



Hyde New Homes

Making a lasting difference

Your guide to Affordable home ownership



All about Hyde New Homes

- Hyde New Homes (formerly INplace) is part of the Hyde Group, which was established more than 40 years ago. They own or manage over 43,000 properties.
- We are a major provider of affordable homes predominantly in London and the South of England.
- Our vision is to make a positive difference to people's lives by developing a range of affordable homes where people can prosper.
- We are a not-for-profit organisation.
- We work with and are partly funded by the Local Authorities where we build our homes, and the Homes and Communities Agency (HCA) the government agency that funds and regulates housing associations.



Making a lasting difference

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What is New Build HomeBuy?

New Build HomeBuy, known as shared ownership, is a scheme which has been specifically designed to help those who are unable to afford the cost of buying a property outright on the open market.

It works by enabling you to purchase a share in your new home, and pay a subsidised rent on the part you don't own to Hyde New Homes. You will buy your home on a lease which will normally be 125 years for new homes. If you are buying a second hand property, the length of your lease will be based on the number of years remaining since the original lease was first issued.

What will you own?

You will own an equity share in your new home. A lease is a legal document between the freeholder or landlord and the purchaser and is binding on both sides and since you will own a lease you will be a 'leaseholder'. The lease covers the responsibilities including maintenance, rent setting, purchasing more equity, selling and insurance. You will have the same rights and responsibilities as a full owner occupier.



Why buy through New Build HomeBuy?

- If you buy through New Build HomeBuy you will own part of your home, rather than paying rent with no return.
- Your monthly mortgage and rent can work out much cheaper than buying outright, and sometimes not much more than renting.
- You can buy more shares (known as staircasing) or move if you want to.
- You only buy what you can afford so you don't overstretch yourself financially. This will be calculated for you at a financial interview, either at a show home viewing, or a booked appointment which is organised as soon as possible (within five days) after your viewing date.



Can I apply for New Build HomeBuy?

You can take advantage of New Build HomeBuy if you are unable to afford to buy a home on the open market. Top priority is given to:

- Council and housing association tenants
- Applicants registered on the council's housing list
- Key workers as identified by the local authority and/or central government

Current home owners can apply for shared ownership but will need to demonstrate housing need supported by your local authority.

Even if you have owned a home before, you may be able to buy through New Build HomeBuy if:

- you have a housing need that has been recognised by your local authority
- you need to move because of job relocation; or
- you are already a shared owner who needs to move and you fulfil all our other criteria

If you're a council or housing association tenant, you'll have to give up your tenancy when you buy with us.

We will be unable to help you if you have had any arrears of rent in the past six months, or are already named on an existing mortgage or property deed. Applicants on housing benefit will need to be assessed on a case by case basis before a decision can be made. Eligibility is restricted to British and EU/EEA citizens and those whose passport is stamped with 'indefinite leave to remain', or have appropriate documentation to cover the eligibility of your application. If you do not have indefinite leave to remain in the UK, but can provide evidence of mortgageability from a prime lender, we may be able to help you. You will need to be at least 18 years old to obtain a mortgage.



How much do I have to earn?

A minimum income level will be required for each home we sell. This will vary depending on the size of the home and its location. However, you should not be able to afford to buy the home outright, or over 75% of the current market value.

Is there a maximum salary limit?

Again, this will vary depending on the home you want to buy. We are unable to accept your application if your income or savings are high enough to buy a similar home on the open market.

Following an assessment with an Independent Financial Adviser you will be offered the maximum share you can afford to buy. You are required to buy as much as you can afford, which means you could own up to 75% of the property straight away.

Must I have a job?

You must have been in a permanent job for at least six months (key workers may be exempt from this condition) or have passed any probationary period. If you are self-employed, you'll need to have two years' of audited accounts.

Will you check my finances?

We are unable to accept an application from anyone who has had a County Court Judgement or defaulted on a loan of over £250 or that has taken longer than six months to satisfy the judgement. Any previous debts should be fully paid and a certificate of satisfaction of debt provided.

We will not accept mortgage applications from adverse lenders.



What are the initial costs?

The key costs are:

Reservation fee

When you come along to view our properties, you will be given the opportunity to place a reservation fee of £250 on the property of your choice. If we are unable to offer you your choice of property, your reservation fee will be returned to you. If you accept an offer of a property from us and then do not proceed to complete your purchase, we will retain this fee to meet our legal and administrative costs. Your reservation fee will be taken off the purchase price at completion.

Survey and valuation report

Your mortgage lender will want to make sure that the property you are buying is in a reasonable condition and is worth the money that we are asking you to pay. They will therefore want to carry out a survey on the property before you buy. You should allow between £400 and £500 depending on the property you are buying and the type of survey you decide to have. It may vary from lender to lender.

Mortgage arrangement fees

For fixed rate mortgages there is usually an arrangement fee. These vary from lender to lender.

Legal fees

You will also need a solicitor to act on your behalf and solicitor's fees do vary. However, as a general guide, you should allow around £600 to £900 for solicitor's fees.



Stamp duty/disbursements

All properties over a certain value are usually subject to Stamp Duty and your solicitor will advise you of the current rate at which this is payable and how it should be paid.

Deposit on exchange of contracts

When you exchange contracts on your new home, we will ask you to pay a further £500 as an exchange deposit. This will be deducted from the purchase price at completion.

You will be required to fund the first 10% or more of the purchase price with a deposit.

You will be required to exchange contracts within 28 days of our formal offer of a property where possible.

You should have savings or access to at least £5,000 to cover the costs of buying a home (this is a guideline figure). This is required in addition to the 10% that your mortgage lender is likely to require as a deposit.

Rent and service charge

When you complete your purchase you will be required to pay rent and service charge for the time between completion until the end of the month, together with one full month's rent and service charge in advance.

Utility connection costs

You will have to pay a connection fee to the telephone company which is likely to be around £150.

Other charges

You will need to organise your own contents insurance, council tax, TV licence, water, electricity, gas and any other utilities that you require such as satellite TV.



Can I buy more equity in my home?

Most leases will state that you may purchase more equity in your home if you wish, until you eventually own it outright. This process is called staircasing. You are under no obligation to buy more shares, it's up to you to decide what is right for you. Please note however, that some leases may only allow you to purchase up to a specified percentage of the equity in your home. The minimum purchase is 10%. (Please refer to your lease for the applicable terms). The price you pay for additional shares is based on the market value of your home.

As you only pay rent on the part you do not own, it means that the more equity you own, the less rent you pay. And, if you should decide to purchase your home outright in the future, then there will not be any rent payable. If the property you buy is a house you will normally be given the freehold if you purchase it outright.

If you decide to purchase more equity we will instruct an independent valuer approved by the Royal Institute of Chartered Surveyors. You will have to meet the cost of this valuation. The price you pay for any additional equity will be based on this valuation.

You may instruct a valuer of your choice but they must be approved by the Royal Institute of Chartered Surveyors.



What happens if I want to sell?

Just like any other home owner, you may sell your home whenever you choose. To ensure that your home can then be made available to others who are unable to afford to buy outright, we will, for a short period, have the right to find a buyer for your home. We charge a fee for this service.

If we are unable to find a purchaser within the period specified within your lease, then you are free to make your own arrangements to sell your home by either back-to-back staircasing and selling on the open market or selling your share to a Hyde New Homes approved purchaser.

If you decide to sell we will instruct an independent valuer approved by the Royal Institute of Chartered Surveyors to determine the new value of your home.

The price you sell your equity for will be based on this valuation. You will have to meet the cost of this valuation.

If you purchased your home through a Government-sponsored key worker scheme, certain conditions may apply when you sell your home. Please ask our sales team for more details.



What do I do if I want to buy a property?

It's a simple process, with a few things you need to do...

- (1) Firstly register with your local HomeBuy Agent or visit **www.homebuy.co.uk**. If your registration is successful they will provide you with a reference number.
- (2) Contact our sales team to arrange a viewing:
Call **0845 606 1221** (a voicemail service operates out of hours and at weekends)
Email: **info@hydenewhomes.co.uk**
- (3) We will take your details, confirm your eligibility and then let you know when viewings or presentations are taking place.

Reserving the property

For newly-built properties, a reservation deposit will be required. This will be deducted from the cost of the initial equity share once the purchase is completed.

Our offers are made in line with our selection and allocation policy and are subject to a successful financial interview.

Financial interview

This takes place with a financial adviser to ascertain affordability and the maximum

share that you will be able to purchase. You will also need to provide evidence of savings, employment and salary along with personal documentation such as National Insurance number and passport details.

Arranging a mortgage

An Independent Financial Adviser from our panel will be able to help you arrange a mortgage. If you wish to arrange your own mortgage you should advise your lender that you are buying a shared ownership property under the New Build HomeBuy Scheme and of the percentage share you are buying. We will not accept mortgage applications from adverse credit lenders.

Instruct a solicitor

The offer letter states that you have five working days to instruct a solicitor and notify us of your lender. We will send you information on our panel of solicitors with your offer letter who have experience in New Build HomeBuy sales. You should ask for an estimate of the likely costs before you appoint a solicitor. Your solicitor will check that the relevant documentation and your mortgage offer is in place in time for you to move in to your new home.

Memorandum of Sale (MOS)

The MOS will be issued within five working days of your offer and this will be issued to all solicitors and your lender/financial adviser.

The MOS will give an exchange of contracts deadline and during this time your lender will be preparing your mortgage offer and your solicitor will be completing the legal paperwork.

Mortgage offer

Once you receive your mortgage offer, a copy should be forwarded to Hyde New Homes as this is required before our consent is issued. Our sales team will be in regular contact with you to ensure everything is going smoothly.

Exchange of contracts

When we have possession of all the necessary information to proceed we will give our consent to the purchase. Once the consent is issued, your solicitor may be in a position to proceed with exchange of contracts. We suggest you contact your solicitor to clarify the position at this stage.

We would anticipate that exchange of contracts will take place within six weeks of reserving the property. You will be required to place a £500 deposit at exchange.

Exchange of contracts means you are legally bound to buy the home and we are legally bound to sell it. Once you have exchanged contracts we will give you a date on which you can move in. This date is called completion.

Completion

You will need to discuss the date for the completion with your solicitor. The completion date is the day from which you become a home owner and is normally within 10 working days of when your home is ready to move into.

If your home is still under construction we will let you know when it is ready and arrange a completion date which will be on notice.



What are the costs once I've moved in?

Mortgage and rent

If you have taken out a mortgage to buy your home, there will be a monthly mortgage payment. There will also be the monthly rent to Hyde New Homes on the part you do not own, payable on the first day of each month by direct debit. Your rent will increase each year on 1st April. The amount of the increase is regulated by the Homes and Communities Agency and detailed in the lease.

Service charge

With most properties, usually apartments, there will also be a service charge payable to cover the cost of maintaining the exterior of the building and any communal areas. It may also include a contribution to a sinking fund. This is to make sure that if any major works are required to the communal areas or the exterior of the building in the future, you will not have to find a large sum of money to pay for these. The service charge is payable even if you should decide to buy your property outright in the future.

If you are buying an apartment the cost of your share of the building insurance may be included in your service charge. If you are buying a house you will normally be billed annually for your building insurance. This does not cover your belongings and you should arrange your own contents insurance.

You will be responsible for your household bills, e.g. Council Tax and utility bills.



Repairs, maintenance and improvements

As a shared owner, you are an owner-occupier, not a tenant. Your responsibilities and ours are set out in a shared ownership lease which your solicitor will fully explain before you buy.

If you live in an apartment, you are responsible for all maintenance inside your home. We will maintain the outside of your apartment and you will normally pay for this through a service charge.

If you live in a house you will be responsible for all maintenance inside and outside your home. For example, it will be your responsibility to replace windows and doors, etc.

If you wish to make an improvement to your property you must contact your local neighbourhood team and ask for their permission, prior to commencement of work. You do not need our permission for redecorating or simple repairs.

Make sure you keep all the benefit of any improvements that add value to your home by agreeing the work beforehand. That way if you decide to buy more shares in your home, we will exclude the value of any improvements that you have made.

Monthly costs:

- Mortgage payment
- Rent and service charge
- Council tax
- Utility bills (gas, water, electricity, telephone)
- Contents insurance
- Repairs



Selection and allocation policy

Criteria for selection

We aim to sell to first time buyers able to afford the cost of shared ownership but unable to buy a suitable home in any other way. Household income requirements differ from scheme to scheme and reflect current house prices, equities for sale and in certain instances local authority policy.

All applicants who appear to meet the criteria will be required to attend a financial interview. This will determine final eligibility. It should be noted that you need to be 18 years old or over to be able to obtain a mortgage for your purchase.

Applications may also be considered from people who have previously owned their own home if:

- they have a housing need that is recognised by the local authority
- they need to move into an area because of their job and are unable to afford to buy outright
- they are shared owners whose income has fallen and they could only continue to be home owners by moving to a smaller, cheaper home
- they are shared owners whose family has grown but who are still unable to afford to buy outright
- they are currently living in unsatisfactory rented accommodation or are able to show their housing need

We will always give priority to people who will create a vacancy in a council or housing association rented home.

Allocation criteria

We will make offers of homes according to the following priority order unless the local authority policy differs:

- Council and housing association tenants who, by buying, would vacate a rented home and who live in the borough in which the scheme is located or have a local connection
- Applicants registered on a council housing register
- Key workers as identified by the local authority/ Government in the areas we operate in
- Tenants in short term housing managed by a council or housing association,
 - people living in tied accommodation from which they have to move
 - people having to move to an area because of employment reasons
 - people with a demonstrated housing need (overcrowding, poor housing conditions, split families, medical reasons, harassment, etc.)
- People renting in the private sector or living with family or friends and who live in the borough in which the scheme is located
- Council, housing association or co-operative tenants who, by buying, would vacate a rented home, but who live outside the borough.



In deciding how homes will be offered, we will take the following factors into account:

- The applicant's preference
- Income
- Household size. Applicants will be offered a home with up to one bedroom over and above their current needs. Evidence of a Residence Order may be required

Allocation of homes is based on the provision of accurate information supplied by applicants. We may withdraw any offer made if information is found to be misleading or incorrect. The Hyde New Homes Director will be responsible for the final decision. In the event of a dispute the matter can be referred through our complaints procedure (available on request).

The Data Protection Act 1998 gives you the right to see any information we hold about you on our computer system.

Our allocation policy is available on request.

Diversity and inclusion

Diversity and Inclusion are core organisational values of the Hyde Group.

We will ensure that we deliver accessible services and equitable outcomes for all the diverse communities we serve in our role as;

- A landlord
 - An employer
 - A developer of homes and communities
 - A purchaser of goods and services
 - A business
 - A partner
- We recognise that all our customers belong to different equality groups. Our focus will be to improve the quality of service experience for all our customers and take active steps to address any barriers
 - We will continue to work to minimise the gap between the most economically disadvantaged and socially excluded groups in the communities that we work in and the majority of the population
 - Our key ambition is to help improve the quality of life, to provide good quality homes in great places and help maximise the life chances for all our existing and future customers



Translations of Hyde New Homes literature

If requested, Hyde New Homes will do what is reasonable to provide information in alternative formats – including tape, Braille, large print and translations.

If we have difficulties meeting your request, we will discuss the best solution with you.

For further information email:
info@hydenewhomes.co.uk
or call us on **0845 606 1221**.

Throughout the UK, and particularly within London and the South East, people are finding it more and more difficult to afford their first home. With starting prices so high, it's simply not possible to get that first foothold onto the property ladder and enjoy the benefits of home ownership.

With Hyde New Homes a range of housing solutions are available to those unable to buy on the open market. We are developing affordable homes throughout Greater London and the South East, with a range of prices that make home ownership a reality.

Buying a shared ownership home can sometimes seem complicated, but don't worry we are experts and we'll give you all the help you need. This can include filling in forms, putting you in touch with solicitors and Independent Financial Advisers who can help you find the right mortgage.

We're here to help

If you have any questions, please phone the Sales team on:

0845 606 1221

A voicemail service operates outside of hours and during busy periods.

You can also email enquires to info@hydenewhomes.co.uk
or visit www.hydenewhomes.co.uk

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