

# SHARED OWNERSHIP



Garden City Homes



**SHARED OWNERSHIP ALLOWS YOU TO BUY A SHARE IN A NEW HOME. THIS SHARE WILL RANGE FROM BETWEEN 25% TO 75%, DEPENDING ON WHAT YOU CAN AFFORD BASED ON AN AFFORDABILITY ASSESSMENT. YOU WILL PAY A REDUCED RENT ON THE REMAINING SHARE.**

This means that you need to get a smaller mortgage to buy the property, and will also need a smaller deposit.

You can buy more shares as and when you can afford them - this is called 'staircasing'. As you buy more shares your rent will reduce accordingly. You can eventually own 100% of the property, at which point you will pay no rent at all.

You will also pay a service charge, which will include building insurance and a management charge. As a homeowner, you will be responsible for the repairs and maintenance in your home.

## Eligibility criteria

- Your household income is less than £80,000 a year
  - You do not own a home (if you are a home owner and wish to be considered for shared ownership you will first need to sell your current home)
  - Priority is given to serving members of the British Armed Forces, or former members who have been honourably discharged in the last 2 years.
- If you can afford to buy the property outright without Government assistance, you will not be considered eligible.

## Financial example

Property value £170,000

50% purchase price\* £85,000  
Mortgage Deposit\*\*

50% monthly rent £194.79 PCM

\*The monthly mortgage repayment costs will be dependent of the lender

\*\*The mortgage deposit is dependent of the lender and can range between 5% to 20%.

Prices are subject to change and annual rent and service charges are applicable.

Service Charge and Sinking Fund on Application





# SHARED OWNERSHIP - NEXT STEPS

Once you have viewed and selected the plot you wish to purchase, you will need to follow these steps:

## 1. Online application

Apply online at [www.helptobuynw.org.uk](http://www.helptobuynw.org.uk) – the Help to Buy team will assess your eligibility for Shared Ownership. You will receive an email within 4 working days with confirmation of your acceptance or rejection.

### TIP:

To apply for the correct development, search for the name of the development using the website 'property search' tool, click on the thumbnail that takes you to the development's page and click the 'Apply now' link.

## 2. Affordability assessment

Metro Finance carry out all of our affordability assessments. You can either complete an online form at [www.metrofinance.co.uk](http://www.metrofinance.co.uk) or call on 0114 270 1444. Metro Finance will assess your affordability within 4 working days. Metro Finance will work out the maximum share that you can purchase.

## 3. Documents

On approval, you will be required to submit the following documents to Metro Finance, the information will be required for all applicants:

- Photographic ID (Passport or Driving Licence).
- Your last 3 months' payslips (If self-employed, you will need to provide 3 years of accounts by a qualified accountant or 3 years of SA302's, if the mortgage lender will accept these).
- Proof of funds for the deposit
- A 'Mortgage in Principle', this proposes the amount the provider is prepared to lend, the interest rate and the number of years to repay.
- Working Tax Credits (excluding child care credits).
- Last three months' bank statements

## 4. Payment and reservation

Once our Sales Advisor is happy that all information has been supplied and all criteria satisfied, you will need to pay the £500 reservation fee to secure the property. This can be paid by cheque or by online bank transfer.

You will need to provide your solicitor details at this point.

Once you have paid the reservation fee, the Sales Advisor will arrange for the reservation documents to be issued electronically.

### TIP:

If you are not sure which solicitor to use, we have a panel of recommended solicitors, who are all familiar with the Shared Ownership sales process. Using one of our panel of solicitors helps the sale progress as smoothly and quickly as possible.

