



Hyde Guides

Here to Help You
Realise Your Dreams



A Buyers Guide to:
New Build Shared Ownership



Hyde
New Homes



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Shared Ownership

makes it possible to buy
a property that otherwise
would not have been
affordable

**We aim to sell
to first time buyers**

who are able to afford the
cost of Shared Ownership but
unable to buy a suitable
home on the open market





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You can also watch Your
'Guide to Shared Ownership'
video on our website



An Introduction to New Build Shared Ownership

What is Shared Ownership?

Shared Ownership is a way for first time buyers who can't afford to buy outright to get on the property ladder. It allows you to buy a part share in a home and pay a subsidised rent on the remaining share. In most cases you can increase your share in the home at any time until you own it outright. You are also free to sell your share at any time and move house.

The combined cost of the mortgage on your share of the home and the monthly subsidised rent on the share that you don't own usually works out cheaper than buying outright and often not much more than renting.



The Shared Ownership Lease

When you buy through Shared Ownership with Hyde you become a leaseholder and you have the same rights as an owner-occupier. As owner of the other share of your home Hyde is your landlord to whom you will pay a subsidised rent on the unsold share.

Your lease is a legal document that sets out this agreement. It will include:

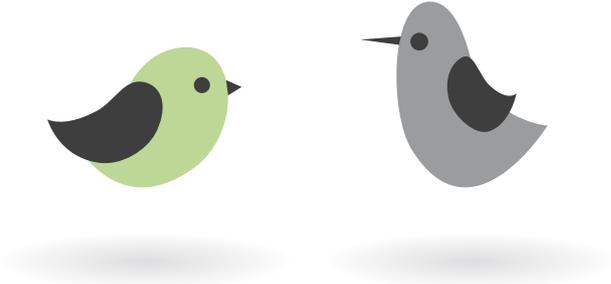
- Your rights and responsibilities as an owner-occupier
- What you should expect from Hyde
- How often your rent and service charge will be reviewed
- The conditions of buying more shares in your home
- The conditions of selling your existing share

The lease also lays out any restrictions such as sub-letting your home, this is not allowed and is considered a serious breach of the lease. In most cases your lease will also stipulate that you are not allowed to keep pets, however if you purchase a house with access to a secure outside area you can apply to Hyde to keep a pet.

If you buy the remaining share of your property, you will own it outright and no longer pay rent to Hyde. If it's a house, in most cases the freehold will be transferred to you. If it's an apartment, you will remain a leaseholder with a responsibility for use and maintenance of shared areas and you will continue to pay ground rent and service charge including buildings insurance.

Who is eligible?

Eligibility for Shared Ownership varies depending on the development. The property size and whether the local authority has any special criteria can be factors. However, there are some general criteria that you must meet in all cases:

- In London Boroughs, your total household income must be under £90,000 a year. Outside of London your total household income must be under £80,000 a year.
 - You must be a first time buyer or:
 - Be a newly formed household e.g. starting over after the break up of a relationship
 - Be relocating for work purposes to an area where you cannot afford to buy a home suitable for your family's size
 - You must currently not own a home anywhere in the world unless a court order forces you to remain on the deed of a property where your children live
- 
- You must be unable to afford to buy a property suitable for your family size on the open market
 - The Shared Ownership home you want to buy must be your only home and you may not sublet all or part of it
 - You must be able to buy the minimum share available, pass a financial assessment and secure a mortgage
 - You should also be a British or EU/EEA citizen or have indefinite leave to remain. If you don't have indefinite leave to remain, you must be able to demonstrate that you can raise a mortgage with an acceptable lender
 - You have to be at least 18 years old to apply for a mortgage and you should have savings for the legal and administration costs and the mortgage deposit



Why buy with Hyde New Homes?

The Hyde Group is one of the leading providers of affordable homes in London and the South East. Working with national house builders and local contractors, Hyde build high quality homes with stylish yet functional design and sustainable finishes in popular areas that all come with a National House Building Council (NHBC) warranty or equivalent.

Hyde New Homes is the sales specialist of The Hyde Group, which develops housing for sale and to rent. Hyde works closely with local councils, the Greater London Authority and the Homes & Communities Agency to provide quality homes where they are needed most and have been recognised with awards at The UK Property Awards, WhatHouse? Awards and The National Housing Awards.



Register With Hyde New Homes

The first step to buying a Shared Ownership home is to register with Hyde.

By filling out the online application form at www.hydenewhomes.co.uk/apply, your eligibility can be checked and you can start to receive updates on homes available now and those coming soon. You will also be able to search for homes in your area and request viewing details.

If you want to buy a new home outside of London you will have to register with the Help to Buy agent at www.helptobuy.org.uk



The Cost of Buying a New Build Shared Ownership Home

There are various up front costs that you should budget for when buying a Shared Ownership home; examples of these costs are provided below. You should budget for approximately £3,000 on top of your deposit, however, these figures are for guidance only and it is recommended that you research the full costs yourself.



The Reservation Fee: £500

The reservation fee will be offset against your rent and service charge when the sale completes.

Deposit: Minimum 5% of the share you are buying

If the share you are buying is £100,000 you will require at least £5,000 as a deposit. If you have a larger deposit you may get a better mortgage rate.

The Mortgage Valuation Fee: £300 – £450

This cost is for the valuation of your property which your mortgage lender will arrange.

Mortgage Arrangement Fees: £400 – £800

Some lenders charge an arrangement fee for mortgages with fixed interest rates. These fees vary in cost but generally the longer the interest rate is fixed for, the higher the fee.

Mortgage Adviser Fees: From £350

Many mortgage advisers charge for their service.

Solicitor's Fees: £600 – £1000

This includes Land Registry fees, local search fees and other expenses, excluding Stamp Duty.

Stamp Duty: Dependent on property value

This is a government tax on buying a property. Your solicitor will advise you on this, as the fee depends on the value of the property. Full details are available at www.hmrc.gov.uk/sdlr

Advance Rent and Service Charge

On completion of your purchase, your first month's rent and service charge will be due. The reservation fee will be offset against this.

Removal Costs

If you plan to use a removal company, we recommend that you get a selection of quotes as costs may vary.

Your Journey at a Glance



Fill in an affordable home application form through Hyde or Help to Buy



Arrange to attend launch event or view a suitable home



Have a financial assessment interview with a mortgage adviser



When you've found a home you like fill in a reservation form and pay the £500 reservation fee



An offer may be made to you based on Hyde's selection and allocation policy



Confirm that you want to go ahead with the offer within five days of receiving it



Appoint and instruct a solicitor



Hyde will issue a Memorandum of Sale (MOS) summarising the purchase and setting a four-week deadline for contracts to be exchanged

Apply for your mortgage, if you haven't already done so

The mortgage lender issues the mortgage offer within 21 days and your solicitor forwards a copy to Hyde's solicitors for approval

Hyde's solicitors approve or refer the mortgage offer for amendment with your solicitor

Sign contracts and pay your deposit. Exchange contracts within 5 working days of receiving the mortgage offer (within 28 days from issue of the MOS)

View the home you are buying and take measurements for furniture, if required. If your home is not ready, a viewing will be made available as soon as it is

Completion day. Hyde will meet you at your new home and hand over the keys

Congratulations, you can move in!



A Step-by-Step Guide to The Buying Process



Step 1



Viewing a home

The majority of new build Shared Ownership homes are sold off-plan. Often, there is a show home already built and available for you to view, so that you can see the finish and specification of the typical home you wish to buy.

All of Hyde's new build developments have a brochure or flyer that includes site plan, floor plans, and details of the finishes specification. If you visit a show home, it may have a different layout to the house or apartment you want to buy so you should always refer to the plans provided.

Step 2



Reserving a Home

The reservation fee is £500 and your sales consultant will provide details on completing the reservation form and making payment.

You will also have to contact the designated Independent Financial Adviser for an initial affordability assessment. Hyde's sales consultant will provide you with contact details. The Financial Adviser will confirm the maximum share that you can afford (up to 75%) based on your income, savings and any outgoings that you may have.

Your reservation fee will be returned if:

- You decide not to go ahead before accepting Hyde's offer
- We are unable to offer you the home of your choice
- If your financial assessment is unsuccessful

Your reservation fee will not be returned if:

- You do not go ahead after accepting Hyde's offer
- You provide false or misleading information and Hyde withdraw their offer of a home to you

Step 3



Confirmation of Offer

Once all of the above has been completed, Hyde will contact you within seven days to advise whether the property you chose has been allocated to you. Allocations are regulated and governed by a strict policy that is regulated and audited by government agencies.

Some new developments have specific criteria but generally priority is given to first time buyers who are:

- Council or Housing Association tenants
- Ministry of Defence personnel
- Already living or work in the area

Once you have your offer letter, you will have five working days to return the acceptance form and other accompanying documents.

Step 4



Appointing a Solicitor

A solicitor has to be appointed to handle the legal requirements of the sale. Hyde will send you details of their panel of solicitors, together with the formal offer. You are not obliged to use one of these solicitors, however they are recommended because they have in depth experience of Shared Ownership leases. You may choose to appoint your own solicitor but may not use the same solicitor as the seller or Hyde.

When acting on your behalf your solicitor will:

- Make sure you have all of the details you need to help you buy your home quickly
- Check the lease and liaise with your mortgage lender and Hyde's solicitors
- Carry out searches, check the ownership and make sure there are no planned developments that will affect your new home
- Check that all paperwork and your mortgage are in place in time for you to move into your new home

Hyde recommends that you get a quote for the likely costs before you appoint a solicitor. These will include the solicitors' fee for their work and disbursements.

Step 5



Memorandum of Sale

Once Hyde is in receipt of your acceptance form you will be sent a Memorandum of Sale (MOS) by Hyde. This summarises the details of the sale and confirms the date by which you will have to exchange contracts. You should aim to exchange contracts within four weeks of the MOS being issued.

At this point, you will be required to get your mortgage in place. Your lender will arrange for your new home to be valued and may ask for references from your employer, bank and landlord before preparing your mortgage offer.

Once you receive a formal mortgage offer, you will be required to contact your solicitor and arrange an appointment to exchange contracts. If your new home is still being built when you exchange contracts Hyde will give you a date by which you can move in. Your Hyde representative will keep you updated regarding build progress and when your new home will be ready for you to occupy.

Step 6



Home Demonstration

Before you move in Hyde will invite you to a home demonstration to show you how to use all the appliances and systems in your new home. This demonstration takes around an hour and will take place during the working week Monday to Friday between the hours of 9am to 4pm.

Step 7



Completion Day

On completion day, your mortgage lender will send your solicitor the money for your home. Your solicitor will then pass this on to Hyde's solicitor. Once this has taken place, you become the legal owner of your new home.

Your Hyde representative will have arranged a time after 1pm on completion day, for you to meet at the property to collect your keys. At the same time, you will be given additional information about being a homeowner, any manuals or instructions for appliances and details of your NHBC warranty or equivalent.

You should take all meter readings in your new home and contact your new utility suppliers.

Around six weeks after completion day you will get a call from a company called 'NHBC' who will ask you a few questions about your experience. This feedback is really useful in helping us to ensure that we offer the best service possible.



Monthly Costs

Your Mortgage

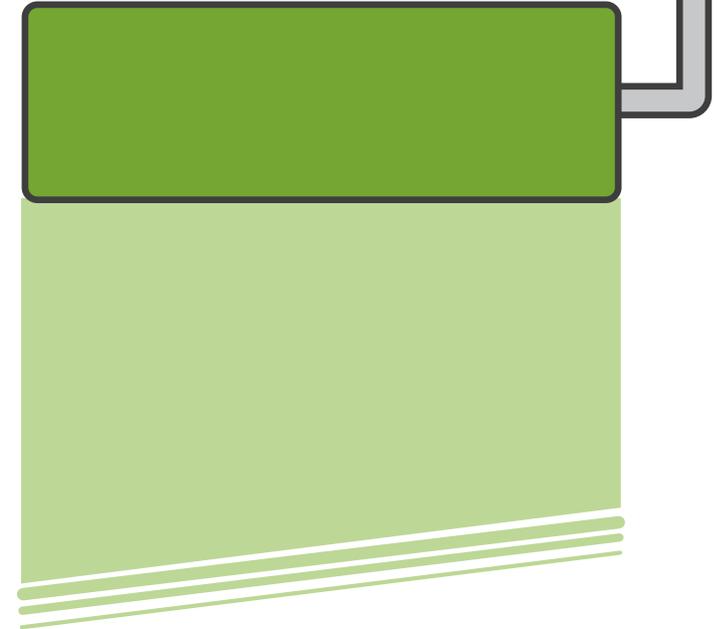
Your mortgage payment will be due to your lender each month. This usually takes place by Direct Debit. It's important that you don't fall behind with mortgage repayments as this could put your home at risk of repossession and affect your ability to get a mortgage or credit in the future.

If you do fall behind on your payments or you're concerned that you might, it's very important that you contact your lender as soon as possible, to explain your position as they may be able to offer payment solutions and advice to help you. You should also speak to Hyde who will do everything possible to offer assistance, including putting you in touch with their Financial Inclusion Team.

Your Rent and Service Charge

Your rent and service charge is to be paid each month to Hyde, by Direct Debit. Both will be reviewed annually, on 1st April, in line with the terms of your lease. The service charge may change depending on the expenses incurred for the development and you will be informed about any changes by March of that year.

As with your mortgage, it's important that you don't fall behind with your rent or service charge payments as this could result in your being taken to court and the subsequent loss of your home. If you do fall behind on your payments or you're concerned that you might, please contact the Income Team at Hyde as soon as possible. They will do everything they can to help you such as speaking with your local benefits agency, arranging payment plans or speaking to your mortgage lender.

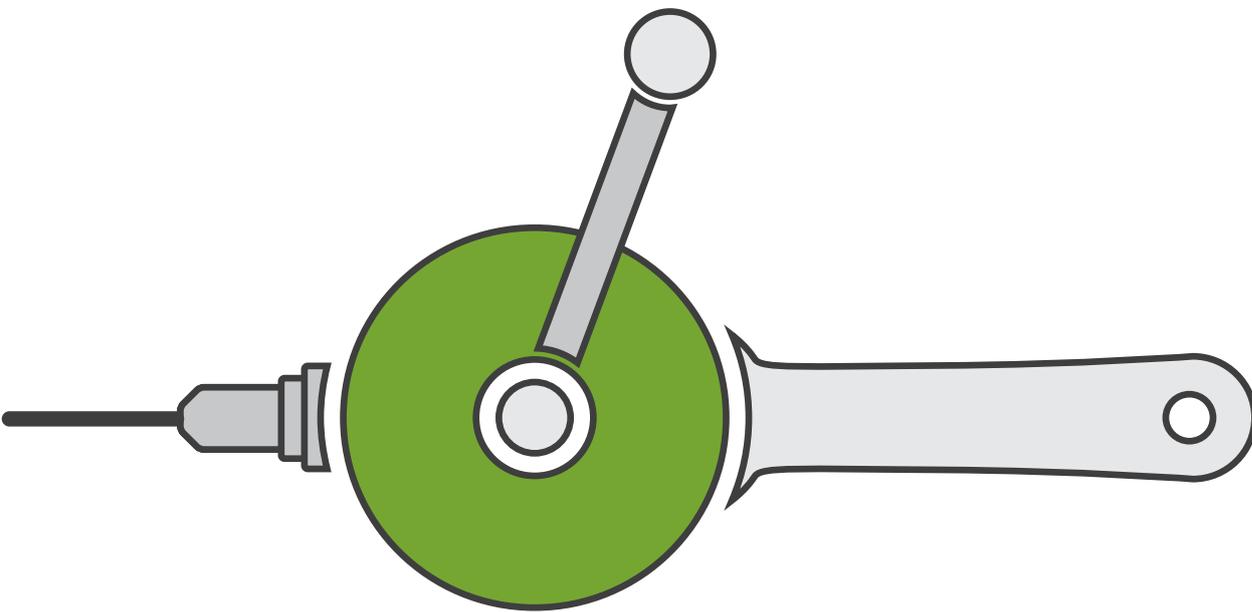
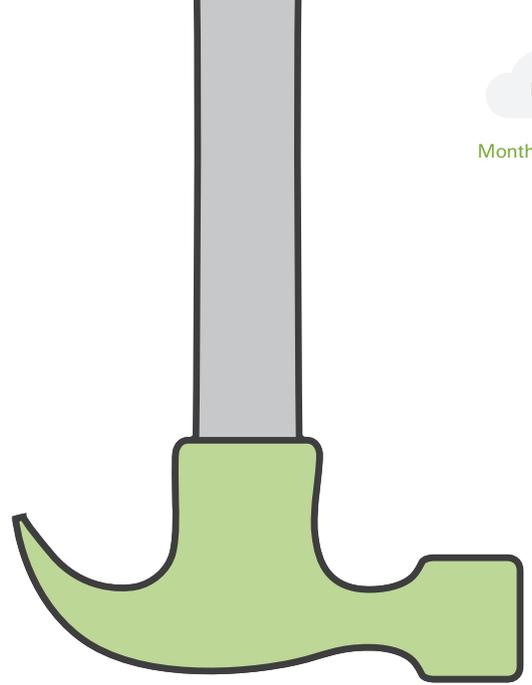


What Your Service Charge Covers

- Communal cleaning and gardening
- Buildings insurance – Hyde has a block buildings insurance policy that covers all of their properties. This makes the premium payable very competitive and the savings are passed on to you
- Maintenance of lifts, door entry systems and other items i.e. solar panels, communal TV aerials
- Sinking fund – this is similar to a savings fund for all major future works. Thus, if the communal areas need repainting in 10 years time, the cost of this will come out of the sinking fund
- Management and audit fees
- Cost of general repairs to communal areas
- Even once you own 100% of your home the service charge will remain payable as services will still continue

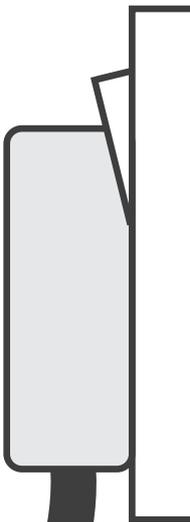
Utility Costs

You will be responsible for payment of the household bills including electricity, gas, council tax, water and other household costs. Please read the meters and provide your details to the utility companies as soon as you move in.



Repairs and Maintenance

If you buy a Shared Ownership property you will be responsible for all internal repairs and maintenance. Hyde is responsible for the repairs and maintenance to the outside of the property and communal areas. This is included in your service charge.





As a leaseholder you will be responsible for the following payments each month:

- Your mortgage repayments
- Your rent and service charge
- Buildings insurance
(if not included in service charge)

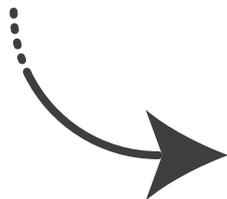
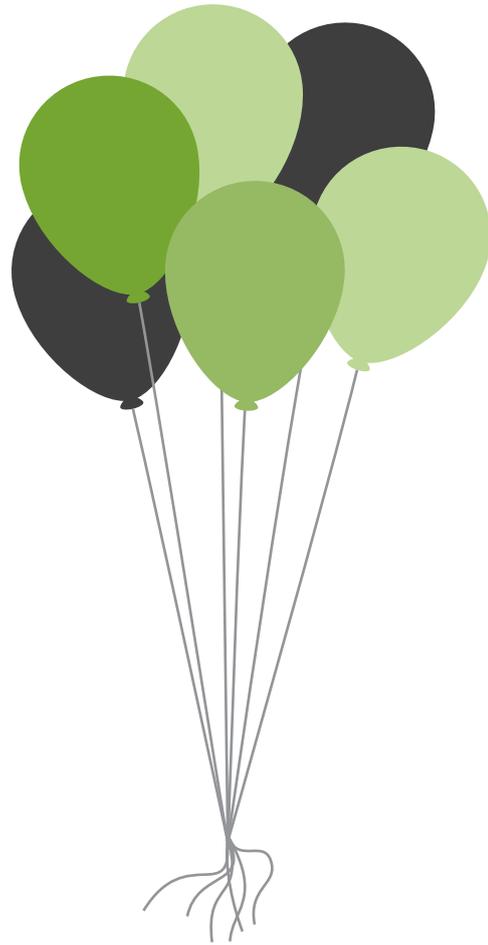
Buying More Shares in Your Home

Buying more shares in your home is called 'Staircasing' and most leases allow you to do this. The price you pay for the additional shares is based on the market value of your home.

You are under no obligation to buy more shares. The more equity you own, the lower your rent will be. If you get to the point where you own 100% of the shares in your home, you will own it outright and will no longer pay any rent. If your home is a house and you own it outright, you will be given the freehold and no longer pay any service charge either. If your home is an apartment you will continue to pay the service charge and remain a leaseholder.

If you decide to buy more shares in your home a valuation will be required. Hyde can provide details of qualified RICS Surveyors who specialise in valuations or alternatively you can source your own RICS Surveyor. Estate agents' valuations are not accepted as they are made for marketing purposes and do not reflect true market value.

Valuations are valid for three months so the Staircasing transaction should take place within this timeframe, to avoid the value increasing.



For more information please call
0345 606 1221
or email
resales@hydenewhomes.co.uk

Remortgaging or Selling Your Home

Remortgaging

At some stage you may wish to review your finances and make changes to your mortgage. Due to their financial interest in your home Hyde will need to consent to any increase in your borrowing or changes to your mortgage lender. Hyde will charge an administration fee for reviewing and approving these changes.

To find out more, download Hyde's guide to Remortgaging and Further Advance at www.hydenewhomes.co.uk



Selling Your Shared Ownership Home

You are free to sell your home whenever you choose. To ensure that your home is made available to buyers who who cannot afford to buy outright, Hyde will, for a short period as specified in your lease, have the right to find a buyer for your home. A fee is charged for this service but it may be more cost effective than using an estate agent.

If Hyde can't find a buyer within this time you are free to make your own arrangements by either back-to-back Staircasing and selling on the open market or selling your share to a third party approved by Hyde, who meets the Homes & Communities Agency criteria for Shared Ownership.

The price you sell your home for will be based on the market value at the time of selling, the value is set by a RICS qualified valuer. Like any home, the value can rise and fall along with the housing market, so it is important that the sale takes place within three months of the date of the valuation.

Further assistance with this process can be provided by the Hyde New Homes resales advisers.





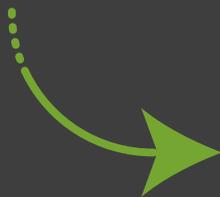
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Hyde New Homes

Hyde New Homes is part of the award-winning Hyde Group, one of England's leading developers of homes for all needs and incomes. Having delivered in excess of 50,000 homes, Hyde provides housing for Outright Sale, Shared Ownership or rent in prime locations, both in urban and rural settings. Last year, Hyde assisted over 400 customers to realise their dreams of owning their own home.

The homes Hyde creates are generously sized, striking a balance of stylish yet functional design that appeals to a wide range of buyers. The finish is always of the highest design standard with quality fittings and long-lasting materials. Quality, award-winning design, outstanding sustainability features and desirable locations are the focus and make Hyde's new homes attractive to buyers and investors alike.



Contact Us

If you have any further questions about Shared Ownership, please contact:

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