

# Shared Ownership Explained



We assume because you have downloaded or requested a copy of this easy to read guide, you are interested in shared ownership and want to know more?

Shared ownership couldn't be easier, a government backed scheme for people who are unable to afford to buy a home outright, at the full market value.

It is a part rent/part buy scheme, meaning you buy a percentage of your home and rent the remaining shares from us, Your Housing Group. Launched in 2006 by the government, it is a way of helping people to be able to afford home ownership.

## **Why buy through shared ownership?**

Sometimes you need a little helping hand to get on to the housing ladder; shared ownership is designed to do just that. Buying a home in the current market can be very difficult for many people, which is why shared ownership has helped so many people take their first steps.

You can usually buy an initial share of 30% - 70% of the value of your property,



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and you will need to take out a mortgage to be able to do this. You will then pay a subsidised rent on the remaining share of your property which you haven't bought; there will possibly be a monthly service charge on top of this rental cost as well.



### **When I buy a property with shared ownership, what am I buying?**

As we have already mentioned, shared ownership is a government backed scheme, which allows you to part buy/part rent and is designed to help first time buyers and those people who need a helping hand. You are able to buy additional shares in your property, this is called staircasing, when you can afford to do so.



Buying through a shared ownership scheme makes you an owner-occupier and not a part tenant. Since you will own a lease on your property you will be known as a "shared owner" and we will be what is known as the "landlord".



If you decide further down the line to buy the remaining shares in your property (there may be a restricted period of time on your lease before you can do this), you will own your home outright. By owning your home outright, you are able to sell it at the full market value.



## Am I eligible?

Eligibility will depend on several things from the home you are looking at, the property size and whether there is any criteria imposed by the local authority.

There are two types of shared ownership schemes you can be involved in, and you can even take part in the scheme if you are aged over 55, this is called the older persons shared ownership scheme.

For more information on your eligibility, contact our sales team on 0845 618 5008, alternatively you can visit our website at [www.yhghomes.co.uk](http://www.yhghomes.co.uk)



## The big question – how much will it cost?

When you get a mortgage, the lenders will traditionally require you to contribute towards the share in the property which you wish to buy.

This is usually 10% of the share, however there are different options out there which may allow you take pay more or less than that 10% - this will be reflected in the type of mortgage you are offered. You will need to discuss this with your financial advisor.



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The rent element of the shared ownership scheme will depend on the amount (percentage) of your property you buy, our dedicated sales support team will be able to advise you what you could expect to pay, you will need to bear in mind as well, that there may also be a service charge payable on top of your rent.

### **How do I find out more?**

There are several ways in which you can find out more about shared ownership and whether it is right for you.

Call our dedicated sales team on 0845 618 5008. Alternatively, visit our website to download and read more information about shared ownership – [www.yhghomes.co.uk](http://www.yhghomes.co.uk)



**For more information or to discuss your shared ownership options, call our sales team on 0845 618 5008 now**