

Your guide to

# Shared Ownership

An affordable way to  
purchase your own home



# Shared ownership, an affordable way to purchase a home on the open market

At Yarlington Homes we provide more than just somewhere to live. Whether you are purchasing a modern apartment or a family home, you can be assured that you will find a home to be proud of.

Quality is at the foundation of everything we build, it is designed into every step of the process, giving you the home that you want, to suit your needs and aspirations.



# Contents

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What is shared ownership?	4
Are you eligible for a shared ownership home?	6
The application process	8
Buying your home step by step	10
Before you buy	12
After the purchase	14
Rights and responsibilities	18

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# What is shared ownership?

The scheme enables you to buy a home in stages, typically buying a 50% share of the property value and paying a low cost rent on the remaining share.

- You will own a share in your home, rather than paying rent with no return
- You only buy what you can afford so you don't overstretch yourself financially
- You can buy more shares or sell the property
- The combined monthly mortgage and rental outgoings should be less than the cost of buying or renting privately the same type of property on the open market



**50%  
Buy**

**50%  
Rent**

By buying a shared ownership property you become a leaseholder, not a part tenant, and Yarlington is the Freeholder until such time as you are able to buy the property outright (exceptions may apply). You will be granted a 125-year lease, which sets out certain terms and conditions such as:

- How often your rent and service charge increases
- How much it will increase by
- What you should expect from us
- Your rights and responsibilities as a Leaseholder

As a Leaseholder, you will have the same rights and responsibilities as a full owner-occupier. However if you decide to buy the remaining share of your house, you will own your home outright and become a Freeholder.

If you own an apartment, you will remain a Leaseholder like any other apartment owner. This is because your home is in a block of apartments and your lease sets out responsibilities for use and maintenance to all shared areas.



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Our shared ownership team can answer all your questions on purchasing a shared ownership home

**Call 01935 404006**

# Are you eligible for a shared ownership home?

Shared ownership is aimed at first time buyers who are unable to buy a suitable home on the open market. Applications will also be considered from existing homeowners who meet the general eligibility criteria and are selling or have sold their home.

**General eligibility criteria are:**

- Household income less than £80,000
- Not a home owner or named on a home mortgage (applicants in the process of selling a home will be considered)
- Unable to afford to buy a home on the open market
- Have available deposit of at least 5% of the purchase price, depending on the lender's requirements
- Access to additional £2,500 to cover legal fees and the cost of moving
- Be able to financially sustain home ownership in the longer term
- Have a good credit history





Shared ownership was a great solution to get on the property ladder

# The application process

The application process is simple, it will set you on course to reserve your new home.

**Should you decide to apply for one of our properties, we will require the following documentation from all named applicants:**

- Completed application form available on our website at: [www.yarlingtonhomes.co.uk](http://www.yarlingtonhomes.co.uk) or at the back of this brochure
- Registration with the HomeBuy agent for this area, online registration at: [www.helptobuysw.org.uk](http://www.helptobuysw.org.uk)
- Mortgage agreement in principle with the key facts document
- Three months' bank statements for all accounts
- Three months' pay slips
- Details of any additional income (if applicable)
- Evidence of savings sufficient to cover lender deposit or share being purchased plus an additional £2,500 to cover your legal fees and moving costs
- Evidence of any outstanding loans including credit cards
- Photographic proof of ID
- Credit referencing report for each applicant



**This will enable us to fully assess your application, and subject to the outcome of the assessment, proceed to reservation of a property.**

Your information should be sent to either of the following:

**By email:**

[shared.ownership@yhg.co.uk](mailto:shared.ownership@yhg.co.uk)

**By post:**

FAO Shared Ownership Team  
Yarlington Housing Group  
Lupin Way  
Yeovil  
Somerset  
BA22 8WN

# Buying your home step by step

1

## Choose

Choose your new home from our wide selection of shared ownership properties and locations.

2

## Advice

Talk to an independent financial adviser about a shared ownership mortgage for a percentage share of the property you would like to buy.

3

## Application

Complete an application at: [www.yarlingtonhomes.co.uk](http://www.yarlingtonhomes.co.uk) and the HomeBuy agent's application form at: [www.helptobuysw.org.uk](http://www.helptobuysw.org.uk)

7

## Solicitor

Appoint a solicitor to act on your behalf.

8

## Mortgage

Apply for your mortgage formally.

9

## Exchange

'Exchange' of contracts.





Our shared ownership team will talk you through the process of purchasing your new home

**Call 01935 404006**

4

## Finances

Submit your financial documentation as per our 'application process list'

5

## Assessment

We will assess your application for affordability and eligibility. If successful, an offer will be made.

6

## Reservation

Pay a reservation fee on your chosen property.

10

## Complete

'Completion' and transfer of funds.

11

## Handover

Meet us at the property for final handover and to collect your keys.



**Move in  
and enjoy  
your brand  
new home!**

# Before you buy

## Reserving your home

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In order to reserve your chosen property, you will need to make a non-refundable payment of £500 (known as a reservation fee), which is payable to Yarlinton. This will be deducted from the share price of your chosen property on completion.

Your reservation fee will not be refunded should you decide not to go ahead, for whatever reason, including if you change your mind; or we withdraw our offer of a home because you have given false information on your application form.

The reservation will be refunded if we are unable to offer you the home of your choice.

## The offer

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If the result of your application assessment is satisfactory, we will issue an official offer of a property. This summarises the details and costs of your proposed purchase, including a date by which the exchange of contracts is to take place, which usually is six weeks after the contracts are issued to your solicitor. During this time your mortgage lender will be preparing your mortgage offer and your solicitor will be doing the legal paperwork. Once you receive your mortgage offer you should advise your solicitor straight away to arrange an exchange of contracts.

## Arranging a mortgage

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Your mortgage lender will require a deposit from you to secure a mortgage. This normally ranges between 5% and 25% of your share value. Your financial advisor will be able to advise you which mortgage product is most suitable for you.



## Appointing a solicitor

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If you are buying a property, you will need to appoint a solicitor who will carry out the necessary legal work on your behalf. You should make sure you obtain an estimation of the likely costs before you go ahead. The costs will include their fee, the land registry and search fees and any expenses (known as disbursements). To help you decide which solicitor to use, a full list of approved solicitors is available on our HomeBuy agent's website at: **[www.helptobuysw.org.uk](http://www.helptobuysw.org.uk)** You do not have to use a solicitor from this panel however they are experienced in shared ownership which may result in a swifter process.

## Stamp duty

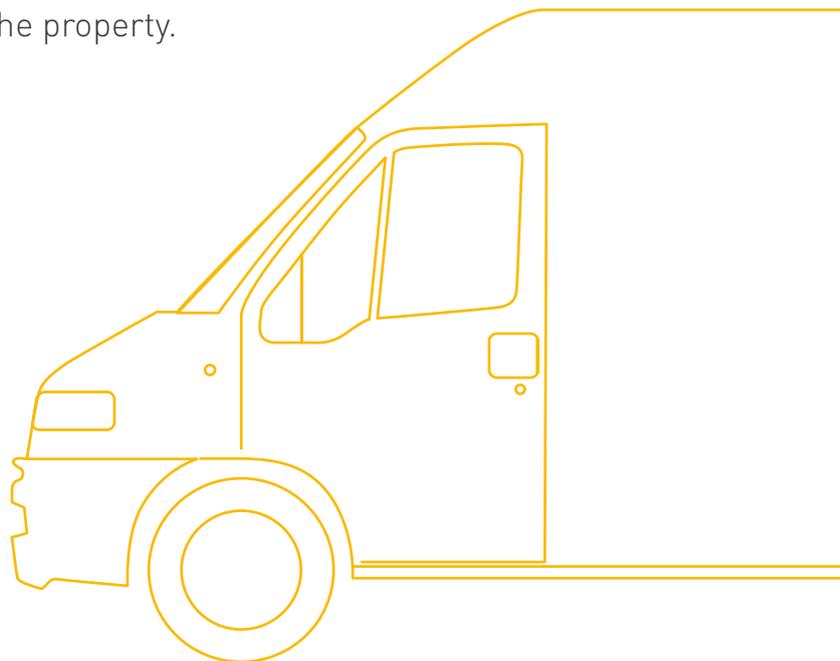
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Stamp Duty Land Tax (SDLT) – This is a government tax on buying a home. You will need to obtain advice from your solicitor regarding any commitment you may have in relation to this. Currently you can opt out of paying SDLT until you own 80% of the value of the property.

## Removal costs

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You will also need to set aside a sum of money to cover your removal costs. If you are going to use a removal company to move your furniture, make sure you get a few quotes as costs can vary significantly.



# After the purchase

To make sure that you enjoy all the benefits of a brand new home within our Shared Ownership Scheme, you must also consider the on-going costs that you will have to pay each month and which are typically:

## Mortgage repayments

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Each month you will make payment to your mortgage lender, usually by direct debit. The mortgage payment is between you and your mortgage lender, however as we own part of your home, we want to make sure our investment is protected, just as much as you do.

If you fall behind on your mortgage payments, or you think it could happen, you need to let us and your mortgage lender know as soon as possible. Many mortgage lenders will allow you to stretch your payments over a longer period while you both find a permanent solution. If you do not get help, or your financial problems continue and you get into debt, the mortgage lender can repossess your home. If this happens you might lose all the money you put into your home.

## Rental payments

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Buying a shared ownership home means that you will be paying an affordable monthly rent in addition to your mortgage repayment. This is collected by monthly direct debit. This makes payment simple and convenient for everyone as the payments are taken directly from your bank account. Your rent will be reviewed in April each year, as agreed in your lease. We will let you know in advance if your rent amount will change.

If you miss a payment, our Rents Team will contact you to discuss your situation and to arrange a repayment plan for you. However, if you continue not to pay your rent, we reserve the right to take legal action that may result in forfeiture of your Lease.





## Example monthly payments

This table illustrates the estimated on-going costs for two properties, one valued at £100,000 and one at £150,000. Please note these are estimates and on-going costs will vary depending on the individual property.

Asking price based on a 50% share	Property Value £100,000	Property Value £150,000
<b>Mortgage Repayments</b> <small>(Assuming 5% interest rate over 25 years)</small>	£281 pm	£421 pm
<b>Rental Payments</b>	£115 pm	£172 pm
<b>Service Charges</b>	£20 pm	£20 pm
<b>Insurance</b>	£5 pm	£5 pm
<b>Total Monthly Outgoings</b>	<b>£421</b>	<b>£618</b>

## Shared Ownership - After the purchase



“ The team at Yarlington helped us to calculate our monthly on-going costs so it was clear what we could afford ”



## Service charge

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This charge is collected monthly and varies according to the type and location of property that you have chosen and typically includes the following elements: buildings insurance, management charge, upkeep of communal areas such as pathways, courtyards or un-adopted roads and often services provided by a third party management company.

### **The service charge for apartments covers additional services such as:**

- The cost of all day-to-day and future repairs and maintenance to the outside of the building and all the shared areas. This could be the roof, communal TV aerial, entry phones – anything that is used by everyone in the apartment block.
- The cost of cleaning and gardening to shared areas. We only charge you what we have to pay out on services. An estimate of cost will be sent to you annually in February.

## Insurance

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As a freeholder, we need to make sure that your home is adequately insured. We have a block policy insurance which covers all our properties and therefore the premium we pay to the provider is reduced and the savings are passed on to you.

## Utilities

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As a shared owner you will be responsible for your own bills including: gas, electricity, water, council tax, telephone, TV licence and any other services that you may require e.g. telephone, internet.

## Management charge

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This covers our cost of providing and managing the services for you.

# Rights and responsibilities

## Maintenance responsibility

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As a home owner, you will be responsible for all repairs and maintenance to the interior and exterior of the property including boundary fencing, paths and parking areas within your ownership.

The responsibilities are slightly different if you are living in a shared ownership apartment – you will only be responsible for all internal decorating and repairs. We will be responsible for the maintenance and redecoration of the internal corridors, halls and staircases and externally for roof, gutters, glazing and aerials.

## Defects

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With all new homes, there are bound to be teething problems. Most of these will be minor, like cracking as the property dries out, or 'sticking' doors or windows. The builder is responsible for putting right any defects that may occur during the 'defects liability' period that may run from between 6 and 12 months after the handover of a new property to Yarlinton Homes. If you identify any defects, just let us know and we will arrange for the builder to put the problem right.





## Buildings warranty

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Your home is also covered by the National House Builders Council's (NHBC) warranty or equivalent, which covers your home for defects in the building workmanship for the first two years after you move in and for structural problems for 10 years, in some cases 12 years.



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For further information on your rights and responsibilities please contact our shared ownership team

**Call 01935 404006**



## Staircasing - Buying further shares

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Our Shared Ownership Scheme enables you to buy your home in stages with an option to buy more shares at any time after you have lived there for more than a year – this is known as ‘staircasing’. Each time you purchase further shares you will own a larger proportion of the property and so your monthly rental payments will go down. The price you pay for any extra share is based on the market value of your home at the time you want to buy.

‘Staircasing’ is the affordable option to becoming the outright owner of your property – allowing you to increase the size of your share in the property, as and when funds allow, and until such a time as you hold a 100% share.

Then you will not be required to pay any further rent since you own the property outright, although when applicable, you may still need to pay a service charge. Please note, this option may be restricted in rural areas or other areas that are deemed protected. Please check with us before buying your property.



## Selling your property

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You can sell your home at any time. Simply get in touch with us and we will talk you through the options. You will need to obtain a valuation of your home from a RICS (Royal Institute of Chartered Surveyors) qualified surveyor. A valuation will give you a clear indication of whether the value of your property, and therefore your share, has increased or decreased depending on the property market at that time.

## Improvements and permissions

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We recognise that as a home owner you will probably want to make improvements after you have been living there for some time. You may go ahead with simple repairs and redecoration without the need for permission but for any more complicated internal or external improvements, such as adding a conservatory, permission from Yarlington will have to be sought.

“ **The shared ownership team were very helpful and always answered my questions promptly** ”



**yarlington**  
*homes*

MOVING TOGETHER



— Moving Together —

# Checklist

Please provide the following supporting documents:

- Completed application form available on our website at: [www.yarlingtonhomes.co.uk](http://www.yarlingtonhomes.co.uk) or at the back of this brochure
- Registration with the HomeBuy agent for this area on-line registration at: [www.helptobuysw.org.uk](http://www.helptobuysw.org.uk)
- Mortgage agreement in principle with the key facts document
- Three months' bank statements for all accounts
- Three months' pay slips
- Details of any additional income (if applicable)
- Evidence of savings sufficient to cover lender deposit or share being purchased plus an additional £2,500 to cover your legal fees and moving costs
- Evidence of any outstanding loans including credit cards
- Photographic proof of ID
- Credit referencing report for each applicant



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If you require help completing your application form please contact our shared ownership team

**Call 01935 404006**



## Moving Together

There's never been a better time to find out how we can help you get on the property ladder with our Shared Ownership Scheme.

We are here to help so please do contact us with any queries you may have. We are available between 9am and 5pm Monday to Friday.

### Contact us for more information

 01935 404006

 [shared.ownership@yhg.co.uk](mailto:shared.ownership@yhg.co.uk)

### Yarlington Homes Limited

Lupin Way, Yeovil, Somerset BA22 8WN

[www.yarlingtonhomes.co.uk](http://www.yarlingtonhomes.co.uk)



Moving Together

# Shared ownership application form



## Personal details

Please fill in this form in **BLOCK CAPITALS** and send it back to us at the address on the back. We will use the information you provide in this application to assess your affordability and eligibility for shared ownership. After registration, your details will remain on our system until you have bought a home or until advised otherwise.

	First applicant	Joint applicant
Title Ms/Miss/Mr/Mrs/Other	_____	_____
First names	_____	_____
Surname	_____	_____
Sex	Male / Female	Male / Female
Date of birth	_____	_____
Address	_____ _____ _____	_____ _____ _____
Postcode	_____	_____
Date moved in	_____	_____
Telephone numbers	Day: _____	Day: _____
(please indicate preferred)	Work: _____	Work: _____
	Mob: _____	Mob: _____
E-mail address	_____	_____
National Insurance number	_____	_____
Ethnic origin (please circle as appropriate)		
a) White	English / Irish / Other British / Other white background	English / Irish / Other British / Other white background
b) Mixed	White & Black Caribbean / White & Black African / White & Asian / Other	White & Black Caribbean / White & Black African / White & Asian / Other
c) Asian or Asian British	Indian / Pakistani / Bangladeshi / Chinese / Other	Indian / Pakistani / Bangladeshi / Chinese / Other
d) Black or Black British	Caribbean / African / Other	Caribbean / African / Other
e) Other Ethnic Group	Caribbean / African / Other	Caribbean / African / Other

## Employment details

Job title	_____	_____
Type of employment	Full-time / Part-time / Retired / Unemployed	Full-time / Part-time / Retired / Unemployed
Annual income (before tax)	£ _____	£ _____
Total savings	£ _____	£ _____
Total outstanding loans	£ _____	£ _____
Benefits	Type: _____ £ _____ wk/mth	T: _____ £ _____ wk/mth
	Type: _____ £ _____ wk/mth	T: _____ £ _____ wk/mth
	Type: _____ £ _____ wk/mth	T: _____ £ _____ wk/mth
Other income	Type: _____ £ _____ wk/mth	T: _____ £ _____ wk/mth



If you require assistance completing this form please call 01935 404006



### Other household details

Who else will be living with you? (e.g. children)

Surname	Other names	Sex	Date of birth	Relationship to you	NI number if known
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

### Accommodation requirements

Which development are you applying for?

How many bedrooms do you require? One / Two / Three / Four

What type of accommodation would you consider? House / Flat / Bungalow / Maisonette / Bedsit / Coach House

What are your current housing circumstances?

A council tenant	Yes / No	A housing association tenant	Yes / No
Renting	Yes / No	Living with family or friends	Yes / No
A current home owner	Yes / No	Existing shared owner	Yes / No
Homeless	Yes / No	Other	Yes / No

How many bedrooms does your current home have? One / Two / Three / Four / Five

What type of accommodation is it? House / Flat / Bungalow / Maisonette / Bedsit / Coach House

What is the reason for your application? (e.g. relationship breakdown)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have a disability? Yes / No

If yes, please state the disability:  
\_\_\_\_\_  
\_\_\_\_\_

Are you related to a Yarlington Housing Group employee or Board member? Yes / No

If yes, please give details:  
\_\_\_\_\_  
\_\_\_\_\_

### Declaration by applicant

The information given on this form is, to the best of my/our knowledge, true and correct.

I know that if I have knowingly given false information I/we will be committing a criminal offence.

I/we must inform Yarlington of any changes in my/our circumstances.

Signed \_\_\_\_\_ Date \_\_\_\_\_

### For joint applicants

Signed \_\_\_\_\_ Date \_\_\_\_\_

Please return this form with your personal documents to:

Yarlington Homes Limited, Lupin Way, Yeovil, Somerset BA22 8WN