

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

Full market value	£472,500
Share purchase price	25% Share (£118,125) The share purchase price and percentage are based on the amount you can afford.
Deposit	£5,906
Reservation fee	£350
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 payments to the landlord

<p>Rent</p>	<p>If you buy a 25% share, the rent will be £812.10 a month.</p> <p>The percentage share and rent amount is based on the amount you can afford.</p>
<p>Service charge</p>	<p>£70.54 a month</p> <p>The service charge is for certain costs such as estate charges (e.g. landscaping), block costs (e.g. cleaning communal parts, building insurance), a management fee and a contribution to the sinking/reserve fund. Fees are wholly the responsibility of the homebuyer. A full breakdown of the service charge will be provided to your solicitor within the legal pack.</p> <p>Latimer by Clarion Housing has not signed the GLA's Service Charges Charter.</p>
<p>Estate charge</p>	<p>£62.69 a month</p> <p>This charge is included within the overall monthly service charge cost.</p> <p>The estate charge is for services such as landscaping and litter picking. This charge is included within the overall monthly service charge cost. Fees are wholly the responsibility of the homebuyer.</p>
<p>Buildings insurance</p>	<p>£14.50 a month. This charge is included within the overall monthly service charge cost.</p>
<p>Management fee</p>	<p>£22.66 a month</p> <p>This charge is included within the overall monthly service charge cost.</p> <p>The management fee is payable to Latimer by Clarion Housing. This charge is included within the overall monthly service charge cost.</p> <p>The management fee covers the costs of a wide range of activities that we carry out to efficiently manage your development. Fees are wholly the responsibility of the homebuyer.</p>

<p>Reserve (sinking) fund payment</p>	<p>£24.80 a month. This charge is included within the overall monthly service charge cost.</p> <p>Fees are wholly the responsibility of the homebuyer.</p> <p>The reserve fund is collected to help contribute towards the cost of future non-annual costs like external redecorations, internal redecorations, carpet replacements or a lift replacement. Having money in your reserve fund means that when large projects like these come up there's already money set aside to help fund them.</p> <p>For more information, see section 5.7, 'Repairs reserve fund', in the 'Key information about shared ownership' document.</p>
<p>Total monthly payment to the landlord</p>	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p>£1007.29 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

<p>Rent review period</p>	<p>Your rent will be reviewed every autumn to take into effect each April.</p>
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<p>Rent increase</p>	<p>The monthly rent is based on the percentage of the property that Clarion Housing retains ownership of. The rent is reviewed every autumn to take into effect each April. As stated in your lease any increase is capped at the Retail Price Index (RPI) + 0.5%.</p> <p>The Retail Price Index for September-22 has now been published; however, Clarion Group has taken the decision to cap the rent review that will apply in April-23, for all Shared Owners who purchased/will purchase their new homes between April-22 and March-23, to 6% (5.5% + 0.5%).</p> <p>The initial rent level that applies to your proposed purchase is [2.75% or whatever rent is applicable]. In April-23 this will increase by 6% to [2.915% or whatever rent is applicable]</p> <p>All future rent reviews from April-24 will be undertaken in accordance with the standard lease; as outlined in the first paragraph.</p>
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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 £260 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 admin fees</p>	<p>£250 inc VAT for shares of 5% or more.</p> <p>£500 inc VAT on final staircasing to 100%.</p> <p>You cannot buy shares of 2%, 3% or 4%.</p>

Your solicitors' fees	When buying more shares, you are responsible for paying your own legal fees. These fees will vary depending on which solicitor you use. The landlord is responsible for paying their own legal fees related to share purchase transactions.
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Future costs if you sell your home

Landlord's current selling fee	1.5% + VAT of the value of the share sold or up to 1% + VAT of the market value of the Home. This fee is payable if a buyer is found by us or our appointed agent in the nomination period. If the buyer isn't found by us then the admin fee below will apply.
Landlord admin fee	£180 (Inc VAT)
Estate agent's fee	If the buyer is found by an Agent then you'll need to pay their fee, which is negotiable. Fees are wholly the responsibility of the homebuyer.
Your solicitors' fees	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees in full.
Our solicitors fee	£420 (inc VAT) – on Resale. We instruct a solicitor to facilitate the leaseholders sale so these costs are passed to the leaseholder.
Leasehold pack	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.
Home valuation	You'll arrange a valuation by an agreed surveyor who is registered with RICS. You are responsible for paying the cost.

Other potential costs from the landlord

	£_____
	£_____

	£_____
	£_____
	£_____

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 (e.g. car payments, regular travel costs, mobile phone, broadband)	