

# A Guide to Shared Ownership



**RENT**

**BUY**



**Welcome** to Paradigm Living,  
we're delighted you're interested in buying a  
home from us. We know there's a lot to take  
in, so we have produced this guide to help  
you get started. It should answer lots of the  
questions you might have but, if you need  
any more, information, please give us a call  
on **0300 303 8046** or if you prefer email  
us **Sales@paradigmliving.co.uk**.

Our team is always happy to help. We have  
a number of shared ownership homes across  
the South East and are building hundreds  
more every year. We'd love to welcome you  
as a customer, so please have a read and see  
whether shared ownership is right for you.

Good luck and happy house hunting!

Best wishes

**The Sales Team**



# Contents

<b>1.</b>	<b>What is Shared Ownership? .....</b>	<b>4</b>	<b>4.</b>	<b>What do I do if I need to re-mortgage? .....</b>	<b>12</b>
1.1	Who can purchase a shared ownership property? .....	4	4.1	Why would I need to re-mortgage? .....	12
1.2	How will applicants be prioritised? .....	4	4.2	Why does Paradigm need to get involved? .....	12
1.3	How much rent will I pay? .....	5	4.3	Can I borrow more money? .....	12
1.4	What does my rent cover? .....	5	4.4	What are the costs to consider? .....	12
1.5	How much will the service charges be? .....	5	4.5	Who do I contact if I want to re-mortgage my home? .....	12
1.6	How often are the rent and service charges increased? .....	5	<b>5.</b>	<b>What is a Lease Extension? .....</b>	<b>13</b>
1.7	Who is responsible for insuring my home? .....	6	5.1	What is a lease extension? .....	13
1.8	Will I own my home leasehold or freehold? .....	6	5.2	Why would I extend my lease? .....	13
1.9	What are my responsibilities as a leaseholder? .....	6	5.3	Will the terms of the lease remain the same? .....	13
1.10	What are Paradigm's responsibilities as a landlord? .....	7	5.4	What are the costs to consider? .....	13
1.11	Who do I contact if I have further questions? .....	7	5.5	Where can I find more information? .....	13
<b>2.</b>	<b>Who is responsible for the repairs and maintenance to my home?....</b>	<b>8</b>	5.6	Who do I contact if I want to extend my lease? .....	13
2.1	What is a repairs fund? .....	8	<b>6.</b>	<b>What do I do if I want to add or remove my partner from the lease? .....</b>	<b>15</b>
2.2	What do I do if I want to make alterations and improvements to my home? .....	8	6.1	What is the legal term used for adding or removing my partner? .....	15
2.3	What are the costs associated with the alterations and improvements works? .....	9	6.2	What is the Sole to Joint process? .....	15
2.4	Who do I contact if I have further questions? .....	9	6.3	What is Joint to Sole Process? .....	15
<b>3.</b>	<b>Can I buy more shares in my property? .....</b>	<b>10</b>	6.4	What is Joint to Joint Process? .....	15
3.1	How do I buy more shares in my property? .....	10	6.5	What are the costs to consider? .....	15
3.2	How will the value of the share be determined? .....	10	6.6	What are the next steps? .....	15
3.3	Where can I find a RICS valuer? .....	10	<b>7.</b>	<b>What do I do if I want to sell my home? .....</b>	<b>16</b>
3.4	How much time do I have to complete the transaction? .....	10	7.1	How do I sell my home? .....	16
3.5	Will I continue to pay the same rent? .....	10	7.2	How do I find out how much my property is worth? .....	16
3.6	What happens when I purchase the final shares in my home? .....	10	7.3	Where can I find a RICS valuer? .....	16
3.7	What does owning the freehold mean? .....	10	7.4	How do I find a purchaser? .....	16
3.8	What are the costs to consider? .....	11	7.5	What happens once I have found a purchaser? .....	17
3.9	Who do I contact if I want to purchase further shares? .....	11	7.6	What are the costs to consider? .....	17
			7.7	What are the next steps? .....	18
			<b>8.</b>	<b>Useful Links .....</b>	<b>18</b>

## 1

# What is Shared Ownership?

We want as many people as possible to have a home where they can be happy and secure. Shared ownership was set up to help people who can't afford to buy a home on the open market. It works by enabling you to buy a share in a home and pay a **specified** rent on the part that we, Paradigm, still own. As your circumstances change you can buy further shares in the property, known as staircasing, and your rent will be reduced to reflect this. In most cases, if your lease allows, you can go on to own 100% of the property and possibly the freehold.

Here's how it works:

- > You obtain a mortgage to buy a percentage of your home. We will need to approve this funding, but you should arrange it directly with your lender
- > You pay a specified rent on the percentage of the property you do not own
- > There are some criteria you need to meet to buy a shared ownership home, including some rules around income – you can find out more about this below
- > It's a flexible system so you can buy more shares in your home when you are able to. This is called staircasing. You may be able to fully staircase up to owning 100% and then you would no longer pay any rent
- > You are responsible for all repairs and maintenance for your home, regardless of how much of it you own
- > You pay a service charge to cover costs to your shared areas such as hallways and outside space – this may cover things like insurance, cleaning, repairs and maintenance

- > Any change to the registered shared owners will need financial assessments and referral to solicitors to make the changes
- > You cannot sublet (rent out) your property.
- > That's a really brief summary of the key points - please read on for more information about the shared ownership scheme.

## 1.1 Who can purchase a shared ownership property?

To be eligible to purchase a Shared Ownership home applicants must have a gross household income of less than £80,000 (£90,000 in London) and be unable to buy a home that meets our needs on the open market.

One of the following must be true:

- > 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 that meets your needs

For some homes you may have to show that you live in, work in, or have a connection to the area where you want to buy the home.

We will carry out an assessment to ensure:

- > ensure you they meet all eligibility criteria
- > assess what share they can afford\*
- > ensure your purchase is affordable and sustainable

\*The assessment must be undertaken by a suitably qualified, experienced and regulated mortgage advisor or financial advisor.

## 1.2 How will applicants be prioritised?

Homes are available on a first come, first served basis to people who meet the eligibility and affordability criteria. The exception is when Armed Forces personnel apply, and in circumstances of under supply, priority must continue to go to serving military personnel and former members of the British Armed Forces discharged in the last 2 years.





### 1.3 How much rent will I pay?

You pay a specified rent on the part of the property you do not own. The rent is usually calculated at 2.75% of our share of the property value. For example, if you bought a 45% share in a property with a full market value of £350,000, your share value would be £157,500, our share of 55% would be valued at £192,500 so the rent you would pay is £440.00 per month ( $£192,500 \times 2.75\% / 12$ ). You will be advised before you agree to buy your home what the exact rent will be.

### 1.4 What does my rent cover?

The rent is not a traditional rent and so, items you may expect to be covered, such as repairs to the property, will be your responsibility. The rent you pay covers the cost of the funding Paradigm raises to continue to own the unpurchased percentage of the property. When you own 100% of the property, rent will no longer be payable.

### 1.5 How much will the service charges be?

You will be responsible for 100% of the service charge and ground rent regardless of the share you own. Typically, the share you purchase will be funded by a mortgage and a deposit. The service charges you pay would be dependent on the number of services you receive and the property you purchase. The service charges you pay cover the costs of maintaining any common parts, management company fees and in most cases building insurance, and for flats, maintaining the fabric and structure of the building. You will be advised before you agree to purchase your property what services you will receive and the cost of those services.

### 1.6 How often are the rent and service charges increased?

Under the terms of your lease rent and service charges are reviewed annually. Depending on the terms of your lease, your rent will be reviewed by a set formula using either the Retail Price Index (RPI) or  $RPI + \frac{1}{2}\%$  or the Consumer Price Index (CPI) + 1%. In the event of an RPI or a CPI decrease, Paradigm does not have to decrease your rent and they may still increase it should an increase be possible once the additional percentage is considered.

## 1.7 Who is responsible for insuring my home?

Buildings insurance is an insurance policy that will cover the cost of repairing or rebuilding your home if it is damaged due to fire, flooding or theft. It will cover the structure of the building, including the walls, roof, and floors, as well as permanent fittings such as bathrooms, kitchens and built-in wardrobes. Your home will be either covered by our block buildings insurance policy or insured by the freeholder/management company and forms part of your service charges. You are responsible for your own contents insurance. Upon final staircasing, the buildings insurance may become your responsibility.

## 1.8 Will I own my home leasehold or freehold?

All shared ownership properties are sold on a leasehold basis. The lease is the legal contract between you and Paradigm, setting out the legal obligation of both parties; what you as the leaseholder and what we as the landlord promise to do. With a leasehold property you own it for a fixed period after which the ownership returns to the landlord/freeholder unless the lease is extended.

When you agree to purchase a Paradigm home your solicitor will be sent a copy of the leasehold documents. It is important that you understand your lease and the conditions in it, as breaking these conditions could have serious consequences. Initially your solicitor should go through your lease with you and explain any details you are unsure of. After you have moved in, you can seek advice from your solicitor or the Citizens Advice if there is anything that you are unclear about.

Your lease describes the property you are buying and contains an estate plan showing its location. If you are purchasing an apartment, there will also be a floor plan showing the layout of your property.

You need to be aware that if you fail to pay your rent and/or fail to observe and perform your obligations as set out in the lease, we may be entitled to terminate the lease (subject to obtaining any necessary court order). If the lease is terminated, you will lose any shares in the property which you have acquired, and you will not be entitled to any compensation.

## 1.9 What are my responsibilities as a leaseholder?

By signing your lease, you agree to the following:

- > pay the rent and the service charges, which include building insurance and in some cases ground rent.
- > keep your home in good repair and condition including regularly maintaining and servicing all the service media and equipment for your home, including any gas boilers (unless the development has a combined heat and power provision). For houses this will also include the outside of the house
- > allow us to come into your home if we give you reasonable notice
- > repair any faults inside your home or carry out any work that we tell you about
- > allow us to come into your home to carry out any inspections or work that are our responsibility
- > provide us with a copy of any notice that affects your home, within 3 months (or sooner if necessary) of the date of the notice (this is particularly important if you are a new owner) for example, planning notice, notice to repossess from a lender, notices or demands from management companies or freeholders
- > allow other leaseholders into your property to carry out any maintenance or repairs that are needed to their property, as long as they give you reasonable notice (their work should cause as little disturbance as possible, and they must put right any damage they cause to your home)
- > only use the property as a private home.
- > Some leases also include the following clauses:
  - > contribute to a 'sinking fund' or 'reserve fund' to pay for work to your building (flats only)
  - > decorate the inside of your home as needed
  - > indemnify us for any damage that you, your family, or your visitors cause to shared parts of the building (flats only)
  - > pay us reasonable administration costs plus VAT for any work we do related to reselling your home.

You must not:

- > make any alterations and improvements to the property without seeking written Paradigm's written permission.
- > cause a nuisance or a health or safety risk to us, our contractors or other people living or visiting the building
- > put up aerials or sky dishes outside your home without seeking Paradigm's permission.

### 1.10 What are Paradigm's responsibilities as a landlord?

We will:

- > maintain, repair, and decorate the structure and outside of the building, including shared drains, gutters and pipes (flats only)
- > maintain shared areas (for example, staircases, entrances, and grounds) and, if necessary, paint the outside of the building and any shared areas inside
- > insure the building and, if necessary, rebuild it.

We can pass on a share of the costs of these responsibilities to our leaseholders as a service charge.

### 1.11 Who do I contact if I have further questions?

If you have further questions or require further information, please contact our Customer Service team on **0300 303 1010**.





## 2

## Who is responsible for the repairs and maintenance to my home?

Although initially you will not own your property outright, you will have all the rights and responsibilities of a full owner occupier. This means:

If your home is a **house**:

You will be responsible for all repairs and maintenance, including the foundations, walls, windows, and roof. Please be aware if you store items in your loft, this could cause damage (condensation and mould), which would be your responsibility to repair. Paradigm recommend you do not use the loft area as storage. If your home is a new build, the building warranty will cover the cost of structural repairs (typically the first 10 or 12 years).

If your home is a **flat**:

You will be responsible for all internal repairs and maintenance, and you will pay service charges to cover external repairs and cleaning and lighting of communal areas. In some cases, the service charges will include a payment into a sinking fund (also known as a reserve fund), an account set up to pay towards the cost of future repairs to the building. The building owner will arrange external and structural repairs required. If the building warranty has expired and if the reserve fund does not cover the costs, the costs will be divided between you and the other flat owners in the building.

For both **houses** and **flats**:

You will be expected to keep your home in good repair and condition, inside and out. You will also pay towards the maintenance of the grounds within the estate

To assist you with common issues within your home, we have put together a collection of informative videos covering various aspects of general home maintenance which we hope you will find helpful. This link will allow you access to the video [DIY repairs guides – Paradigm Housing](#)

Depending on the type of lease you have, you may be able to claim £500 a year for the first 10 years to help with essential repairs. This period is known as the initial repair period and starts from the start date of the lease, it only applies while you own less than a 100% share in your home. Any work that is covered by a warranty or guarantee must be claimed through the policy by the policyholder. Repairs which are Paradigm's responsibility during the initial repair period will not be recharged through the service charge. You will not be able to claim for repairs which are caused by deliberate damage or neglect of the home.

### 2.1 What is a repairs fund?

If there is a sinking fund (also known as a reserve 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 from the landlord any money you pay into this fund if you move home, even if there have been no eligible works carried out while you lived in your home.

### 2.2 What do I do if I want to make alterations and improvements to my home?

Should you wish to make any alterations and improvements to your property you must seek our permission before you carry out any works. For the avoidance of doubt, alterations and improvements include all works (however minor) excluding redecoration of rooms. It is unlikely that we will say no to such works, but consideration must be made as to whether the works are likely to cause damage to the property.

The type of works that usually require Paradigm's approval under the terms of your lease are (but not limited to) the following:

- > installing a satellite dish or TV aerial
- > installing new windows
- > installing an external structure attached to your property e.g., a conservatory, security blinds or an awning
- > replacing boiler and central heating system





- > installing new electrical fittings e.g., storage radiators, extractor fans etc.
- > changing the existing internal layout
- > upgrading or re-fitting kitchen or bathroom installations
- > installing laminate or wooden flooring (with the required insulation)

If you want to carry out any alterations or improvements to your home you are required to fill in a form giving details of the changes you would like to make and, where possible, include drawings and measurements detail. The form can be found by visiting, [Improving your home – Paradigm Housing](#)

### 2.3 What are the costs associated with the alterations and improvements works?

You will be responsible for all the costs of making the alterations and improvements, all associated fees for example planning consent as well as your legal fees and any legal fees that we are required to pay. You are also responsible for our costs which are detailed below and include VAT.

- > £120.00 – administration fee for minor Improvements
- > £180.00 – administration fee for major Improvements
- > £100.00 – per surveyor visit which includes a survey and/or licence, this fee is non-refundable
- > £384.00– retrospective consent.

Please note, payment of the administration fee is required before we can deal with your request, it, along with the surveyor's fees are non-refundable.

### 2.4 Who do I contact if I have further questions?

If you have further questions or require further information, please contact our Customer Service team on 0300 303 1010.

## 3

## Can I buy more shares in my property?

### 3.1 How do I buy more shares in my property?

Subject to any restrictions set out in your lease and with Paradigm's permission, you can purchase further or final shares, known as staircasing, at any time. The minimum share you can purchase will be dependent upon your lease, in some cases you can purchase as little as 1% but most leases allow staircasing from 5% - 10%.

### 3.2 How will the value of the share be determined?

The price paid for further shares for all staircasing transaction other than the 1% per year option is based on the full open market value of the property provided by an independent Royal Institution of Chartered Surveyors (RICS). Any value added due to improvements made by you will be deducted from the price payable.

The price of the 1% share is based on the original full market value adjusted up or down each year in line with the House Price Index (HPI). The HPI is a national statistic that shows changes in the value of residential properties. Paradigm will send you an up-to-date HPI valuation at least once a year and again when you request to buy a 1% share. Please note you only have the option to purchase a 1% share each year for the first 15 years that you own your home. You cannot roll over unused options to buy 1% shares to future years. The offer is limited to a maximum of 1% each year, you can however purchase shares of 5% or more at any time.

### 3.3 Where can I find a RICS valuer?

To find a RICS valuer in your area you can visit the website [www.ricsfirms.com/](http://www.ricsfirms.com/), but before you instruct a valuer you must obtain Paradigm's approval. Once you have found a valuer who you would like to use, please call the Sales Team on 0300 303 8046 with the individual valuer's full name and RICS membership number. We will then confirm that they are RICS accredited.

Your valuer will provide you with a valuation report which is valid for three months unless otherwise stated. As soon as you receive the report you should send a copy to Paradigm either via the post or email to [sales@paradigmliving.co.uk](mailto:sales@paradigmliving.co.uk). Upon receipt Paradigm will confirm the value of the shares you wish to purchase.

### 3.4 How much time do I have to complete the transaction?

For all staircasing transaction other than the 1% per year option the purchase must be completed within the validity period of the valuation, or you may be subject to a revaluation, and you will be responsible for all the associated costs. For 1% staircasing transactions you have 3 months to complete from the date you receive Paradigm's valuation.

### 3.5 Will I continue to pay the same rent?

Upon completion, the rent you pay will be adjusted to reflect your new ownership, the greater the share you buy the less rent you will have to pay. Once you own 100% of your property, lease permitting, you will no longer have to pay any rent.

### 3.6 What happens when I purchase the final shares in my home?

All the shared ownership conditions within your lease will fall away. If you own a house and again if your lease allows, once you own 100%, Paradigm will transfer the freehold to you.

### 3.7 What does owning the freehold mean?

As the freeholder of a property, you will own it outright, including the land it is built on. There is no time limit on how long you own the freehold for. You are your own landlord.



### 3.8 What are the costs to consider?

You will be responsible for your solicitor's fee, valuation fees, lenders fees if borrowing additional money, possible re-valuation fees, all associated costs and Paradigm's fees detailed below which are inclusive of VAT:

#### Further Shares

- > £270.00 - Paradigm's administration fee
- > £120.00 - lease enquiry standard pack (If applicable)
- > £12.00 - each additional enquiry fee (If applicable)
- > £250.00 - Homes England administration fee (If applicable)

#### Final Shares

- > £240.00 - Paradigm's administration fee
- > £120.00 - lease enquiry standard pack
- > £12.00 - each additional enquiry fee
- > £180.00 - freehold transfer deed (If applicable)
- > £600.00 - Paradigm's solicitor fees (If applicable)
- > £180.00 - Paradigm's solicitor administration fee (If applicable)
- > £250.00 - Homes England administration fee (If applicable)
- > £380.00 - deed of covenant/share certificate (If applicable)
- > £180.00 - certificate of compliance fee (If applicable)
- > £60.00 - notice of charge fee (If applicable)

### 3.9 Who do I contact if I want to purchase further shares?

Please contact the Sales Team on **0300 303 8046** or email them at [sales@paradigmliving.co.uk](mailto:sales@paradigmliving.co.uk) confirming what you would like to do.



## 4

## What do I do if I need to re-mortgage?

### 4.1 Why would I need to re-mortgage?

Re-mortgaging is the term given to the process of switching to a new mortgage deal, either with the same or a different lender. The most common time to remortgage is when the fixed or introductory tracker or discounted rate on your mortgage ends or to borrow more money against the property. The premium and any further borrowing cannot exceed the market value of your share in the property and is only permitted:

- > to enable the purchase of additional shares (staircasing)
- > to comply with the leaseholder's covenants in the shared ownership lease, such as essential repair
- > to allow one leaseholder to buy out another leaseholder's interest (in the same property)

### 4.2 Why does Paradigm need to get involved?

For all re-mortgage cases, Paradigm will check the offer to ensure the amount borrowed does not exceed the value of the shared owner's share and provide written approval of the lender and the terms of the mortgage. If Paradigm's approval is not obtained, the lender will not have the benefit of the Mortgagee Protection Clause (MPC) which is a fundamental clause of your lease, and so is unlikely to advance any borrowings.

### 4.3 Can I borrow more money?

Whilst your lease does not prohibit additional borrowing, it is subject to the conditions

contained in your lease, and in particular the MPC Clause. You should be aware that not all lenders will provide additional borrowing if they cannot rely on the MPC, even if the value of your share has increased. Only certain loans are protected under the MPC, these include:

- > the premium lent to purchase the initial share
- > further borrowing to enable the purchase of additional shares (staircasing)
- > further borrowings to comply with the leaseholder's covenants in the shared ownership lease, such as essential repairs
- > further borrowing to allow one leaseholder to buy out another leaseholder's interest (in the same property)
- > negotiating a better interest rate

Additional borrowing can only be permitted if the premium and any further borrowing do not exceed the market value of your share in the property. To consider a request to re-mortgage we require the following information and documents:

- > the reason for the re-mortgage
- > a redemption figure payable for your existing mortgage
- > a copy of the new mortgage offer
- > the Official Copy of Register Entries

### 4.4 What are the costs to consider?

You will be responsible for all the costs associated to remortgages, lenders fee etc plus our fees for processing a re-mortgage, details of the fees which are inclusive of VAT are as follows:

- > £84.00 – Paradigm's administration fees
- > £84.00 – notice of charge (consent to mortgage)
- > £48.00 – receipting notices

### 4.5 Who do I contact if I want to re-mortgage my home?

If you would like to start the process or if you have any further questions, please contact the Sales Team on 0300 303 8046 or email them at [sales@paradigmliving.co.uk](mailto:sales@paradigmliving.co.uk) confirming what you would like to do.

## 5

# What is a Lease Extension?

## 5.1 What is a lease extension?

A lease extension is a continuation of a lease, beyond the original lease contract. Many leaseholders may have a statutory (legal) right to an extension of their lease, but this does not normally include shared owners. We have therefore introduced our own voluntary lease extension process, which means that we are willing, in principle, to extend the lease of a property of shared owners who would not qualify under the statutory route. Under our discretionary scheme, shared owners of both houses and flats would get a new lease which runs for 90 years from the date of expiry of their current lease.

## 5.2 Why would I extend my lease?

You should extend your lease before the remaining term falls to below 80 years as it becomes more expensive to extend the lease after this. Properties with shorter leases are less valuable than those with a longer lease. Properties with shorter leases can be more difficult to sell as mortgage lenders are less likely to lend because of the risk of the value dropping, and therefore a risk to their security.

## 5.3 Will the terms of the lease remain the same?

The new lease will be on the same terms as the existing lease, subject to minor modification and certain legal exclusions and additions:

- > Modifications – to take account of any alterations to the property since the grant of the existing lease (e.g. reference to gas lighting or coal stores), or to remedy a defect in the lease.
- > Exclusions - since the 1993 Act provides a right to perpetual renewal of the lease, any existing clauses relating to the renewal, pre-emption or early termination are to be excluded.

## 5.4 What are the costs to consider?

You will be responsible for our costs which are detailed below and include VAT:

- > £640.00 - valuation fee, this fee must be paid up front.
- > £300.00 – Paradigm’s administration fee. This fee must be paid before we will instruct our solicitors.
- > £840.00 + disbursements\* - Paradigm’s solicitor’s fee
- > £230.00 - consent to deal from Paradigm’s mortgagee (if applicable)
- > £90.00 – Paradigm’s solicitors fee for dealing with our mortgagee (if applicable)

\*A payment made by a solicitor to a third party and then claimed back from the client.

Please note you will need to pay our solicitors fees upfront or instruct your solicitors to provide us with a costs undertaking. The fees assume that no other changes to the leases are required and that the matter proceeds without complications. Please be advised, we reserve the right to charge our solicitors’ abortive fees should you decide to withdraw from the transaction before completion.

## 5.5 Where can I find more information?

A list of solicitors and surveyors, who specialise in this area of law, is contained on the Leasehold Advisory Service website [www.lease-advice.org](http://www.lease-advice.org). and for independent advice on the process contact LEASE please visit <http://www.lease-advice.org/>

## 5.6 Who do I contact if I want to extend my lease?

If you would like to extend your lease or more information about Paradigm’s process, please contact Paradigm’s Home Ownership Team on **0300 303 1010** and they will send you a pack detailing the process in full.





## 6

## What do I do if I want to add or remove my partner from the lease?

### 6.1 What is the legal term used for adding or removing my partner?

Transfer of Equity is the legal process of transferring the ownership of a property and therefore a solicitor must be instructed. One of the original owners must remain in the property. The options are as follows:

- > Sole to Joint – adding another name to the ownership of the property.
- > Joint to Sole - removing one name from the ownership documents, leaving the ownership in one name.
- > Joint to Joint - removing one name and at the same time adding another to the legal documents.

### 6.2 What is the Sole to Joint process?

Before we can approve the transfer, we will have to approve the person being added to ensure they meet the eligibility criteria of a shared owner, we will also require an independent financial assessment to be carried out by an Independent Financial Adviser. Once we have received a copy of the assessment and we are happy to proceed we will instruct our solicitors.

### 6.3 What is Joint to Sole Process?

We will require written confirmation that both parties agree to the transfer. Before we can approve the transfer, we will require proof that the person left owning the

property is able to afford the repayments of the mortgage, rent and service charges, this is in the form of an affordability assessment carried out by an independent Financial Advisor (IFA).

Once we have received a copy of the assessment and we are happy to proceed we will instruct our solicitors. Until the transfer completes, we are unable to update our system and therefore, both parties remain jointly responsible for the payments of rent and service charges.

### 6.4 What is Joint to Joint Process?

We will require written confirmation from all parties that they agree to the transfer. Before we can approve the transfer, we will have to approve the person being added as a shared owner, we will also require any independent financial assessment to be carried out by an Independent Financial Adviser

Once we have received a copy of the assessment and we are happy to proceed we will instruct our solicitors. Until the transfer completes, we are unable to update our system and therefore, both original parties remain jointly responsible for the payments of rent and service charges.

### 6.5 What are the costs to consider?

Our fees for processing a transfer of equity are as follows and are inclusive of VAT:

- > £240.00 – Paradigm’s administration fee
- > £420.00 + Disbursements\* - Paradigm’s solicitor fees
- > £180.00 – Paradigm’s solicitor’s administration fee (if applicable)
- > £120.00 – Homes England consent fee (if applicable)

\*A payment made by a solicitor to a third party and then claimed back from the client.

### 6.6 What are the next steps?

If you would like to remove, add another person to your title documents or have further questions, please contact the Sales Team on **0300 303 8046** or email them at [sales@paradigmmliving.co.uk](mailto:sales@paradigmmliving.co.uk) confirming what you would like to do.

## 7

# What do I do if I want to sell my home?

## 7.1 How do I sell my home?

Dependent upon the terms and conditions of your lease you can either:

**Sell your Share** – this is also known as a Reassignment of Lease, a transfer of the remaining term of an existing lease by the current shared owner to another person who qualifies for the shared ownership scheme, with the consent of the landlord, Paradigm. The share cannot be sold for any more than the price stated in Paradigm's valuation letter; the price will be based on the independent valuation; however, you can sell for less. You will be responsible for paying all your costs along with Paradigm's Fees.

**Sell 100% of your property** – with Paradigm's permission and subject to the terms of the lease, you can sell 100% of your home on the open market without having to increase your mortgage. Your home can be sold for more than the independent valuation and Paradigm will take their share from the price achieved. If the property is sold for less than the independent valuation Paradigm will still expect the value of their share to be based on the independent valuation. You will be responsible for paying all your costs.

## 7.2 How do I find out how much my property is worth?

To determine the value of the property and in accordance with the Lease, an independent valuation of the property must be carried out by a surveyor who is an associate or fellow of the Royal Institute of Chartered Surveyors (RICS), must be obtained. As independent property valuations are only performed by chartered

surveyors and as such an Estate Agents' valuation is not acceptable. It is a common misconception that Estate Agents value properties for home sellers, they simply guide them to a suggested asking price, therefore they cannot be relied upon to provide objective and accurate valuations.

The valuation report is valid for three months unless otherwise stated and therefore a copy should be sent to Paradigm as soon as possible by post or via email to [sales@paradigmliving.co.uk](mailto:sales@paradigmliving.co.uk). Upon receipt Paradigm will prepare the appropriate offer letter detailing the options available to you.

## 7.3 Where can I find a RICS valuer?

To find a RICS valuer visit the website [www.ricsfirms.com/](http://www.ricsfirms.com/), Paradigm's approval must be sought and once Paradigm confirm the valuer is RICS accredited, they can be instructed. The instruction should include a request for the valuer to provide a report detailing the full market valuation of your shared ownership property, photographs of the property and the comparable evidence used to determine the value. The instruction should include the following:

- > Under the terms of the shared ownership lease the maximum interest that can be obtained is Freehold or Leasehold (Paradigm will confirm).
- > The remaining term of the lease is approximately XXX years (Paradigm will confirm).
- > If you have carried out improvements to your home, you will have to provide copies of Paradigm's permission; you should also ask the valuer to provide two valuation figures, one confirming the value of the property without all the improvements carried out by yourselves and the other confirming the value of the property as it currently stands with improvements.

## 7.4 How do I find a purchaser?

Once Paradigm receive confirmation that the property is to be sold, in most cases we will grant permission for the property to be marketed on the open market through an estate agent. In some cases, we may have to market your property for a period of time after which we will grant you permission to sell on the open market.



## 7.5 What happens once I have found a purchaser?

Once a purchaser has been found you must send their full details to Paradigm and include the following:

- > Your full name(s)
- > Your solicitor's details
- > Purchaser(s) full name(s)
- > Purchaser(s) current address
- > Purchaser(s) current telephone number
- > Purchaser(s) email address
- > Agreed sales price
- > Purchaser(s) solicitor's details

If the share of the property is being sold, Paradigm will need to qualify the purchaser and carry out an affordability assessment. Once we are satisfied, we will instruct our solicitors and keep you updated throughout the conveyancing process.

## 7.6 What are the costs to consider?

You will be responsible for your solicitor's fee, valuation fee, possible re-valuation fees, your estate agents fee, and Paradigm's fees which are inclusive of VAT are detailed below:

### **If you sell your share**

- > £120.00– Paradigm's administration fee
- > £120.00 - lease enquiry standard pack
- > £12.00 - additional enquiry fee
- > £360.00 - £420.00 + disbursements\* – Paradigm's solicitor fees
- > £180.00 – Paradigm's solicitor's administration fee (if applicable)
- > £180.00 - certificate of compliance (if applicable)
- > £60.00 - notice of charge (if applicable)
- > £250.00 – Homes England consent fee (if applicable)

\*A payment made by a solicitor to a third party and then claimed back from the client.



### If you sell 100% of your property

- > £240.00 - Paradigm's administration fee
- > £120.00 - lease enquiry standard pack
- > £12.00 - each additional enquiry fee
- > £600.00 - Paradigm's solicitor fees + Disbursements (if applicable)
- > £180.00 - Paradigm's solicitors administration fee (if applicable)
- > £180.00 - Paradigm's solicitor fee for granting a new lease (if applicable)
- > £180.00 - certificate of compliance fee (if applicable)
- > £180.00 - Freehold transfer deed (if applicable)
- > £360.00 - licence to assign deed (if applicable)
- > £60.00 - notice of charge fee (if applicable)
- > £250.00 - Homes England consent fee (if applicable)
- > £180.00 - deed of surrender fee (if applicable)

## 7.7 What are the next steps?

If you would like to start the process of selling your home or you have further questions, please contact the Sales Team on **0300 303 8046** or email them at [sales@paradigmliving.co.uk](mailto:sales@paradigmliving.co.uk) confirming what you would like to do.

## 8. 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 period (Office for National Statistics)  
<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23>
- > RICS  
[RICS website](https://www.rics.org/)
- > Lease extension independent advice  
<http://www.lease-advice.org/>



For more information contact the sales team on:  
**0300 303 8046** Or **Sales@paradigmliving.co.uk**

 **ParadigmLiving**

**Please note:** The information provided is intended as a guide only and may be subject to change and may not be applicable to all Paradigm shared ownership leases. Paradigm Housing Group and its subsidiaries accept no responsibility for any errors or omissions contained in this guide. You should in all cases, take independent legal and financial advice.

 **Paradigm**