



Persona Homes

by Home Group

# SHARED OWNERSHIP

A BUYER'S GUIDE



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# Shared ownership is an exciting way to step onto the property ladder – and we’re here to guide you every step of the way.

*It's a flexible, affordable way to buy a home that works for you and your future. With shared ownership, you can start by buying a share of your home and buy more when the time is right for you.*

This guide is packed with handy tips and information to help you feel confident, informed, and in control. From unlocking the door to your new home, to growing your share or moving on when the time's right.



# What is shared ownership?

*Shared ownership is a government-backed scheme designed to make owning your own home more affordable and achievable.*



Shared ownership allows you to buy a share of a property, and you pay rent on the part you don't yet own. This is all dependent on your affordability and circumstances.

The share you start with depends on your deposit and mortgage. As time goes on, you can usually buy more shares when it suits you. This is called staircasing, and in most cases, you can keep going until you own your home outright.

You can find out more about how staircasing works on page 16.



# How does shared ownership work?

*With shared ownership, you start by buying a share of a home, usually between 10% and 75% of its full market value (depending on the development). Before you buy, you'll go through a financial assessment to make sure the share you choose is affordable both now and in the future.*

You'll pay subsidised rent on the part of the home you do not yet own, and over time, you will usually have the option to buy more shares. As your share grows, the rent you pay reduces. If you decide to buy 100% of your home, you will no longer need to pay any rent. At that point, your solicitor will help transfer the freehold to you, if there are no local restrictions in place.

For some homes you might still be the leaseholder, even if you own the home outright.

When you buy through shared ownership, you're classed as an owner-occupier, not a tenant. You will own your home on a leasehold basis, just like many homeowners who buy on the open market. And yes, it is very much your home.

## **Benefits of shared ownership**

- You own a share in your home, so your monthly payments go towards something that is yours.
- You only buy what you can afford, so you do not overstretch yourself financially.
- A lower deposit is needed.
- You can usually buy more shares later if your finances change or stick with your original share if that suits you better.

## **Will my rent ever increase?**

Based on the terms of your lease your rent is reviewed each year by Home Group, this is also who you pay rent to. Your rent review will follow either the Retail Price Index (RPI) or the Consumer Price Index (CPI).

Each year, Home Group will let you know how much your rent will increase and when the new amount takes effect. If inflation goes down, your rent may still increase depending on the lease, but you will always be kept informed.



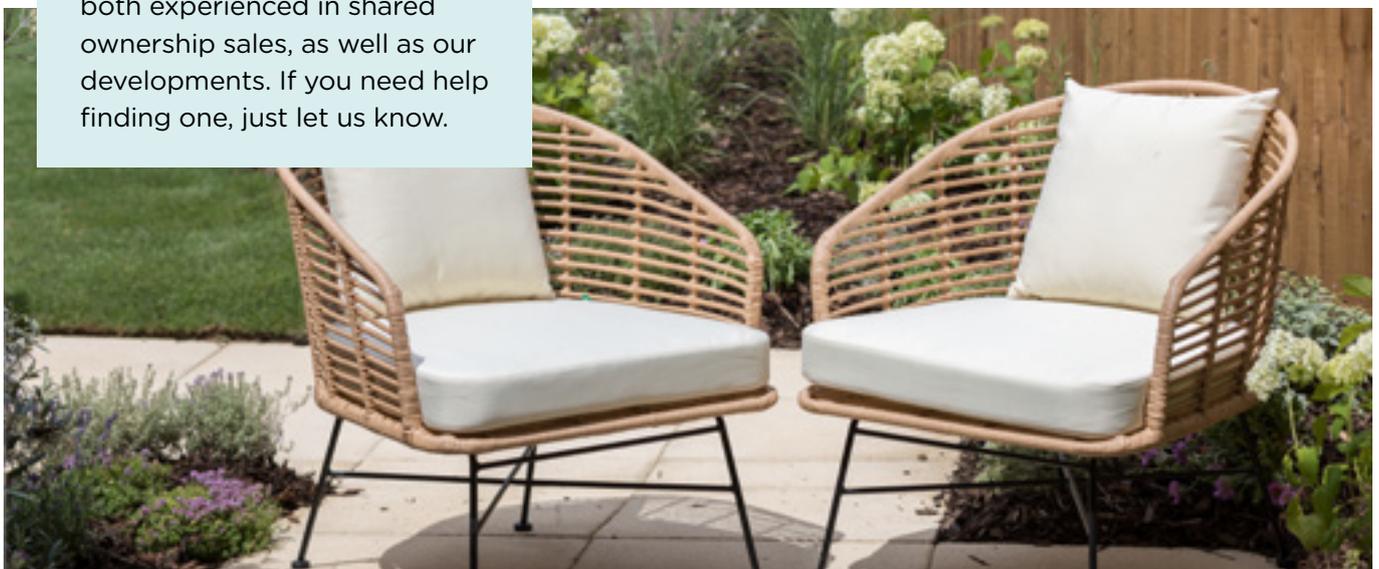
# Who can be a shared owner?

*Shared ownership opens up the door to home ownership for more people. Whether you're taking your very first step onto the property ladder or looking for a more affordable way to move, this could be the perfect opportunity for you.*

So, could shared ownership be right for you?  
Here's what you need to qualify:

1. Your household income must be under £90,000 if you're buying in a London borough, or £80,000 if you're buying anywhere else.
2. You're either a first-time buyer, or someone who is unable to buy 100% of a suitable home to suit your needs.
3. Already a shared owner? You'll need to have your current home under offer before you can reserve a new one.
4. If you already own a home (not through shared ownership), you must have sold or be sold subject to contract before applying.
5. The shared ownership home must be your only home.
6. You'll need to be able to afford the minimum share, and if you're using a mortgage, a quick affordability check will confirm you qualify.
7. You must register with an independently qualified financial advisor.

**Tip:** We have contact details of several independent financial advisors and solicitors who are both experienced in shared ownership sales, as well as our developments. If you need help finding one, just let us know.

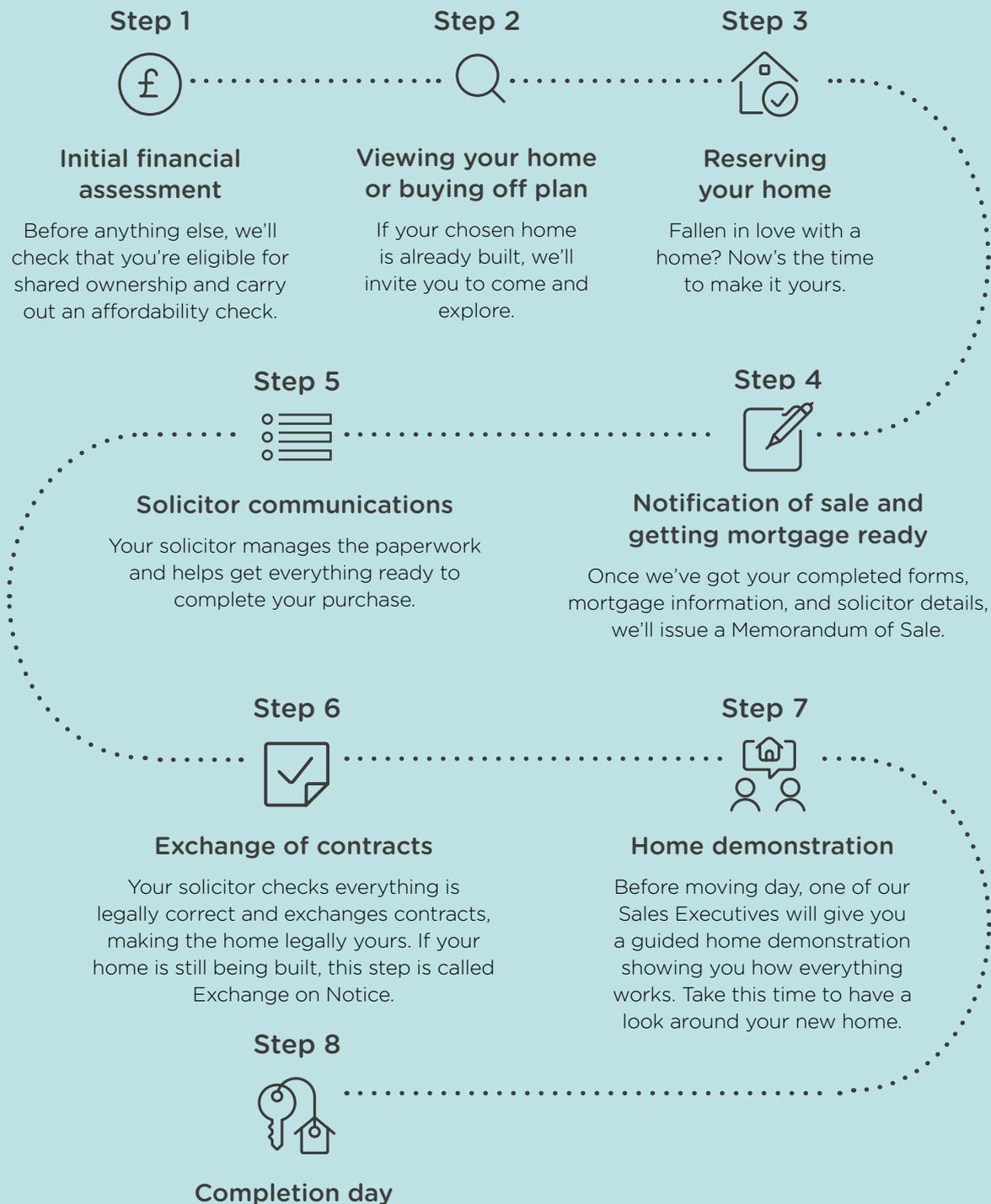


# The shared ownership process



# Steps to buying shared ownership

*Buying your new home is a huge milestone and we're here to help you feel confident every step of the way. Let's break the process down into simple, easy-to-follow stages.*



Congratulations, today's the day! Once your solicitor has tied up the final things (transferring funds, registering your lease, and making sure any advance payments, like rent or service charge are sorted) you can start your new chapter.

When you arrive, one of our Sales Executives will be there ready to welcome you into your new home.



## Step 1

### Initial financial assessment

Before anything else, we'll check that you're eligible for shared ownership and carry out an affordability check.

This means an Independent Financial Advisor will look at your income and outgoings. This includes, payslips, bank statements, and any existing commitments to make sure the home is affordable for you, both now and in the future.

At this point, we'll also ask you to send over your mortgage advisor details.

It might sound daunting, but it's all part of helping you secure a home that fits your lifestyle comfortably and safely.

**Top tip:** Check out our **First Come First Served Policy**.

**Tip:** We have a recommended panel of independent financial advisors who are experienced in shared ownership sales if you need help finding one.



## Step 2

### Viewing your future home

Ready to take a look around? [Arrange a time to view!](#)

If your chosen home is already built, we'll invite you to come and explore. If you're buying a home before it is built, we may have a beautifully styled show home or view home to help you visualise your space.

One of our friendly Sales Executives will walk you through everything in the home, the development, and what's available. This is the perfect time to ask questions and get a real feel for the area.



## Step 3

### Reserving your home

Fallen in love with a home? Now's the time to make it yours.

When you're ready to reserve your home, we'll need a £500 reservation fee from you. Don't worry, this fee is deducted from your purchase price. Once this has been received, we will take the property off the market.

To get the ball rolling we'll then send you a reservation form.

Please send us your signed reservation form within the next 48 hours.

We'll also ask for your solicitor's details so we can keep things moving smoothly.

We recommend you choose a solicitor with shared ownership experience.

They'll handle:

- All the legal paperwork.
- Liaising with your mortgage lender.
- Checking your lease.
- Doing searches and reviewing your mortgage offer.

They're your legal guide through the home-buying process.

We'll also be in touch to book your plans and drawings appointment!



## Step 4

### Notification of sale and getting mortgage ready

Once we've got your completed signed forms, mortgage information, and solicitor details, we'll issue a Memorandum of Sale (also known as the reservation form):

This includes your purchase details and sets a target exchange date.

Your mortgage advisor will need a few things from you to secure your offer.

This might include:

- 3 months of payslips or 2 years of accounts if self-employed.
- ID (like your passport).
- Proof of savings, benefits, and address history.
- Credit agreements, if you have any.

They may ask for more information along the way but don't worry, it's all part of the process!

A valuer reviews your new home to make sure the house is being sold for what it's worth.

Your mortgage lender processes your mortgage application, and you should then receive your mortgage offer.

You and your solicitor review the mortgage offer and get ready to sign the mortgage deed. It's also important our solicitor receives a copy of your mortgage offer from your solicitor.



## Step 5

### Solicitor communications

Your solicitor will guide you through the legal documentation relating to your new purchase and keep you updated as things progress.

- **Mortgage deed** – the document you'll sign to confirm your mortgage agreement.
- **General updates** – your solicitor will stay in touch with any changes or next steps so you always know what's happening.
- **Contract documents** – all the legal paperwork that makes your purchase official.
- **Searches** (if buying with a mortgage) – this includes various checks, such as the local authority search, environmental search and any other searches your solicitor or lender may seem necessary.
- **Exchange and completion dates** – confirming when contracts are exchanged and when you'll get the keys.

Don't forget your solicitor is there to help and guide you through your purchase. Should there be anything you need further clarification on, please don't hesitate to reach out to them.





## Step 6

### Exchange of contracts

Your solicitor will review the terms of the sale including price, build specifications and completion date. They will make sure all legal documentation is correct and in order.

Once all the details have been reviewed and legal checks have been completed, your solicitor will ask for your deposit monies (usually 5-10% of your share) and authority to exchange.

If your home is built, you'll typically complete within 10 working days of exchange. If you're buying off-plan you'll exchange 'on notice' and we will give you 10 working days' notice before your completion day. Dates will be discussed between yourself and your Sales Executive to provide a completion day that suits both parties.



## Step 7

### Home demonstration

You're nearly there! Before moving day, our sales executive will walk you through your new home.

This is a great time to:

- Take measurements for furniture.
- Learn how everything works, like your heating and appliances.
- Ask questions and get your homeowner's guide.

We also have handy **how-to videos** you can revisit anytime.



## Step 8

### Completion day - time to move in

Your solicitor will handle the final things including, transferring funds, registering your lease, and making sure any advance payments (like rent or service charge) are sorted.

Then... the keys are yours! You'll also receive:

- Your NHBC handbook (or equivalent).
- Instructions for your appliances and heating.
- A warm welcome to your brand-new home!

### Don't forget to:

- Register with utility providers.
- Set up council tax and local services.
- Register for your rubbish and recycling bins.
- Some councils now require you to register for your bins, find out more on your local council's website.

*Welcome to your new home.*



# Costs when buying shared ownership

*We know buying a home is a big step and budgeting for it all can feel a little overwhelming. So, we've broken it down to give you a clearer idea of what to expect. Every home purchase is different, but here's a general guide to the key costs involved.*



These are typical things you'll need to pay for as you go through the process of buying a home:

- **Reservation fee** (£500, this is taken off your final purchase price)
- **Independent Financial Advisor (IFA) fee** (£500 if applicable) **Mortgage valuation fee** - to confirm your home's value
- **Mortgage arrangement fee** - sometimes charged by your lender
- **Documentation/engrossment fee (This cost is referenced in your reservation agreement)** (£180 - £200) - this is a fee we take when preparing the lease
- **Solicitor's fees** (varies depending on your solicitor)

- **Stamp duty** - as a shared ownership buyer, you can choose to:

- o Pay stamp duty on the full market value upfront, or
- o Pay in stages as you buy more shares (only if you go over 80% ownership)

If you want to find out more about the stamp duty threshold you can do so on the [Gov.uk](https://www.gov.uk) website.

- Apportionment of rent (rent to the end of the month, plus next month's rent in advance)
- Apportionment of service charge (Service charge to the end of the month, plus next month's service charge in advance)

## Ongoing costs once you've moved in

After you've settled in, there are a few regular costs to keep in mind as part of owning your home:

- **Service charge** – this covers things like maintenance, repairs, cleaning of shared spaces, and sometimes a sinking fund (for major future works.)
- **Management fee** – this helps cover the cost of managing the development and is often included in your service charge.
- **Estate charge (if applicable)** – if there are shared outdoor areas, private roads, or green spaces, you might contribute towards their upkeep.

## Understanding your service charge

Each year, we'll give you a budgeted estimate for your upcoming service charge. At the end of the year, we balance the books:

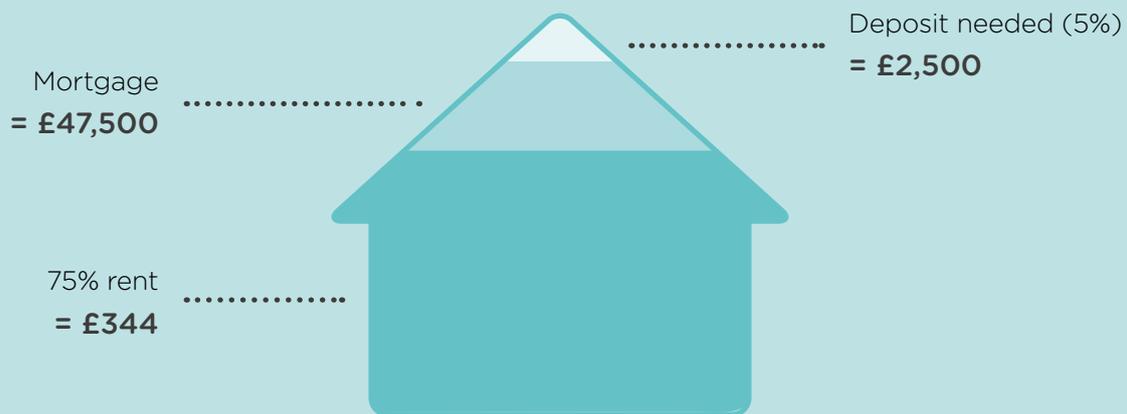
- If we spent less than expected, you may receive a refund.
- If we went slightly over, you might receive an invoice for your share (depending on your lease.)
- If you ever have questions or think something doesn't look right, you have the right to challenge your service charge through the First Tier Tribunal, a formal but fair way to resolve any housing-related disputes.

We know that costs and legal jargon can feel overwhelming. If you ever need anything explained more clearly, just ask. We're here to help make your home buying journey as smooth and exciting as possible.



# Buying shared ownership

*Let's say you want to buy 25% of a home with the full market value of £200,000*



## **Total Monthly Cost:**

### **Mortgage:**

£238 (based on 5% interest over 25 years)

**Rent:** £344

**Total:** £582 per month

## **Additional fees when buying shared ownership**

- Document/engrossment fee - £180-240
- IFA Fee - £500 (if applicable)
- Apportionment of rent fee: You'll pay the balance from the day you complete until the end of that month, plus one full month's rent.
- Apportionment of service charge fee: You'll pay the balance from the day you complete until the end of that month, plus one full month's service charge.
- Solicitors' fees: This varies depending on which firm you choose but expect to pay between £1,000 - £3,000.

\*Please note these numbers are an estimate to help guide you through the costs of shared ownership.

# We're still here if you need us.

*Here's all the details you might need to get in touch with us.*

## **General enquiries**

**T:** 0800 030 8888

**E:** [contactus@yourpersonahome.com](mailto:contactus@yourpersonahome.com)

## **Persona Homes Head Office**

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**Visit:** [yourpersonahome.co.uk](http://yourpersonahome.co.uk)

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