

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	Leases 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
Landlord's 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 take independent legal and financial advice.

This key information 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. This document 'Key information about the home' is a summary and you should consider the information in 'Summary of costs' and 'Guide to shared ownership' before making a decision.

This 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.

Property Details

Address	22 Huxley Drive, Alresford SO24 9FW																									
Property type	2 bed maisonette																									
Scheme	Shared ownership																									
Full market value	£375,000																									
Share Purchase Price and Rent Examples	<p>The share purchase price is calculated using the full market value and the percentage share purchased.</p> <p>If you buy a 10% share, the share purchase price will be £37,500 and the rent will be £944.34 a month.</p> <p>If you buy a larger share, you'll pay less rent. The table below shows further examples.</p> <table border="1"> <thead> <tr> <th>Share</th> <th>Share Purchase Price</th> <th>Monthly rent</th> </tr> </thead> <tbody> <tr> <td>25%</td> <td>£93,750.00</td> <td>£786.95</td> </tr> <tr> <td>30%</td> <td>£112,500.00</td> <td>£734.49</td> </tr> <tr> <td>40%</td> <td>£150,000.00</td> <td>£629.56</td> </tr> <tr> <td>50%</td> <td>£187,500.00</td> <td>£524.63</td> </tr> <tr> <td>60%</td> <td>£225,000.00</td> <td>£419.71</td> </tr> <tr> <td>70%</td> <td>£262,500.00</td> <td>£314.78</td> </tr> <tr> <td>75%</td> <td>£281,250.00</td> <td>£262.32</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.</p>		Share	Share Purchase Price	Monthly rent	25%	£93,750.00	£786.95	30%	£112,500.00	£734.49	40%	£150,000.00	£629.56	50%	£187,500.00	£524.63	60%	£225,000.00	£419.71	70%	£262,500.00	£314.78	75%	£281,250.00	£262.32
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Monthly payment to the landlord	<p>In addition to the rent above, the monthly payment to the landlord includes:</p> <table> <tr> <td>Admin fee</td> <td>£1.89</td> </tr> <tr> <td>Fire & security</td> <td>£1.93</td> </tr> <tr> <td>Buildings insurance</td> <td>£8.76</td> </tr> <tr> <td>Ground maintenance</td> <td>£7.11</td> </tr> <tr> <td>Management fee</td> <td>£14.00</td> </tr> <tr> <td>Repairs</td> <td>£3.55</td> </tr> <tr> <td>Reserve fund payment</td> <td>£22.42</td> </tr> </table>		Admin fee	£1.89	Fire & security	£1.93	Buildings insurance	£8.76	Ground maintenance	£7.11	Management fee	£14.00	Repairs	£3.55	Reserve fund payment	£22.42										
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	Total monthly payment excluding rent £59.66
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 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 to buy 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.</p> <p>Also, you must have a local connection to Winchester either through residency, work or family.</p> <p>We may be required to discuss your application with the Local Authority.</p>
Tenure	Leasehold
Lease type	Shared ownership flat lease
Lease term	<p>986 years</p> <p>For more information, see section 2.5, 'Lease extensions', in the 'Key information about shared ownership' document.</p>

Rent review	<p>Your rent will be reviewed each year by a set formula using the Retail Prices Index (RPI) for the previous 12 months plus 0.5%.</p> <p>For more information, see the Rent Review section in the 'Summary of Costs' document which includes an example of how rent could increase over a 5 year period. A worked example demonstrating how the rent is calculated at review is also set out in Appendix 2 of the lease.</p>
Maximum share you can own	You can buy up to 100% of your home.
Transfer of freehold	At 100% ownership, the leasehold title remains in your name but your shared ownership obligations fall away.
Landlord	<p>VIVID Homes Limited Peninsular House, Wharf Rd, Landport, Portsmouth PO2 8HB</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>
Initial repair period	<p>Up to <u>£500</u> a year for the first <u>10</u> years to help with essential repairs. For more information, see section 5, 'Maintaining and living in the home', in the 'Key information about shared ownership' document.</p> <p>For more information, see section 5, 'Maintaining and living in the home', in the 'Key information about shared ownership' document.</p>
Landlord's nomination period	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. The landlord may offer to buy back your share, but only in exceptional circumstances and if they have funds available. If they do not find a buyer within 8 weeks, you can sell your share yourself on the open market. For example, through an estate agent.
Pets	You can keep pets at the home.
Subletting	You can rent out a room in the home, but you must live there at the same time.

You cannot sublet (rent out) your entire home unless you either:

- own a 100% share; or
- have your landlord's permission which they will only give in exceptional circumstances (see section 1.5 in 'Key information about shared ownership' document)

and

- have your mortgage lender's permission if you have a mortgage

Key Information About the Shared Ownership Home (AHP) 2021 to 2026 – October 2023



Notice of charge and notice of transfer fee	Currently £70 plus VAT. This is subject to change.
Mortgage approval fee	Currently £70 plus VAT. This is subject to change.
Certificate of compliance fee	Currently £70 plus VAT. This is subject to change.

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	

Summary of Costs of the Shared Ownership Home (AHP) 2021 to 2026 – October 2023



Key information about shared ownership



Key information about shared ownership.

The information in this document is for the **new 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.

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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, but you must live there at the same time.
- 1.5 You cannot sublet (rent out) your entire home unless you either:
 - own a 100% share
 - have your landlord's permission, which they will only give in exceptional circumstances

and

- ☐ have your mortgage lender's permission if you have a mortgage

An example of an exceptional circumstance for sub-letting is 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.

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.
- 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 legal adviser. It's important that you make sure that you understand the lease before you sign it. Your legal adviser 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, in most cases the freehold will transfer to you, and the shared ownership lease falls away. 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 Your landlord will not charge you for the transfer described above, but 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 at the start of the lease is based on the percentage of the remaining share of the market value you did not pay for. This percentage is noted in the 'Summary of costs' document. If you buy more shares in your home, the rent will go down.
- 3.3 The rent is reviewed on each Review Date whether or not you will have owned the property for a year at the date of the first Review Date. The Review Date is set out in the 'Summary of costs' document and in your lease.

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 and to make you leave the home if you:
 - do not pay the rent
 - do not observe and perform your obligations in the lease

The landlord would need a court order to terminate the lease. There are set rules on what grounds can be used to make an application for a court order.

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 legal adviser 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

4.1 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](#). You can ask your landlord to provide a summary showing how the charge is worked out and what it is spent on.

Please see 'Your monthly payments to the landlord' In the 'Summary of Costs' document.

4.2 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 may need to pay a reservation fee to secure your home. When you pay the fee, no one else will be able to reserve the home. Your landlord may have a policy on how long they will reserve a property before exchange of contracts. See the 'Reservation fee' section in the 'Key information about the home' document.

If you proceed to buy the home, the fee will be taken off the final amount you pay on completion.

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

- check with your legal adviser 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 legal adviser's 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

Legal adviser's fees can vary. Your legal adviser 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 legal adviser. 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 legal adviser:

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

Your legal adviser will go through these documents with you.