

Become a Homeowner

Your easy guide to resale shared ownership through BE WEST

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A resale property is a shared ownership property that the current owner previously purchased via shared ownership and is now for sale by the current owner

A shared ownership property means you part own and part rent your property. The scheme is a brilliant stepping stone to completely owning your home, allowing you to buy as much as you can afford when you can afford it.



Why buy a resale shared ownership home?

If you buy through shared ownership: You will own part of the value of your home, rather than solely renting. Your rent on the property is subsidised so often, your mortgage repayments and monthly rent element can work out cheaper than renting alone and your investment can increase in value.

When you purchase your property, you are issued with your own lease. Your lease is a legal document that proves you own part of your home and it sets out conditions such as how often your rent and service charge is reviewed. The terms of the lease must be adhered to, conditions for selling or buying further shares and your rights and responsibilities as a home owner.



Did you know?

When buying a resale property you are treated as a homeowner rather than a tenant. That means you can decorate your home as much or as little as you like! And with Resale homes, you do not have to pay any new build premiums.



Pro Tip

You have to buy the shares that the current owner possesses OR you can purchase more shares depending on your affordability (Staircasing) or sell your share. When purchasing a resale property, you buy the share the current owner owns or more subject to conditions and affordability.

What is shared ownership?

Shared ownership is a government-supported initiative that gives first-time buyers a chance to buy a share of their new home. The scheme allows you to part own and part rent your home. Which means it's more affordable to get your foot on to the property ladder.

The smallest share you can buy today is 25% and the largest is 75%. You will usually pay a mortgage on the part you own and a subsidised rent on the part you don't own, but this is less than if you were buying the property outright. This is usually cheaper than renting the same type of property privately in the same area.

As your income rises, you can increase the share you own, until you eventually own 100% and no longer have to pay rent. This process is known as 'staircasing'. You are not obligated to staircase at any time.

We are delighted to offer shared ownership as a practical way for more people to be able to own their own homes.



Buying a resale property with BE WEST is as easy as 1, 2, 3...

1

Step 1 _____ Reserve you resale home

2

Step 2 _____ Get your things in order

3

Step 3 _____ Own your home



1 Reserving your resale home

Once you have seen a property you are interested in, you should send your enquiry and we will then contact you to arrange an initial financial assessment to check your affordability. All available resale properties are on the BE WEST website- Register with us to be the first to hear about our properties that are available

Subject to affordability, we will then arrange an appointment for you to view the property.

If you wish to proceed with the purchase, you must inform us you wish to reserve, and we will send you the reservation documents which outline the next steps required to secure your home, including a reservation payment of £500 which must be made to secure the property and this will be deducted from your completion statement.

The reservation payment and a screenshot of proof of payment, must be sent to the resales team within 48 hours of the reservation

document being sent. Failure to do so within this time frame will result in withdrawal of your reservation.

The reservation fee will be refunded if:

- You decide not to go ahead before accepting our offer
- We can't offer you the home of your choice
- Your financial assessment is unsuccessful.

The reservation fee will not be refunded if:

- You wish to withdraw after accepting your offer
- You provide false or misleading information and we withdraw your offer.

How do we allocate homes? When more than one household is interested, we allocate according to need. The local authority will often give us guidelines to help decide this. We treat everyone fairly, in accordance with our Equal Opportunities policy.



Did you know?

Prior to the Memorandum of Sale document being issued, £300 of this reservation fee is refundable if you choose to withdraw. Once the Memorandum of Sale has been issued, the fee is non-refundable if you wish to withdraw.



Pro Tip

The Independent Financial Advisor (IFA) and consultant will have informed you prior to your viewing what documents you will need to bring along for this meeting. It is important to bring all original copies of these documents to speed up the process. Ask your consultant for this list at any time!

2 Start the purchase

Once we have received the payment we will refer you back to the Independent Mortgage Advisor to run a full financial assessment for your affordability. The time frame for this to be returned to us is 5 working days.

On receipt of this we will ask for confirmation of your instructed solicitors which you can select from our recommended panel of solicitors or choose your own and once we have this information we will proceed to issue the Memorandum of Sale.

We would recommend you use a solicitor with experience in shared ownership sales so they understand the process and can answer any questions you may have. You cannot use the same solicitor as the seller.

The Memorandum of Sale includes all details of your purchase and the solicitors acting in this sale. You should aim to exchange contracts within four weeks of the memorandum being issued.

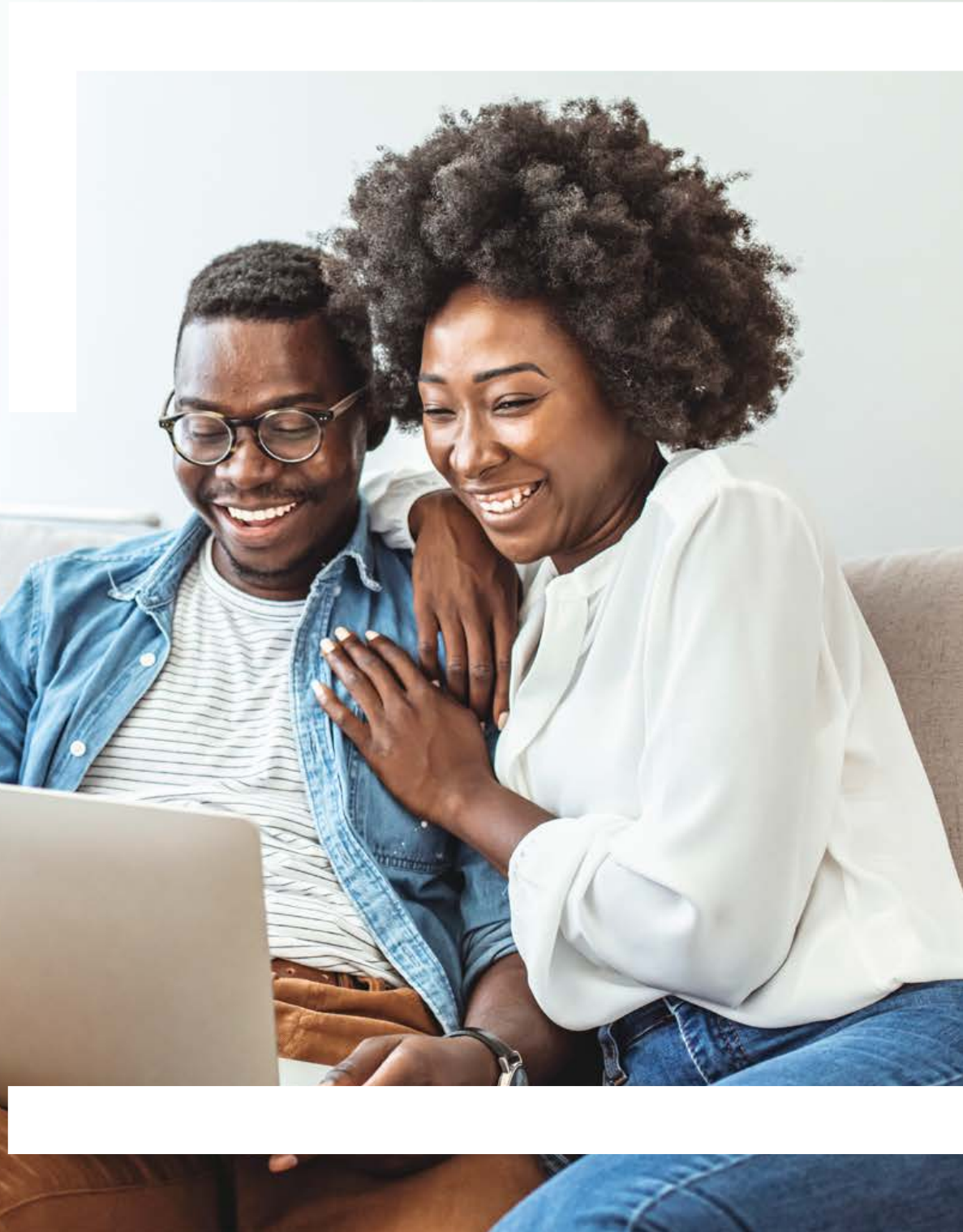
On receipt of the memorandum, all solicitors will begin preparing the legal paperwork to complete your sale. We will receive a copy of your mortgage offer and once this has been issued your solicitor will prepare to exchange contracts with the seller's solicitor. Exchange of contracts sets the day for completion.

Exchange of contracts

Once the legal side of things is all in place, your solicitor will contact you to exchange contracts. This is usually within six weeks of being offered the home or five working days of receiving your mortgage offer (whichever is earliest).

Pro Tip

Your memorandum of sale is a legally binding document that is sent to all solicitors and is the legal first step in your journey to home ownership. Please therefore read this document well, and pay special attention to your share purchase and the special conditions.





Pro Tip

You can ask your specialist sales consultant for a list of BE WEST recommended solicitors. Also, you can approach solicitors for quotes even before your viewing!

Meet with your solicitor

Make an appointment with your solicitor or conveyancer, who will handle the legal side of buying a property for you. Your solicitor will work with BE WEST appointed solicitors and your mortgage lender to put everything in place. They will also check the lease, submit searches and organise exchange of contracts and completion. Once you have instructed a solicitor and a mortgage advisor, you will need to complete an offer acceptance form.

Arrange a mortgage

You can arrange a mortgage through one of our recommended mortgage advisors. You will need to apply for a mortgage application immediately following on from your financial interview. Your mortgage lender will arrange an independent valuation of your new home. If they are satisfied, your mortgage offer will be issued to you and your solicitors. To keep things moving along, please send your sales consultant a copy of your mortgage offer as soon as possible.

BE WEST shared ownership purchase timeline

Activity	Responsibility	Days of Purchase
Memorandum of Sale sent to all parties	BE WEST	1
Mortgage Application submitted	You & Mortgage Broker	2
Solicitors issue out contracts	BE WEST solicitors	2-3
Your solicitor receives contracts and commence searches and raise enquires	Your instructed solicitor	3-5
Valuation instructed	Mortgage Broker	5-7
Mortgage offer issued	Mortgage Broker	7-14
Mortgage offer approved	BE WEST solicitors	14-21
Final enquires raised & Contracts signed and returned	Your instructed solicitor & you	21-28
Exchange date	BE WEST solicitors & your instructed solicitor	28
Completion date	All parties	Completion must take place on or before 30 days following date of Memorandum of Sale

The timetable is a provisional guide, subject to change and can depend on the date the contract is received by BE WEST (please liaise with your solicitor for actual exchange and completion dates). Please note, if the exchange date falls on a weekend - then the next working day will be applicable for exchange date. Once you have written or verbal communication of a mortgage offer for this property (subject to contract) please email a copy to your Sales Consultant. Please note, the above dates are a timeline only. BE WEST are unable to advise of the best date hand-in landlords notice. Please liaise with your solicitor for further information and advice.



3 Completion

On completion day, your mortgage lender will send your solicitor the money to buy your home. Your solicitor will then pass that money, and any additional money you are adding, on to the relevant parties' solicitors. Once this is done, you can arrange to collect the keys from the seller. After completion your solicitor sends BE WEST any monies due to them and the Completion Statement.

On receipt of this, we provide your information to our leasehold team who will set up your account and contact you to set up your direct debit for paying your future rent and service charge payments. After you move into your home, we have a Housing Officer who can answer your queries or put you in touch with the relevant teams.

Completion day

This is when you become a homeowner. But before that, your solicitor asks your mortgage lender to send the funds. This could take anywhere between 10 minutes to 10 hours so it's important to wait until the funds have been received before your keys can be released to you. Then it's all official. You can move in right away. Our team will arrange to meet you at your new home and hand you the keys.

Be sure

Is shared ownership for you and are you eligible?

You need to be:

- Aged 18 or over
- A British citizen or have the right to remain indefinitely
- Earning less than £90,000
- A first-time buyer, or new household and not on the deeds of any other property. You can also be an existing shared owner looking to upsize or downsize
- Able to get a repayment mortgage with an approved lender

Also to have:

- A good credit history to pass money laundering and fraud checks
- A minimum of £4,000 for any other costs, such as legal fees and moving fees in addition to a mortgage deposit

We will give priority to:

- People who live or work in the local authority area or borough
- People who have close family ties in the local authority or borough
- Social housing tenants whose move will free up a home for someone else
- Ministry of Defence personnel - categories of staff employed by the Ministry of Defence, as specified by the Homes and Communities Agency
- First-time buyers
- Homeowners who:
 - Are existing shared owners
 - Are experiencing overcrowding due to a new family addition
 - Are forced to sell for domestic reasons e.g. a divorce/separation
 - Need to care for a sick relative

How do we allocate homes?

When more than one household is interested, we allocate according to need. The local authority will often give us guidelines to help decide this. We treat everyone fairly, in accordance with our Equal Opportunities policy

How are homes prioritised?

- People who live and work in the same borough as the home they want to buy
- People with the lowest incomes, but still able to afford the property
- People with larger families



Pro Tip

This must be your only home and you can't sublet, however you are allowed to have a lodger.

Be ready

Planning for the future



Buying more shares in your home

This is called 'staircasing', and most leases allow you to do this. The price you pay for additional shares is based on the market value of your home. You don't have to buy more shares. But the more equity you own, the lower your rent will be.

If you get to the point where you own 100% of the shares in your home, you will own it outright and won't have to pay rent. And if it's a house, you will be given the freehold, and service charges no longer apply. However, if it is an apartment, you will continue to pay service charge and remain a leaseholder.

If you decide to buy more shares in your home, you will need a valuation from a qualified RICS-surveyor. We can help you find one, or you can source your own. Estate agents' valuations are not accepted. The staircasing process needs to happen within three months of the valuation, as the market value of your house may change.



Remortgaging

If you wish to make any changes to your mortgage lender or borrowing in the future, BE WEST will need to give its consent and will charge an administration fee for reviewing and approving these changes.



Selling your home

You can sell your home whenever you choose. To make sure your home is made available to buyers who can't afford to buy outright, BE WEST has the right to find a buyer for your home, within eight weeks. There is a fee for this service, but it may be more cost-effective than using an estate agent.

If BE WEST can't find a buyer in the allocated time, you can make your own arrangements eg :

- continue to sell with BE WEST
- sell with BE WEST and any estate agent on the open market
- sell only with an estate agent on the open market.

The price you sell your home for is based on the market value at the time of selling, as set by an RICS-qualified valuer. Like any home, the value can rise and fall along with the housing market, so the sale must take place within three months of the valuation.

Pro Tip



If you have used the recommended financial advisors then they will remind you when your fixed term is ending as part of their service and can assist you with remortgaging.

Be prepared

How much is it going to cost?

You will need to take into account all the upfront costs when buying a shared ownership home. You should budget for around £4,000 on top of your mortgage deposit, although this is only a guide and you should research the full costs.

We have set out examples of the costs below:

- **Reservation fee of £500**
The reservation fee will be offset against your rent and service charge when the sale completes.
- **Deposit**
Your mortgage lender will need a deposit of between 5% and 25% of the loan value. The amount will vary depending on your mortgage deal and other economic factors. If the share you are buying is £100,000, you will need at least £5,000 as a deposit. If you have a larger deposit, you may get a better mortgage rate.

- **Mortgage advisor fee, from £350**
- **Mortgage valuation fee of £300–£450**
This cost is for the valuation of your property, which your mortgage lender will arrange –
- **Mortgage arrangement fee of £400–£800**
Some lenders charge an arrangement fee for mortgages with fixed interest rates. These vary, but generally, the longer interest rates are fixed for, the higher the fee.
- **Solicitor's fees £600–£1,000**
We can supply a list of solicitors who deal with shared ownership. Fees can vary, so always ask for an estimate first. Costs include Land Registry fees, local search fees and other expenses, but not stamp duty.

- **Stamp duty**
This depends on the property's value. Stamp duty is a government tax on buying a property. Your solicitors will advise you on this, but you can visit www.hmrc.gov.uk/sdlr for more details.
- **Advance rent & service charge**
When you have bought your home, your first month's rent and service charge will be due. This will be offset against your service charge. You will be in credit depending on the amount of your reservation payment.
- **Removal costs**
If you are using a removal company, it is always worth getting a few quotes.

Once you complete on a sale, you will need to pay:

- **Council Tax**
- **Utility bills** (water rates, gas, electricity).
- **Contents insurance** (building insurance is covered within your service charge).

Could shared ownership help you step into a bright new future? BE WEST, a small but mighty brand creating new homes in West London, is an expert at helping you to find a place where you can really thrive.

At BE WEST we like to do things differently; putting your hopes and dreams at the centre of everything we do. Buying a home shouldn't be complicated or stressful – we offer impartial advice and a jargon-free explanation of how shared ownership works. When you're ready to make a move, we'll hold your hand every step of the way!

As part of Shepherds Bush Housing Group, at BE WEST we understand that creating great homes helps to build strong communities. If you'd like to see how exciting your future could look in one of our houses or apartments, don't be nervous about taking the first step – we promise we will always be honest and straightforward in answering your questions, and give you the very best advice for your unique situation.

Do you want to find out more? Register with BE WEST today.

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