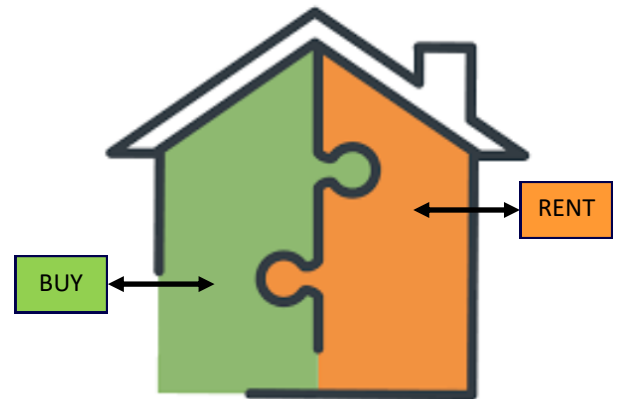


# What is Shared Ownership?

You buy an initial share of your property, from 25% to 75% of the full property value, and the housing association keeps ownership of the rest. For the part you do not own, you pay a monthly rent to the housing association. The property is either a new build property or an existing shared ownership property being sold as a 'Re Sale' through the housing Association.

The rent you pay on the remaining share is charged at a specified rate. It can be up to 3% of the association/ developer's (housing provider) share of the property value. So for example, if you owned a 40% share of a £150,000.00 property i.e. your share amounted to the sum £60,000, the housing provider would only be able to charge rent on the £90,000 share that it owns. This would be a maximum of £2,700 over the year, or up to £225 per month.



Shared ownership properties tend to be leasehold properties meaning you will own the lease on them for a fixed period of time, typically 125 or 99 years. You also have to pay a service charge for the property which is usually charged on a monthly basis.

## Staircasing – What is this?

It is possible to buy a greater share of your property at any time from the housing provider. This is called "staircasing". Each housing provider will have different rules, but you will generally have to buy a 10% share as a minimum when staircasing. This in turn will reduce your rent.

The cost of increasing your share will depend on the market value of the property at the time. To staircase you will need to pay for the housing provider to carry out a valuation on the property. There are often limitations as to how many times you can staircase - usually up to 3 times. Some will only let you staircase a third and final time if you intend to buy the entire remaining share of the property taking your ownership up to 100% and effectively buying the housing provider out. You need to be aware that when it comes to increasing your stake in the property i.e. staircasing it is not just buying the share that you need to consider. There are other costs involved which will include valuation fees, legal fees and mortgage fees if you are applying to change lenders to buy your additional share or to access better interest rates.

