



SHARE

TO

BUY

THE HOME OF
SHARED OWNERSHIP



Kenneth

I used the staircasing calculator on the Share to Buy website and discovered I could staircase to 100%!

About Share to Buy

In an age where it's becoming increasingly difficult to buy your own home, Share to Buy helps first time buyers take those initial steps towards home ownership and get a foot on the property ladder.

A one stop shop for affordable home ownership schemes, Share to Buy is an online property portal and the first point of contact for many buyers looking to purchase their own home through alternative home buying schemes.

With housing providers who specialise in Shared Ownership and Help to Buy listing their properties on our website, users of the Share to Buy portal benefit from access to a wide range of new build and resale homes across the country. Potential buyers can register for alerts on properties which meet their requirements, as well as notifications about brand new schemes which may be of interest to them, all based on their individual search criteria.

Founded in 2004, Share to Buy started out as a specialist mortgage broker with a focus on first time buyer mortgages, before expanding into a property portal in 2010.

Share to Buy continues to offer mortgage services with a focus on the affordable homes sector and is authorised, and regulated, by the Financial Conduct Authority.

Utilising expertise as mortgage brokers and knowledge of the property market, the Share to Buy portal uniquely offers affordability calculations for its users. Each listed property offers a financial guide, including an estimated deposit and potential monthly payments, helping buyers to weigh up their options.

Kenneth's story:

"There's a staircasing calculator on the Share to Buy website that you can use to check whether or not you can buy any other shares. I checked and got an answer back that I could staircase to 100% so I decided to do that... I didn't think that I would be able to do it that quickly!"

An Introduction to Shared Ownership

Shared Ownership is an alternative home ownership scheme which gives first time buyers, and those who do not currently own a home, the opportunity to purchase a share in a new build or resales property.

Also referred to as part buy/part rent, Shared Ownership allows buyers to purchase a share of a home – usually between 25% and 75%. Purchasers will pay a mortgage on the share that they own, and a below-market-value rent on the remainder to a housing association, along with any service charge and ground rent. As the purchaser only needs a mortgage for the share they own, the amount of money required for a deposit is much lower compared to purchasing a property outright.

The buyer will have the option to increase their share during their time in the property via a process known as 'staircasing'; in most cases, purchasers can staircase all the way to 100%, thus owning their home outright. There is no obligation to staircase, and the percentage of shares that the occupant owns can be sold at any time.

Shared Ownership allows purchasers to become owner-occupiers, with the

long-term security and stability of home ownership at a price that's still affordable.

You may be eligible for Shared Ownership if:

- You are at least 18 years old.
- You have a maximum household income of £90,000 per annum in Greater London and £80,000 in the rest of England.
- You are unable to purchase a suitable home to meet your housing needs on the open market.
- You do not already own a home, or you will have sold your current home before you purchase.

It should be noted that with some developments, local authority planning permissions may require that preference is given to applicants that live or work in the area. Where the number of applicants exceed the properties available, the housing association will generally prioritise the applications.

Is Shared Ownership right for me?



Pros

- Shared Ownership allows you to get on the property ladder, offering long-term stability without overstretching yourself.
- Deposits are generally lower than buying on the open market.
- Shared Ownership makes mortgages more accessible, even if you're on a lower wage.
- Your monthly repayments can often work out cheaper than if you had an outright mortgage. The monthly payments are also generally lower than if you were to rent privately.
- You have the option to buy more shares of your home in the future, or you can sell the shares you do own at any time.
- It is not normally necessary to pay stamp duty land tax on an initial purchase.
- Unlike private renting, you have security of tenure. As long as the rent is paid and mortgage repayments are made, you can live in the property for as long as you wish.

Cons

- Not all lenders offer mortgages for Shared Ownership, however this is on the increase.
- All properties will be leasehold only, however, some homes can become freehold after staircasing to 100%. This would need to be agreed with the relevant housing provider.
- You have to pay 100% of the ground rent and service charge on your property, however low your share is.
- You will have to pay stamp duty on the whole value of the property when your owned share equals or exceeds 80%.
- While you're free to decorate internally, there may be restrictions on what home improvements you can do. You may need to obtain permission from the relevant housing provider before you make any structural alterations to your home.



An Introduction to Help to Buy

Help to Buy is a government backed scheme which aims to help first time buyers get onto the property ladder. The Help to Buy equity loan enables purchasers to buy a new build home with the help of an equity loan, also known as shared equity.

The government provides a loan of up to 20% (40% within Greater London) of the home, so the purchaser only needs to raise a 5% deposit, with a 75% (55% within Greater London) mortgage making up the rest.

The Help to Buy equity loan is interest-free for five years. After this time, the purchaser pays an annual fee of 1.75% on the amount of the outstanding loan; this fee will increase each year with inflation.

You will have to pay back the Help to Buy equity loan when you sell your home or at the end of your mortgage – whichever comes first. However, you can also pay back some of the equity loan without selling your home; you can pay back either 10%

or 20% of the total amount, so long as the loan is worth at least 10% of the value of your home.

You may be eligible for the Help to Buy equity loan if:

- You are at least 18 years old.
- You have at least 5% deposit of the full purchase price.
- You must be able to take out a mortgage for 25% or more of the full purchase price.
- You are able to prove that you can afford the mortgage repayments and other outgoings on the home you wish to buy.
- You do not already own a home, or you will have sold your current property before or at the point of completion on your Help to Buy home.

Is Help to Buy right for me?



Pros

- Legally, you own 100% of the property.
- The buyer will only need to raise a 5% deposit of the full purchase price.
- As the loan counts towards your deposit, you may be able to take out a mortgage where you might otherwise struggle. This also means that you don't have to take out a costly 95% mortgage.
- You do not pay any interest on your loan during the first five years.
- There is no maximum household income cap on this scheme.
- You have 25 years before you need to pay back the loan in full.

Cons

- The Help to Buy equity loan is only available for new build properties.
- You cannot buy a home that is on the market for more than £600,000.
- Only suitable if you can afford the mortgage repayments for the value of the entire property.
- You will be charged fees on the loan if you do not repay it within the first five years.
- Your loan will become more expensive over time and must be repaid in chunks of at least 10%.
- The amount you repay is not fixed and will fluctuate with the value of your home.



A step by step guide to buying your Shared Ownership home

For first time buyers looking to get a foot on the property ladder, the world of alternative home ownership schemes can seem overwhelming. However, by following our easy step by step guide to buying a Shared Ownership home, you'll soon see how straightforward the whole process really is!

1. Firstly, create an account on **sharetobuy.com** - from here you can search for homes based on location, bedroom numbers, deposit amount and other key criteria.
invite you to attend a financial assessment. A calculator provided by the Homes and Communities Agency will be used to assess what share in the property you can afford to purchase.
2. When you find a property (or properties) that you like the look of, click on the 'Show Interest' button. This will send your details directly to the housing provider who are selling the home.
3. Once a viewing has been arranged and attended through the housing provider, and you're sure you want to make that property your home, you can then put down a reservation fee. This will usually require a £200 deposit - however, the amount will vary depending on the provider.
4. If you meet the eligibility criteria, the housing provider will then
5. Following the financial interview, you will know the share that you will be buying and the amount of rent you will need to think for your mortgage. You can see the mortgages that might be available to you at **sharetobuy.com/mortgage-comparison** and apply for an agreement in principle. A broker will then check the affordability calculations and confirm your choice as suitable or offer alternatives.
6. You will need to appoint a solicitor to do the necessary legal work. You can find specialist Shared Ownership solicitors and conveyancing professionals



Laura
Without their help I wouldn't be a homeowner

on the Share to Buy website at **sharetobuy.com/solicitors**

7. After the financial interview, the housing provider will issue your solicitor with a 'Memorandum of Sale', which summarises the details of your proposed purchase.
8. When the time comes to exchange contracts, you will be legally bound to buy the home, and the housing provider will be legally required to sell you the property. At this time, you will also find out your 'completion date', or 'completion on notice' if you have bought an off-plan property.
9. On the completion date, your mortgage lender will give your
10. At the final stage, the housing provider will give you the keys so that you can finally move in to your new home and start making it your own.

Laura's story:

"I'd almost given up hope of ever owning in central London. A friend then told me about Shared Ownership, and a quick online search into the scheme led me to the Share to Buy website... I cannot recommend it enough!"

Mortgages with Share to Buy

With 14 years of experience as a specialist mortgage broker, Share to Buy can help you take those vital first steps onto the property ladder.

If you're feeling unsure about your options, our online mortgage calculator can help you to compare Shared Ownership mortgages from across the market. All you have to do is complete our short form and you will be shown the different mortgages available to you based on your individual circumstances.

The tool is completely free to use and there is no obligation to apply for any of the products you see. Visit sharetobuy.com/mortgage-comparison to see what mortgage options are available to you.

Looking to take the next step? Specialising in first time buyer mortgage services, our team can help you on your journey to home ownership. To discuss your options or find out more about buying a home with Share to Buy, you can contact our mortgage team via sharetobuy.com/contact-mortgage-team.



Hannah's story:

"My advice for first time buyers would be to sign up to the Share to Buy website to find the kind of property that you'd be looking to buy. Find out what kind of deposit you'd need and then look at your money to see how you would achieve that... there's definitely no way that I would have been able to buy a property without the Shared Ownership scheme."

London Home Show

The London Home Show is a free-to-attend affordable homes exhibition, hosted by Share to Buy.

Held bi-annually in spring and autumn each year, the event plays host to London's leading housing providers with exhibitors offering free advice on alternative home buying options such as Shared Ownership and Help to Buy. With hundreds of homes available across London, the biggest names in first time buyer developments will be present at the event to help you take your first steps onto the property ladder.

The London Home Show also offers 'Ask the Expert' Q&A sessions, while independent mortgage advisers and conveyancing solicitors are on hand to offer financial, legal and practical advice to anyone looking to buy their own home.



RoxAnne's story:

"The Share to Buy website was brilliant, as it is so accessible and easy to use, as was the London Home Show. Having human interaction and being able to ask all my individual questions was a massive help."



**SHARE
TO BUY**

Find out more
www.sharetobuy.com

@sharetobuy

