

ESTATE AGENTS GUIDANCE



Garden City Homes

You've been instructed in the sale of a shared ownership property which we have an interest in.

A valuation report from an RICS (Royal Institute of Chartered Surveyors FRICS or MRICS) accredited valuer has been approved prior to you being instructed. Please contact us to confirm the value.

In order to be eligible for shared ownership, applicants;

- Wouldn't be able to afford to buy a suitable home on the open market.
- Should have a household income of £80,000 a year or less outside of London.
- Are assessed as being able to afford and sustain a shared ownership home

Shared ownership allows an applicant to buy a share in a property (apartment or house) which can be anything from 25% to 75%. They will pay a mortgage on the share they own and rent on the remaining share.

An apartment will also have a monthly service charge for communal services and occasionally a house may also be subject to a service charge if they too have communal services. Please ensure you check with the vendor before marketing as they will need to provide you with all information regarding the rent and service charges.

When the initial sale of a shared ownership property is agreed, the purchaser signs a Lease which outlines the rights and obligations of both parties. When a shared owner wishes to sell their share in the property they will assign their share to the new owner. The new owner agrees 'takes over' the lease from the original owner.

Please note, a shared ownership sale should not be agreed until an applicant has been approved and assessed for eligibility as below.

Step by Step Guide for Shared Ownership Resale

Ensure applicants for shared ownership complete an online application form with Help to Buy North West to ensure they are eligible for the scheme www.helptobuynw.org.uk

Once accepted, they will require an affordability assessment with Metro Finance. This ensures they are able to afford the share being sold by the current owner. If they are unable to afford this share, they will not be able to proceed. Please forward details of all approved applicants to us at enquiries@gardencityhomes.org.uk for assessment.

When a purchaser has been approved the vendor and purchaser will instruct a solicitor to deal with the sale and we will be available to respond to questions or queries that may arise. Rent and service charges will have to be paid up to date for completion.

The Association will be notified of completion by the solicitors and will make contact with the new shared owner to set up the Direct Debit and update the account details.

Sale with Increased Equity

Occasionally applicants are assessed as being eligible to purchase more equity than is being sold, up to 75%. This means they will buy the current owners share and a further equity share from us. In this instance, we would also instruct a solicitor and the purchaser would do a parallel purchase with us.

Outright Sale

Priority will always be given to shared ownership applicants, but if none are forthcoming or if they fail the application and affordability process, then an outright sale can be agreed. For outright sale, no initial approval or assessment is required. Once a sale has been agreed we should be notified and we would also instruct a solicitor.