

Shared Ownership Scheme

An alternative and more affordable way into home ownership

millbay
homes
quality living · affordable prices

What is Shared Ownership?

Shared ownership is a real alternative to renting or outright purchase. It enables you to purchase a share of a property and pay rent on the remaining balance.

Your initial purchase can be between 50-70% of the value of the property.

Shared ownership allows occupiers to increase the share they own or to purchase outright whenever their financial circumstances enable them to do so. This is called 'staircasing' and means you have the right to buy the balance held by the Pembrokeshire Housing Group at anytime.

A mortgage will be required to purchase your share. If you have a large deposit or equity from the sale of a property, this can also be used towards purchasing your share.



Your new home may be more affordable than you think!

How it works:

Open market value of property	£140,000	£160,000
You acquire 50% share	£70,000	£80,000
5% deposit requirement on your share	£3,500	£4,000
Your Mortgage requirement	£66,500	£76,000
Your monthly mortgage repayments	£335	£380
Your monthly rental charge on remaining 50% share owned by the Pembrokeshire Housing Group	£175	£200
Total combined monthly costs of shared ownership	£510	£580

The figures above are approximate and based on a mortgage rate of 3.5% over a 25 year term and a 3% per annum rental charge on the remaining 50% of the property value. Please note mortgage rates and rental charges may vary and change over time. Rental charges will rise with the Retail Price Index (RPI) + 0.005 on an annual basis.

Compared to:

1. Conventional Mortgage

SALE PRICE	10% Deposit	Monthly Cost
£160,000	£16,000	£728
£140,000	£14,000	£637

The figures above are approximate and based on a mortgage rate of 3.5% over a 25 year term and an assumed lender deposit requirement of 10%. Please note mortgage rates may vary and change over time.

2. Private Rental

PROPERTY TYPE	Approximate Monthly Rental (Pembrokeshire)
3 bed semi-detached (New build)	£575 - £625pcm
2 bed semi-detached (New build)	£500 - £550pcm

Rental prices are based on advice from local letting agents in September 2016. Please note these prices will vary over time.

What makes shared ownership different?

Shared ownership means that both your initial capital payment and your monthly payments can be less than if you bought the property outright. Also in most cases your monthly costs will be similar to that of a privately rented property in the area.

Do I qualify for Shared Ownership?

Shared Ownership is available to a wide range of people, who wish to buy a home, but cannot afford to pay the full market price for a property that meets their needs.

The property must be your principal residence and you must not own another property.

Purchasers need to be:

- Unable to afford a suitable property at full market value.
- Assessed by an independent financial advisor.
- Permanently employed.
- Have a household income of under £40,000 per annum.
- Not in serious debt on any existing loans.
- Able to provide an 'In principle' mortgage offer for a minimum of 50% of the value of the property.
- Over 18 years of age.

Please note additional terms and conditions may apply

How do I get a mortgage?

A number of lenders offer shared ownership mortgages. Each will have different criteria in relation to status and income, as with conventional mortgages. Most will require a deposit of 5% - 15% of the share you wish to purchase. Mill Bay Homes can arrange free no obligation financial advice for you if required.

What are my costs for buying?

You will be responsible for your solicitor's fees, mortgage arrangement costs and Stamp duty.

What are my costs of ownership?

The Pembrokeshire Housing Group will insure the property for its replacement value but will re-charge you the cost of this alongside your rent. This insurance will be considerably cheaper than you will be able to purchase it for. You will be required to take out home contents insurance.

Like any other owner occupier you will be responsible for:

- All repairs and maintenance of the property
- All utility bills
- Council tax
- Home contents insurance

What are my costs of increasing ownership %?

You will be responsible for all legal and professional fees associated with increasing your share of ownership.

You will be able to Staircase up to full ownership in a maximum of 2 stages.

Will my rent amount change?

Yes. The rent will be reassessed every year in line with the terms of your shared ownership lease, and will rise in line with the Retail Price Index. (RPI) + 0.005.

Your new home may be more affordable than you think!

What if I fall behind on my mortgage and rent payments?

If you fall behind on the repayments then after due warning and legal proceedings your home can be repossessed and resold to cover the outstanding debt. In the event of such a sale you would be entitled to the sales proceeds left after all the debts have been repaid in full.

Your Leasehold Agreement

You will buy your share of your new home on a 125 year lease. The lease is a legal document that proves you own part of your home.

You will own the lease so you will be a 'Leaseholder' and have the same rights and responsibilities as a full owner-occupier.

The lease will set out certain conditions such as:

- **How often your rent and service charge is reviewed.**
- **Procedure for increasing percentage of ownership.**
- **The Pembrokeshire Housing Group's responsibilities.**
- **Your rights and responsibilities as an owner-occupier.**
- **Procedure for making home improvements.**
- **Procedure for selling the property.**

Please note: You will not be able to sublet the property

What happens when I want to sell?

If you have become the outright owner of the property since the original shared ownership purchase, you simply sell the property on the open market in the normal way.

If you don't own 100% of the property and want to sell:

- **You may sell the property as a shared ownership property provided that the purchaser is eligible for Shared Ownership and has been approved by the Pembrokeshire Housing Group; or**
- **You may sell the property on the open market in the normal way and not as a shared ownership property. The sales price will then be shared between you and the Pembrokeshire Housing Group according to the percentage owned by each party at the time of sale.**



We are only able to offer a limited number of homes under the Shared Ownership Scheme

To register your interest, please call:

0333 7000 733

Your new home may be more affordable than you think!