (minimum one day (7 hours) charge)	£25.00 (per hr)	20%	£30.00
Visit to Inspect Improvement or Alteration (per hour)	£40.00 (per hr)	20%	£48.00
Requests for variations to lease (minimum one day charge £175 plus VAT)	£25.00 (per hr)	20%	£30.00
Requests for consent or approvals retrospectively as above plus a premium of 100%	+100% fees	-	-
Other requests - One day rate minimum (thereafter £25 per hour)	£175.00	20%	£210.00

Enforcement of covenants

Where Southern Housing are requested to enforce covenants (i.e. action beyond initial contact and advice of alleged breach) against other leaseholder/s for suspected breaches which Southern Housing do not consider it reasonable or appropriate to pursue, Southern Housing will charge an hourly fee for any work associated to those making the request. Any costs for legal advice/work and any other costs or fees incurred must also be covered.

Undertaking Tenant covenants (Stepping in)

Where Southern Housing must step in to action a tenant covenant which is not performed, admin will be	£25.00 (per hr)	20%	£30.00
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charged per hour (minimum half day charge), plus any costs, fees or other charges incurred.

Where Southern Housing is requested to undertake a repair which is the leaseholder's responsibility, admin will be charged per hour (minimum half day charge), plus any costs, fees or other charges incurred.

£25.00	20%	£30.00
(per hr)		

Meetings with Leaseholders (charges will only be made from 1 April 2023)

Up to four meeting per year are included in management

Property Managers meetings with leaseholders after 6.00pm	£25.00 (per hr)	20%	£30.00
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Leaseholder request to have senior officer (e.g. Head of Property Management)	£35.00 (per hr)	20%	£42.00
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Leaseholder request to have senior officer (Director)	£50.00 (per hr)	20%	£60.00
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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	