

Tell me about shared ownership



Gateway Housing Association is a medium-sized social landlord based in east London, with nearly 3,000 homes.

We provide low cost rented accommodation for single people, couples, families and older people, as well as homes for intermediate rent and sale. We mainly work in Tower Hamlets.

What is shared ownership?

Shared ownership is known by several different names, including:

- HomeBuy
- Part-buy/part-rent
- New Build HomeBuy
- Resales

Shared ownership is a government scheme for first-time buyers who cannot afford to buy a home on the open market. It allows you to buy a share of a property with a mortgage, and pay a lower rent on the rest. It means you can buy a share in a home now, when you need it, at an affordable monthly cost.

The minimum share you can buy depends on the property that you are buying. It can be as low as 25% (the largest first share is usually 75%).

What type of homes do we provide?

Gateway builds new one, two and three bedroom homes in east London. All our new homes are of a high standard and include quality kitchens with white goods (such as a fridge and a cooker) and floorings.

We often have re-sales available too. These are existing shared ownership properties where the owners have decided to move on.

Who is eligible for shared ownership?

Shared ownership is available to most first time buyers who meet a basic eligibility criteria.

To be eligible for shared ownership you need to apply to Housing Options, a government-appointed agent who assess all applications (details on page 7).

At the time of writing, to qualify, your maximum household income needs to be less than £60,000 a year. Your minimum income depends on the property, the price of the share you want to buy and your savings (for a deposit).

What are the benefits of shared ownership?

- It has all the benefits of owning your own home straightaway, but at a price you can afford.
- People on lower incomes are not excluded from home ownership.
- There is less financial risk than buying outright.
- How much you can buy to start with is flexible.
- Monthly costs are cheaper than renting privately.
- You have the security of knowing that you can eventually own 100% of your home.



How much will it all cost?

Buying your first home is a big financial commitment. We can break down the costs into two types.

One-off purchasing costs

For this you will need savings. The amount will depend on the property that you are buying, your solicitors and your mortgage lender. We estimate that you will need between £2,000 and £4,500 to cover the cost of buying a home. This does not include your deposit.

One-off costs include:

- solicitor's fees;
- mortgage valuation costs;
- mortgage arrangement fee;
- fittings and furniture;
- a mortgage deposit; and
- you will also need money to pay for the costs of moving home.

Ongoing running costs

You will be responsible for the everyday costs of home ownership, including:

- your mortgage;
- rent payments to Gateway;
- Council tax;
- repairs, insurance and service charges;
- heating and lighting, water, phone and other charges such as broadband or TV subscriptions; and
- mortgage protection insurance.



Some commonly asked questions

Q Can I afford it?

A Talk to us. We will look carefully at your income and outgoings and let you know if we think you can afford it.

Q Can I buy more of my home later?

A Yes. After 12 months (or three months for a resale) you can buy up to 100% of your home (this is known as staircasing). The price you pay is based on the market value at the time. However, you can only staircase three times.

For example, if you buy 50% now, you could buy another 20% in two years time, then a further 15% in five years time and the remaining 15% later on. (Please note this is an example only - the timescales and shares are flexible and up to you.)

Q What happens if I want to sell in the future?

A We will help you sell your home if you are still a shared owner (that is to say you do not yet own the full 100% of your home). The lease allows us to nominate someone who wants to buy a shared ownership property. If we can't find a buyer within the nomination period (usually four or eight weeks, depending on your lease), you can sell privately or through an estate agent.

Q Can I buy a bigger home in the future?

A Your circumstances may change in the future and you may need a bigger home. If we have a suitable property available, we will try to help you move by finding someone to buy your existing home and co-ordinating a simultaneous purchase of a new Gateway property.

Q Who is responsible for repairs, decorations and maintenance?

A You are. When you buy through shared ownership you have a full repairing and insuring lease, which is usually 99 or 125 years long.

If you buy a flat, your responsibilities include:

- internal repairs;
- decoration to the inside; and
- arranging household contents insurance.

Our responsibilities include:

- maintenance of the outside of the block and shared areas;
- redecoration of the outside of the block and shared areas; and
- buildings insurance.

You will share the costs of this with other flats in the block through the service charge.

If you buy a house, all repairs are your responsibility, but we will arrange the buildings insurance and charge you the premium once a year.

Q Can I sub-let my home?

A No. The lease does not allow it whilst you are still a shared owner. However, in exceptional circumstances, such as a temporary job relocation, we will consider your request.

Q Can I make improvements or alterations?

A Yes. If you want to carry out improvements you must get our written permission first. We do not allow works that affect the structure or that may decrease the value of the property.

Q Do I need a solicitor?

A Yes. It is important to get legal advice when buying a home. We can provide you a list of solicitors who are experienced in shared ownership leases.

Q How do I arrange a mortgage?

A You are free to use any financial advisor you choose. We have a list of independent financial advisors who specialise in finding the best shared ownership mortgage deals.

Rent to HomeBuy

What is Rent to HomeBuy?

This is for people who want to buy a home, but are unable to obtain a mortgage in the current market or do not have a big enough deposit.

How does it work?

You can rent your home before you buy for up to three years on an assured shorthold tenancy agreement. The rent will be about 80% of the local market rent for similar properties. You can buy your home, under the shared ownership scheme, at any time during the three years.

You can also end your tenancy at any time if you change your mind about buying.

You must meet the eligibility criteria for low cost home ownership schemes. We will meet you every five months to ensure that you are still eligible to buy the property.

Changing from renting to buying your home

When you are ready we will sell the property to you under the shared ownership scheme. We value the property and you can then decide what share you want to buy. For more information, please contact us.

How to apply

To apply for a shared ownership property you need to register with Housing Options.

This is a service available which provides information on affordable home ownership properties in the London area.

You can apply online at www.housingoptions.co.uk or by phone 0845 230 8099.

To find out more information about Gateway's home ownership opportunities, please contact us direct on 020 8709 4352.

Please remember that your home is at risk if you fail to keep up the repayments on your rent or mortgage. Please make sure that you can afford the repayments before committing yourself to a purchase.

You can ask for this leaflet in large print, on audio tape or in another language. Please contact us on 020 8709 4300.

আপনি এই লিফলেটটি বড় ছাপায়, অডিও টেপে বা অন্য যে কোন ভাষায় পেতে পারেন। দয়া করে আমাদের সাথে যোগাযোগ করুন ০২০ ৮৭০৯ ৪৩০০ নম্বরে। [Bengali]

Waxaad dalban kartaa warqaddan oo ku daabacan farta waawayn, iyadoo ku duuban cod ama ku tarjuman luqadaha beesha. Fadlan nagala soo xidhiidh telefoonka ah 020 8709 4300. [Somali]

Możesz poprosić o tę ulotkę drukowaną dużą czcionką, w postaci zapisu audio lub w innym z języków społeczności. Skontaktuj się z nami pod numerem telefonu 020 8709 4300. [Polish]

Quý vị có thể xin tờ rơi (tờ thông tin) này bằng khổ chữ lớn, bằng ghi âm hoặc tiếng nói khác trong cộng đồng. Xin vui lòng liên lạc với chúng tôi, điện thoại số 020 8709 4300. [Vietnamese]

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