



Our complete guide
to shared ownership



Introduction

We believe that everyone deserves a place to call home. Shared ownership is a way to make this happen, offering you a flexible and affordable pathway to home ownership.

In today's housing market, the journey to owning a property can seem daunting. High deposits and rising house prices can often put homeownership out of reach. Shared ownership bridges this gap by enabling you to purchase a share of your home and pay rent on the remaining portion. This unique approach reduces the upfront costs and provides a manageable, step-by-step route to full ownership.

Our commitment to quality ensures that every property we offer meets the highest standards. Whether you are a first-time buyer, looking to downsize, or seeking a fresh start, our shared ownership properties offer you the security and stability of owning your home, with the flexibility to increase your share as your circumstances change.

If you are wondering whether shared ownership might be the right choice for you, this guide is a good place to start.



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About shared ownership

About us

We are a UK-based housing association that owns and manages over 12,000 homes across the UK.

We aim to create sustainable communities by offering affordable and high-quality homes.

Our ambitious shared ownership development programme is driven by our mission to ensure everyone has the right to live in a great place and to call somewhere home.

Our priority is exceptional customer service and ensuring our tenants and customers receive the support they need to enjoy their own homes.

We are a well-run, financially resilient organisation with over 800 employees committed to our social purpose. The Regulator of Social Housing has awarded us the highest financial viability and governance grading. Your next move is in safe hands.

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Why shared ownership?

- Shared ownership allows you to get onto the property ladder more quickly than you might if you wanted to buy a home outright
- You will need less savings as you put down a deposit on a share of the property. For example, a 25% share of a property worth £200,000 may only require a deposit of £2,500
- You own as much of your home as you can afford, and you can buy a larger share when you can, but the choice is yours
- You can buy additional shares as time goes on and you save more; this process is called staircasing
- Your monthly mortgage payment plus rent can work out less than renting on the open market
- Instead of paying rent every month and having nothing to show for it, you own a part of your home
- You can sell a shared ownership property at any time. You could benefit from any increase in value it has experienced since you bought it.

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Myths about shared ownership

Myth: It is more difficult to obtain a mortgage.

Truth: Over recent years, the number of high-street lenders offering shared ownership mortgages has increased. The same assessments are undertaken as if you were obtaining an 'ordinary' mortgage, meaning it will be straightforward if you have a deposit and a good credit rating.

Myth: Properties are in less desirable areas.

Truth: In most new housing developments, housebuilders must provide a proportion of affordable homes. This means shared ownership homes are popping up in increasing numbers in highly sought-after new residential developments.

Myth: It is expensive.

Truth: The monthly payments required to live in a shared ownership property are usually somewhere between full ownership and private renting.

Myth: Qualifying is difficult.

Truth: Many people believe you can only purchase if you have a very low income or are a key worker. However, if your combined household income is less than £80,000 and you don't own another property, you should qualify for most properties. Some shared ownership properties have additional local connection criteria.

Myth: It is not 'real' home ownership.

Truth: Some disregard shared ownership as they see it in some ways as a lesser form of ownership. It should be seen as a tenure that allows homebuyers to get on the ladder and provides a stepping stone to 100% ownership, but it should also be a perfectly acceptable option to stay and own a share of your home. Shared ownership gives you security of tenure and allows you to benefit from any appreciation in value when the property is eventually sold. It is worth remembering that some equity, large or small, is better than none.

Myth: Previous homeowners cannot apply for shared ownership.

Truth: It is fine to have previously owned and sold a property. Your application is based on your current housing situation. You can apply if you are under offer on your current property; you would need to evidence this by providing a copy of the Memo of Sale.

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Buying a shared ownership home with us

With shared ownership, you start by buying a share in your home with the option to buy more shares if you want to. Your deposit will be 5% to 10% of the share you are buying. You pay a mortgage on the share you own and pay rent to us on the share you do not own.

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Eligibility

To buy a home under the shared ownership scheme you must meet these basic requirements:

- Your household income is £80,000 a year or less
- You cannot afford the full deposit and mortgage payments for a home that meets your needs.

You must also meet **one** of the following criteria:

- You are a first-time buyer
- You used to own a home but cannot afford to buy one now
- You are forming a new household - for example, after a relationship breakdown
- You are an existing shared owner, and you want to move
- You own a home and want to move but cannot afford a new home that meets your needs.

Many developments have a local area connection eligibility criteria which potential buyers have to meet. Our Sales Team will provide further information on this.

Affordability

If you are interested in a shared ownership home, you will need to undertake an assessment with our appointed independent financial advisor. They will help you check whether it is an affordable option and, if so, will help establish the optimum percentage share for you that is affordable both now and in the long term.

They will also explain the costs of buying a home, such as the reservation fee, mortgage valuation fee, removal costs, and utility connection, so you can make the right decision.

You will only pay rent on the share that you do not own. As you buy more shares in your home, your rent will reduce.

A smaller deposit and lower monthly payments make it easier to buy your new home. If you want to, you can buy further shares in the future (called staircasing) until you own it outright.

If you staircase to 100% ownership, then the property becomes yours. We have no further interest in the property at this point, and there is no rent to pay.

It is important to pay your rent along with your mortgage payments, service charges, utility bills, and other costs.

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Example

If you decide to buy 25% of a £200,000 home:

You will need a deposit of at least 5% £2,500

- A mortgage of £47,500 is required if you have a 5% deposit

- Initial rent per calendar month £343.75

- Service charges vary. The Sales Team will confirm the initial monthly service charge and provide further information on what it includes.

Ongoing costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future
Mortgage	Money loaned to a purchaser from a financial institution (bank/building society) to part-fund the purchase.	Monthly	Subject to property value and mortgage product (fixed or variable rate)	Subject to change depending on the mortgage product, future borrowing, overpayments or staircasing.
Rent	Money that is paid to the landlord each month. The rent is paid on the unowned share of the property.	Monthly	Subject to property value and percentage of ownership. Reviewed annually	Yes, yearly increases by 0.5% above RPI or 1% above CPI, depending on the lease. NB Historic leases may vary. Rent will reduce upon staircasing.
Service charges	Costs concerning the landlord's services cover different elements in the communal/shared areas within the development and wider estate. For example, building insurance, grass cutting, communal cleaning, etc.	Monthly	Reviewed annually	Yes (reviewed annually, based on expenditure of the previous year). Usually, service charges increase each year in line with inflation/cost of work.
Utility bills, Council Tax and contents insurance	Household bills to cover items not provided by the landlord, e.g. personal electricity and water.	Monthly or quarterly	Subject to each household.	Subject to change depending on utility tariff and council rates.

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Step-by-step guide to purchasing your home

Your first steps to finding your home.

Step 1 | Confirm your eligibility

When you find the home you want to make an offer on, provided you meet any local area connection eligibility criteria, you will be referred to our independent financial advisor for an affordability assessment. They will assess what share you can afford to purchase and whether you are eligible.



Step 4 | We exchange contracts

The memorandum of sale (MOS) will give a date by which to exchange contracts. This makes your intention to buy a home through us a legally binding agreement.



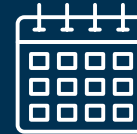
Step 2 | Reserve your home

Once we have received full sign-off for you from our independent financial advisor, you will be provided with further documentation before paying the £350 reservation fee to secure the plot of your choice. Plots are allocated on a first come, first served basis and a copy of our procedure can be provided upon request.



Step 5 | Completion day

Your mortgage lender will give your solicitor the money to buy your home and complete the sale. Congratulations on purchasing your new home!



Step 3 | You appoint a solicitor

Everyone buying a home must appoint a conveyancing solicitor to work on their behalf. We can provide details of solicitors who specialise in shared ownership; however, you are under no obligation to use our suggested solicitor.



Step 6 | Time to collect your keys

We will arrange to meet you at your home and hand over your keys. We will also walk you through your new home and your Home User Guide.



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Your legal responsibilities

Your lease will set out all the full conditions you must adhere to. It is important you have read and understood your lease before proceeding with your purchase.



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In summary:

- **Keep your home in good condition and carry out any maintenance required.** If you own a house, you are responsible for all repairs and maintenance inside and outside your home.
- **Pay all service charges and rent payments on time.** Failure to pay could result in repossession of your home
- **Respect your neighbours and do not cause a nuisance.** Everyone has a right to quiet enjoyment of their home
- **Please keep us up to date with who is living in your property.** Sub-letting is not permitted but may be considered in extreme circumstances
- **Request permission from us before making any alterations to your home.**

Our legal responsibilities

We have a legal duty to make sure that we:

- make sure that you have quiet enjoyment of your home
- keep the parts of your home that we are responsible for in a good state of repair and redecoration
- provide services that are specified in the lease, such as gardening
- provide buildings, public liability and employee insurance
- ensure all service charges are properly demanded and paid
- enforce leaseholders' covenants in the lease.

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Difference between leasehold and freehold

Leasehold 		Freehold 	
House	Full rights to owners	House	Full rights to owners
Land	Restricted rights to owners	Land	Full rights to owners
<p>Leasehold is a long-term tenancy in which someone buys the right to live in a property for a set period (anywhere from 99 to 990 years). Unless arrangements are made to extend the lease before it expires, ownership of the property returns to the freeholder. As a leaseholder, if you own a property in an apartment block, you won't own the land the property sits on; this will be owned by the freeholder.</p>		<p>As a freeholder of a property, you own it outright, including the land it is built on. If you buy a freehold, you are responsible for maintaining your property and the land. If you are part of a development estate, you will need to contribute toward the upkeep and maintenance of the communal grounds via an estate charge in addition to any maintenance and insurance costs specific to your home. Most houses are freehold, but some might be leasehold, especially through shared ownership.</p>	

More information is available at
The Leasehold Advisory Service
[\(lease-advice.org\)](http://lease-advice.org)

Shared ownership flats and houses are sold on a leasehold term initially.

Upon buying the final share in your home, the leaseholder usually obtains the freehold. However, on some developments, this may not be possible. The sales representative will provide details at the time of sale.

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Our standard lease terms

If we are the freeholder or own a long leasehold interest, we will grant a lease term between 99 and 990 years.

All of our homes will be marketed clearly with the lease term available.

More information is available at
The Leasehold Advisory Service
(lease-advice.org)

Shared ownership leasehold

When you buy a shared ownership home with us, we enter into an agreement with you. You will sign a lease outlining your rights and responsibilities as a leaseholder and our responsibilities as the freeholder. Our responsibilities include things such as making sure your home (the building) is insured and consulting you about repairs to any shared areas over a certain amount.

Service charges

Service charges cover the cost of any communal services on the development such as grounds maintenance.

As a shared owner, your service charges also include the cost of your building insurance.



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Calculating service charges

Each year we set our service charges using estimated figures. These are based on what we expect the service to cost us. We will write to you in February each year to confirm your estimated service charge for the upcoming financial year.

You are due to pay the estimated service charges from April to March. At the end of each financial year, we will recalculate the actual cost of providing each service to you.

We will issue you a certified annual service charge account when the recalculation is complete. This shows how much you were charged during the previous financial year, together with details of the actual cost of providing the services. This recalculation will produce a balancing figure, which will be added to your rent and service charge account. It should be noted that the balancing figure may show either an undercharge or an overcharge.

Buying more shares in your home

The process of purchasing additional shares and increasing your ownership (equity) is called 'staircasing'.

This process allows shared owners to increase the percentage share they own in their home, with most leases allowing staircasing up to 100% ownership.

Once you have lived in your shared ownership home for a period (as outlined in the terms of your lease), you can choose to buy further shares in your property. For example, if you initially purchased a 25% share in your home and went on to buy an additional 25%, you would then own 50% of the property.



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Benefits of staircasing

- If you choose to purchase more shares, your mortgage will increase while your rental payments will decrease at the same time
- In most instances, you can purchase up to 100% of your home, in which case you would no longer pay any rent, just your mortgage, along with any outlined service charges
- The greater the share you own, the more you will benefit from increased property prices
- If you staircase to 100% ownership, you will normally have access to a wider selection of mortgage options.

If you are interested in staircasing and would like more information about how to proceed, please contact leasehold@progresshousing.org.uk.

Remortgaging

As a shared owner, you may occasionally have the option to remortgage. Before doing so, you should seek financial advice.

As we have an interest in your home whilst you are a shared owner, you will also need to gain our consent before proceeding to remortgage your home.

Extending your lease

We allow shared owners to extend their leases via an 'informal' process. During the lease extension process, your original lease would be surrendered, and a new one would be granted for the extended term.

We will look to extend to the maximum term available wherever possible. However, this will depend on whether we are the freeholder of your home. Where we are not the freeholder, we will offer you the maximum term we can, within the limitations of our own head lease.

There are costs associated with extending your lease, for example, the valuation itself, the administration of the case, legal costs and the premium to grant the new lease.

You should consider extending your lease before the remaining term is 85 years or less to prevent adverse effects on the property's value or your ability to sell or remortgage.

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Home improvements

You can make improvements and alterations to your home. Depending on the nature of the improvement(s), you may need to seek our approval. This will ensure the works will not affect your home's structural integrity.

We advise against making any improvements during the initial two years of living in your home as you may void your new home warranty.

If you buy more shares in your home and the surveyor determines the home improvements have added value to the property, this amount will be deducted from your staircasing premium/purchase price.

As a shared owner, we will only approve major alterations if you own 50% of your home or more.

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Selling your home

If you decide to move, you can sell the same share you bought or the whole property.

By selling the whole property, you may obtain increased value if property values have increased since you originally purchased it.

If property prices fall, you will incur a shared loss if you decide to sell - just as if you owned the property outright.

As the landlord, we have the first refusal to buy the property or the right to find a buyer. If you already own the property outright, you can sell it yourself.



Peace of mind

We build to extremely high standards per National House Building Council and other warranty provider recommendations. We aim to give you peace of mind from the first day you live in your new home.

The new home warranty lasts 10 years from the date we complete the property and covers structural defects that may be discovered during this period.

In addition, for the first year following the property's completion, the builder will rectify certain defects, such as windows that do not open or close properly or water leaks, etc.

The new home warranty does not affect your statutory rights. Some manufacturers also offer warranties over and above the new home warranty. Please contact the manufacturer for further information. We do not protect against every problem that may occur, and you are obliged to maintain your home.

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The new home warranty does not cover the following:

- Problems with any workmanship, materials, or appliances that you have bought or added to your property
- Damage caused by storms, accidents, negligence, abuse or poor maintenance of the property or appliances. This includes blockages caused by inappropriate waste disposal
- Cosmetic damage to the following items: oven, hob, hood and sink; white goods; kitchen units and worktops; sanitaryware; shower tray and cubicle; carpets and flooring; decoration and tiling; furniture, e.g. fitted wardrobes; doors; sockets and switches; glass - unless our clerk of works identifies it at initial handover
- Any problems caused by condensation and inadequate ventilation of the property.

Home improvements

Any alteration or extension you make to your home after purchase may adversely affect all or part of your warranty. Please contact us if you plan to make changes to your home.

If you sell your home

Any remaining warranty automatically transfers to the new owner.



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Repairs to your home

You are responsible for all repairs and maintenance on your home after purchase, regardless of the percentage share you own.

Most developers offer a 12-month defects liability period (from the date the property is handed over to Progress Housing Group, not from the date the property is sold), which covers only certain defects.



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Kerry's story



“

After a change in family circumstances I found myself looking for a property for me and my children.

I initially researched renting as I did not think buying would be an option with one income. However, after seeing a shared option property in my local area on Rightmove, I decided to investigate this option.

”

I initially contacted Solo Homes from the details on Rightmove. They passed my details onto Progress Housing Group, and the whole process was quite straightforward. Progress Housing Group worked with Metro Finance to complete an affordability assessment, and we went from there.

I had a property to sell before I could proceed, but Metro and Progress Housing Group kept me updated about what I was required to do.

I am grateful for the option of shared ownership. Otherwise, I would have had to come off the property ladder and struggled to ever get back on this in the future.

I love my new house and am grateful for the opportunity that Progress Housing Group provided. Ideally, I would like to purchase more shares in the future.

I recommend anyone in my situation to investigate the option of shared ownership; even with a small mortgage, this is a much more affordable option than private renting with the current market conditions.

Name	Kerri
Age	Age 36
Occupation	Bank clerk
Share Purchased	40% - £94,000
Full Market Value	£235,000
Total Monthly Outgoings	Approximately £850

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For more information, visit
www.progressgroup.org.uk/shared-ownership

