

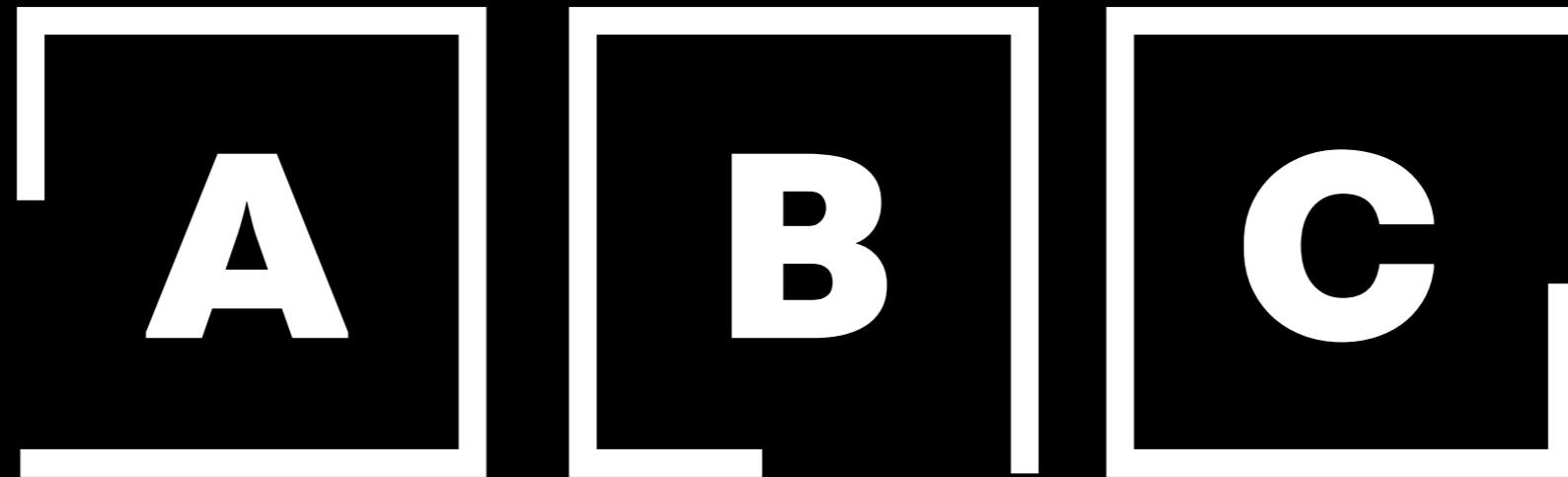
Be a homeowner

Your easy guide to shared ownership



Be in the know

Your step by step guide to shared ownership



Be clear

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.

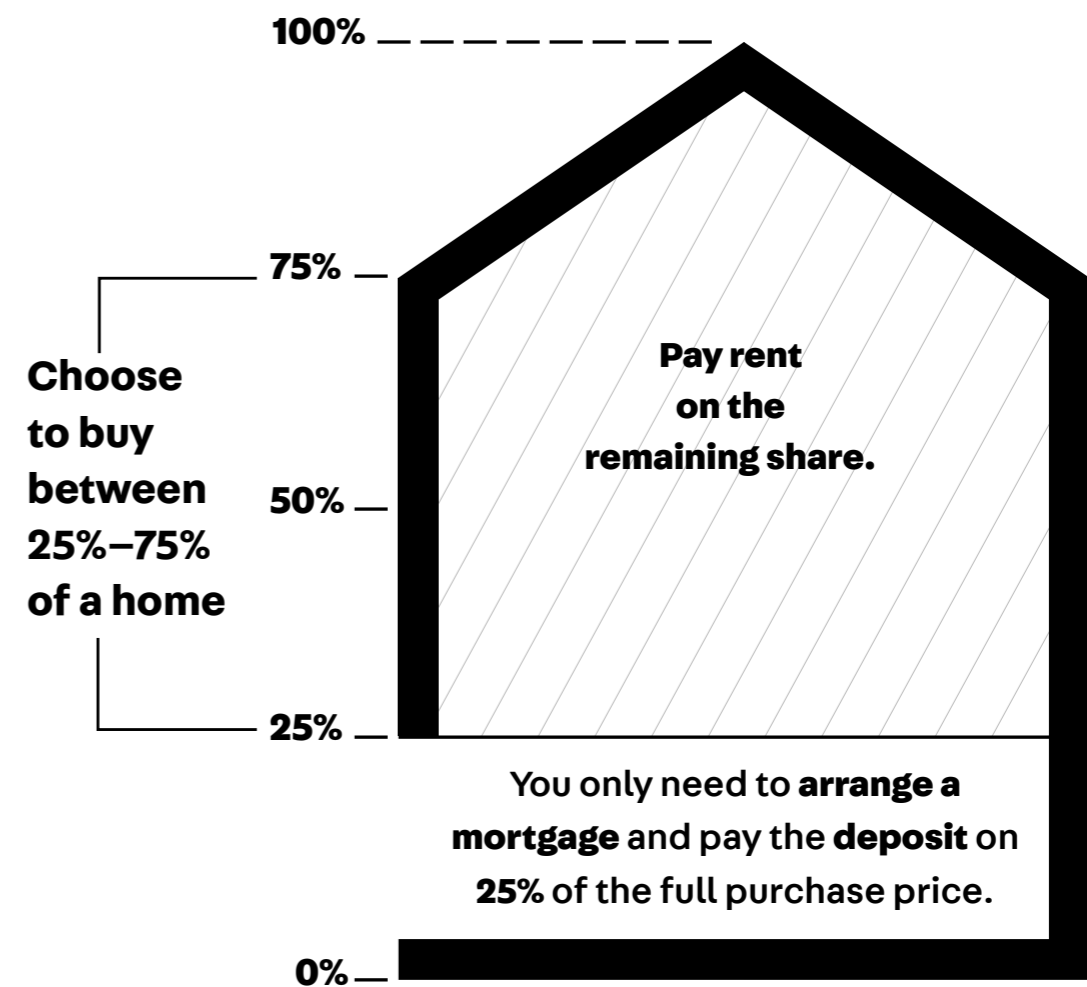
As your income rises, you can increase the share you own, until you eventually own 100% and no longer have to pay rent. This process is known as 'staircasing'. You are not obligated to staircase at any time.

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

PROTIP

Did you know shared ownership properties can only be sold at market value? This is because SO is a government funded scheme, which means that our valuations are always up to date. They are reviewed every three months.

Example: Buying a 25% share



PROTIP

The recommended deposit is between 5% and 15%, but the more you can add, the better your mortgage interest rate is likely to be.

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
- Home owners 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 on the lowest incomes, but still able to afford the property
- People with larger families

PROTIP

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

As easy as ABC

STEP A

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**Find your
home**

STEP B

.....

**Get things
in order**

STEP C

.....

**Your own
home**

STEP A

Find your home



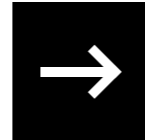
Find a new place to buy

You can start looking for a new home on [bewest.co.uk](https://www.bewest.co.uk) and arrange a viewing with us once you have found something you like. If the property is still under construction you can register your interest on the BEWEST website, or you can reserve off-plan and be kept updated during the build.



A quick financial check

Prior to your viewing we will ask you to complete an online form with one of the independent mortgage advisors. This confirms whether or not you are financially able to afford for the property you wish to view. The mortgage advisors will inform you within 24 hours of the outcome of your assessment.



Take a look around

Once our show home is ready, you can book a physical or virtual viewing online. This will give you an idea of the feel and specification of the property. It's also a chance to do some wider research and check out the local area. And the ideal time to ask us any questions.



Reserve your home

After you receive approval from your mortgage advisor, you will be asked to fill in a reservation form and pay a £500 fee to reserve the property of your choice.

The reservation form sets out full details of the property, including your share, monthly rent, service charge, solicitors' details and the timeline for the sale. Please check everything is correct before signing, as it will be used to instruct all parties of the sale.

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.

PROTIP

For new build properties an option to 'reserve off plan' is often available, this means that you can reserve a property before the build has been completed having seen the plans and/or a virtual viewing.

PROTIP

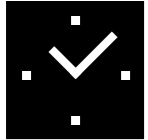
Don't worry, the £500 will be credited onto your rent and service charge account, so that when you move-in.

PROTIP

At this stage in the process the property market is very fast paced and extremely competitive. It generally works on a first come, first served basis. Do not let your dream house slip through your fingers. If you see a property you love, reserve it.

STEP B

Get things in order



Receiving your official offer confirmation

Once your reservation is in order, we will email you to confirm your offer of a shared ownership home. This letter outlines the details of the home you are buying, explains what to do next, and recommends solicitors and mortgage brokers. You will need to accept your offer within 3 working days, so that your dedicated sales consultant can send out your Memorandum of Sale (MOS).

PROTIP

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.



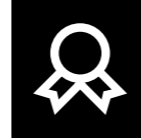
Meet with your financial adviser

You will be asked to attend a financial interview with a mortgage advisor, who can also advise on arranging your mortgage. You will need to do this within three days of your offer. This is an in-depth discussion to make sure you can afford the home you want.

At this stage, your financial advisor will ask to see documents such as passports and payslips. We will also need to check your identity in line with UK anti-money laundering regulations. This step can be done in person or virtually and just confirms both your identity and financial situation, and ensures you are ready to purchase your new home.

PROTIP

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!



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 BEWEST 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.

PROTIP

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



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.

STEP C

Your own home!



Exchange of contracts

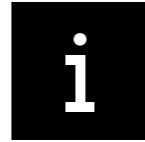
Once the legal side of things is all in place, your solicitor will contact you to exchange contracts. This is usually within six weeks of being offered the home or five working days of receiving your mortgage offer (whichever is earliest).



The handover

This is when your home is ready to move in and has been 'handed over' by the developer to BEWEST for occupation. We will inform you weekly of the handover date.

Handover can happen before or after contracts are exchanged.



Get to know your home

Buying a new build? You will be invited to a home demonstration, where you can find out how everything works in your new home. You will be provided with a handover and a video of the home demonstration. You will also be able to measure up and take pictures. Our home demonstrations usually take about an hour and are held on weekdays between 9am and 4pm.



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.

PROTIP

To exchange contracts you will be required to pay your agreed deposit used for purchasing.

PROTIP

A good sales consultant will always have a measuring tape available, however you may want to bring one along just in case!

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/sdlt 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)

Be informed

Typical example of costs

One bedroom home

Property price **£300,000**

Share % purchased

25% – £75,000

Remaining % unsold

75% – £225,000

Deposit (5% x £75,000) = **£3,750**

Mortgage amount **£71,250**

Rent on the unsold

equity **2.75% – £515.62 pcm**

Two bedroom home

Property price **£400,000**

Share % purchased

30% – £120,000

Remaining % unsold

75% – £280,000

Deposit (5% x £120,000) = **£6,000**

Mortgage amount **£114,000**

Rent on the unsold

equity **2.75% – £641.66 pcm**

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.

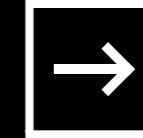
If you get to the point where you own 100% of the shares in your home, you will own it outright and won't have to pay rent. And if it's a house, you will be given the freehold, and service charges no longer apply. However, if it is an apartment, you will continue to pay service charge and remain a leaseholder.

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 WEST is a new brand for shared ownership and private sales within the four boroughs of West London, with a no-nonsense approach to homeownership.

We believe that buying a new home doesn't need to be stressful; we want to cut the jargon and pave the way for an effortless experience.

We offer truly impartial advice and support from genuine experts who put your needs above all else, to get you settled in your new home and onwards to a brighter future.

The first step to buying a shared ownership home is to register with BE WEST.

BE WEST is the shared ownership brand for Shepherds Bush Housing Group.

Contact us to discover well placed living in the four boroughs of west London.

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BEWEST.CO.UK

