



Hyde
New Homes



A buyer's guide to **shared ownership resale**

Great homes for everyone

"Being a homeowner was a long-term aspiration as it offers greater financial security. I decided it was time to start seriously looking for somewhere to buy and shared ownership offered an affordable way to enter the market."

Chloe Piper
Rochester Riverside



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Introduction

When you buy a shared ownership property from Hyde you will own a share of the value of your home and pay a subsidised rent on the remaining share. You will only need to find a deposit % on the share that you are buying.

- In most cases, you can increase the share you own at any time until you own your home outright, this is often referred to as 'staircasing'
- You are free to sell your share in your home at any time
- The combined cost of a monthly mortgage for your share and the monthly rent for the share that you don't own will often be less than what you would pay to rent on the open market.

Resale homes

- Resale homes are shared ownership homes where the existing owner is selling their share
- You can buy at least the share that the current owner is selling or more if it's affordable to you - a financial adviser will help you to assess this
- When you buy a shared ownership resale home the lease is assigned to you and you will have the same rights and benefits as the original owner

These costs are based on an example one bedroom apartment

10% Deposit	£8,325*
Monthly costs	£1,109
Mortgage	£395 £395
Rent	£572 £572
Service charge	£142

*Sometimes a lower deposit is possible on selected plots



25% share

The shared ownership lease

- As a shared owner you have the same rights as an owner occupier
- As the owner of the remaining share of your home, we become your landlord and you pay us a subsidised rent on our share[^]



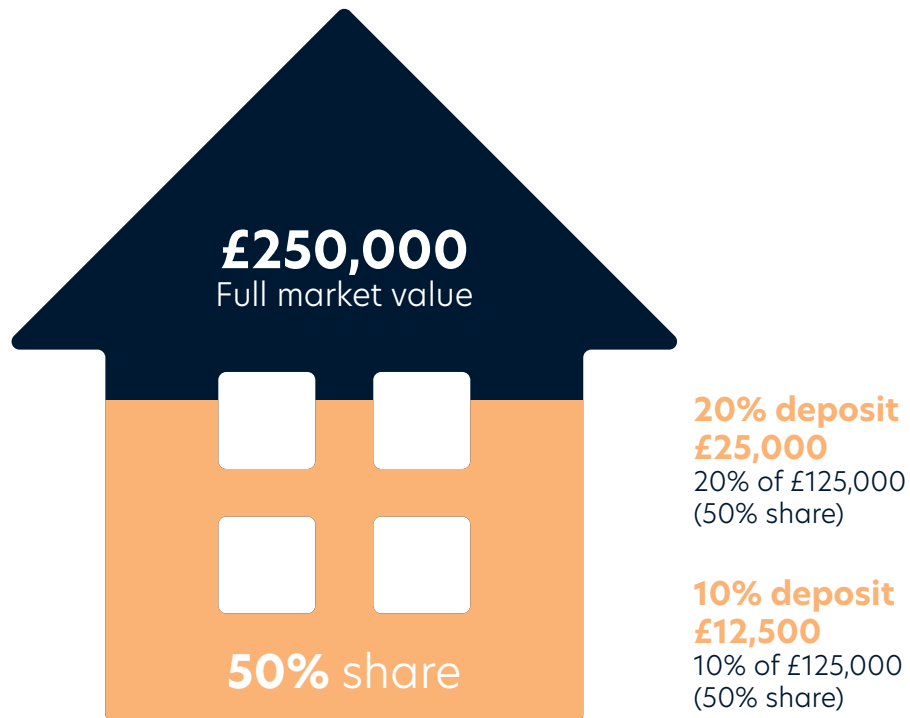
The shared ownership lease sets out:

- How often your rent and service charge are reviewed
- The conditions of selling your share or buying more shares in your home
- What to expect from us as your landlord
- Your rights and responsibilities as a home owner
- If you opt to buy the remaining share of your home, you will own it outright and no longer pay rent to us
- If it's a house, in most cases, the freehold will be transferred to you
- If it's an apartment, you will still be a leaseholder with responsibilities for shared areas and continue to pay ground rent and service charges
- The lease will set out any restrictions, such as sub-letting the property
- In many cases, the lease states that you are not allowed to keep pets, however, you can apply for consent to keep a pet if you buy a share of a house with access to a secure outside area

[^]Please note that for some properties, Hyde provide a marketing and sales service for a third party. In this case Hyde would not be your landlord.

The cost of buying a shared ownership resale home

You will need a deposit of 10 to 20 percent of the value of the share you are buying.



In addition to your deposit, there are a few other up-front costs to bear in mind. These examples are provided for guidance only and we recommend you research costs yourself.

Reservation fee £500

A £500 reservation fee is paid to us when you reserve a home. This is offset against your rent and service charge when the purchase/sale is completed.

Mortgage valuation fee £300 to £500

Your mortgage lender will arrange a valuation to check it is worth the asking price. These costs vary, but are typically between £300 and £500.

Mortgage arrangement fee £400 to £600

Some mortgages include an arrangement or application fee. These fees vary, but you should allow between £400 and £600.

Mortgage adviser fee from £350

Many Mortgage Advisers charge for their services. This fee can be from £350 upwards.

Solicitors fees £800 to £1,200

Usually in the region of £800 to £1,200 and will include Land Registry fees, local search fees and other expenses excluding Stamp Duty.

Stamp duty land tax (SDLT) dependent on value

This is a government tax and is dependent on the value. Full details are available at: www.hmrc.gov.uk/sdlit

Advance rent and service charge dependent on share

On completion of your purchase, your first month's rent and service charge will be due to us. The £500 reservation fee will be deducted from this and future payments will be due on the 1st of each month by Direct Debit.

Removal costs get quotes

We recommend you obtain a number of quotes in advance to find the best deal.



The buying process

Step by step



1 Eligibility, application and viewing

- Complete the application form online:
[Access the form on our website](#)
- The eligibility questions are there to let us know that you meet the criteria for purchasing shared ownership when you request a viewing:
[View the criteria on our website](#)



2 Reservation

- Make an appointment for a viewing online or through resale consultant
- Call our resale and staircasing team at resales@hydenewhomes.co.uk or on 0345 606 1221 to reserve your home against a fee of £500*

*This is offset against your rent and service charge when the purchase is completed



3 Financial assessment interview

Book your appointment

- Make an appointment for an initial financial assessment interview with one of our panel of mortgage advisers to confirm affordability based on criteria set by Homes England[^]

[^]You are under no obligation to take any mortgage advice given or to obtain a mortgage through our advisers but you must attend this interview or we will not be able to proceed with the sale



At the interview the mortgage adviser will:

- Check your application form and assess whether this home is affordable to you
- Agree the percentage share that you will be able to purchase based on your income, savings and any outstanding credit commitments
- Obtain the necessary documents required by Hyde
- Provide information about the right mortgage product for you



Bring these documents to the interview:

- Passport
- Last 3 months pay slips if employed
- Last 3 years tax calculations/SA302s and tax year overviews if self-employed
- Proof of any other income – e.g. Tax Credits, 2nd job, pension income etc.
- Last 3 months bank statements
- Proof of current address – e.g. full UK driving license, financial statement or utility bill
- Most recent P60
- Last 3 months proof of savings statements
- Gift letter if any of your proof of savings has been gifted
- Marriage certificate (if applicable)
- Council tax bill (if applicable)
- Credit report – Experian or Equifax only

4 Allocation

- We allocate your home to you following our allocation and selection policy
[View the policy on our website](#)



5 Your formal offer

- We issue a formal offer notice, subject to contract, setting out the conditions of sale
- We send you details of a panel of solicitors who can act on your behalf
- Within five working days provide us with details of your solicitors

6 Appointing a solicitor

- You don't have to use one of the solicitors from our panel, you can appoint your own
- The solicitors on our panel have fixed fees and considerable shared ownership experience
- You cannot use the same solicitor as the seller or Hyde New Homes
- We recommend you get a quote for the likely costs before you appoint a solicitor

What your solicitor does:

- Ensure you have all the details you need to help you buy your home quickly
- Check the lease and liaise with your mortgage lender, the seller and our solicitors. You may not contact Hyde's or the seller's solicitors directly
- Carry out searches, check the ownership and ensure there are no planned developments that will affect your home
- Check that all the legal paperwork and your mortgage are in place
- Register the title after completion



7 Memorandum of sale

- We issue a Memorandum of Sale summarising the details of the sale for all parties
- If you haven't already, arrange your mortgage without delay
- Your mortgage lender arranges for a valuer to inspect your new home
- Your lender requests references from your employer, bank and landlord
- At this stage, it may appear that nothing is happening, but behind the scenes all parties will be working on the legal process

- Once you have received your formal mortgage offer, your solicitor raises enquiries to proceed to exchange of contracts
- A copy of your mortgage offer will also be sent to our solicitors for approval



8 Exchange of contracts

- Your solicitor sends you a report on title and draft contract to sign
- The Report on Title provides information about your new home and highlights anything that you should be aware of
- The contract sets out the terms of sale
- Read, sign and return the contract to your solicitor
- Your solicitor discusses with the seller's solicitor and confirms a completion date
- Your solicitor will need your deposit in order to exchange contracts

Exchange of contracts takes place

- You are now legally bound to buy the property and the seller is legally bound to sell
- Withdrawing from the sale at this stage will incur penalties

Before completion

- You'll receive a completion statement from your solicitor, detailing monies required for the purchase
- Your solicitor requests monies from your mortgage lender in readiness for completion

9 Completion day

- Your solicitor passes the monies on to all the relevant parties to enable the purchase to complete



Congratulations! You are now the legal owner of your new home

- Collect your keys from the seller or their solicitor
- Keys are usually ready for you to collect after 1pm depending on the solicitor's confirmation
- Make sure you get all the keys and any manuals or instructions for appliances
- Read the meters and send the readings to the utility suppliers so that they can be transferred into your name
- You are responsible for all bills from the day of completion

What happens after completion

Your solicitor sends us a Notice of Transfer showing you as the new owner

- We set up your rent and service charge account and credit it with the £500 reservation fee you already paid
- We set up your monthly Direct Debit and write to you to confirm monies paid to your account
- Your dedicated Hyde customer service agent can help with any queries. Contact them on 0800 2 282 282 or by email at: customerservices@hyde-housing.co.uk





Monthly costs

Mortgage payments

- Your mortgage payment is due to your lender each month, usually by direct debit
- It's important that you keep up with your mortgage repayments as your home is at risk of repossession and your ability to obtain a mortgage or get credit in the future could be affected if you fall behind

If you do fall behind or are concerned that you might, contact your lender as soon as possible to explain your position. They may be able to offer a payment solution and advice to help you. You should also speak to us and we will do everything we can to help.



Rent and service charge

- Settle your rent and service charge with us each month by direct debit
- Both charges are 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. We will let you know about any changes by March of that year

It's important that you keep up with these payments as failure to do so could result in court action and the subsequent loss of your home. If you do fall behind or feel you might please contact our income team as soon as possible. We will do everything we can to help you.

Your service charge covers:

- Communal cleaning and gardening
- Buildings insurance
- Maintenance of lifts, door entry systems and other items such as solar panels and communal TV aerials
- Fire safety
- Sinking fund - this is similar to a savings fund for all major future works, e.g. if the communal areas need repainting in 10 years time
- Management and audit fees
- General repairs to communal areas

Service charges are payable on apartments and on some houses even if you own 100% of your home where you still benefit from services

Utility costs

- You are responsible for payment of utility bills including electricity, gas, council tax, water and other household costs

Repairs and maintenance

- In shared ownership apartments, you are responsible for repairs and maintenance inside your home
- We are responsible for repairs and maintenance to the outside of the property and any communal areas
- In a shared ownership house you are responsible for repairs, inside and out

Buildings insurance

- This is included in the service charge
- It covers the structure of your home, including fixtures and fittings but not contents
- In a shared ownership house you will be billed annually for buildings insurance

Hyde has negotiated reduced insurance premiums for shared owners. The policy is comprehensive and includes cover for the building and full reinstatement value including subsidence and accidental damage.

Alterations and improvements

You don't need our permission to redecorate but your lease stipulates that you need to apply for the landlord's consent before carrying out any major work to your home.



Work that will require our consent:

- Installing new windows
- Replacing a boiler or central heating system
- Changing internal layout
- Removing walls or creating new openings
- Converting a loft space
- Building an extension
- Installing of a satellite dish (some leases don't allow this)
- Fitting wooden floors (the lease requires that you also lay adequate sound insulation). Some flat leases only allow carpets as floor covering
- Replacing kitchen and bathroom units
- Alterations that affect the electric, gas or drainage run are not permitted

To apply for consent:

Complete an application form and give us any supporting documentation:

- Call 0800 3282 282 or email LME@hyde-housing.co.uk to request a copy of the form to be sent to you
- You can also download the form here: [Download the form from our website](#)
- A fee is payable to us for processing alteration request to shared ownership homes

Buying more shares in your home

You may buy more shares in your home at any time you wish and even own it outright. This is known as staircasing.

You can find more information about this process in the Hyde New Homes Staircasing guide: [View the Staircasing guide on our website](#)

Alternatively email us at: resales@hydenewhomes.co.uk

Re-mortgaging

- As we have a financial interest in your home, we will need to consent to any increase in borrowing or changes to your mortgage lender
- An administration fee is payable for reviewing and approving any changes

Selling your shared ownership home

You can find more information about this process in the Hyde New Homes Resales sellers guide: [View the Resales sellers guide on our website](#)

Alternatively email us at: resales@hydenewhomes.co.uk

Extending your lease

- As your lease term decreases it can become more difficult to sell or re-mortgage your home
- As a shared owner you have the opportunity to add a further 90 years to the existing term of your lease
- This is known as a lease extension and a premium is payable to us to do this

The potential benefits of extending your lease include:

- Making it easier to sell
- Protecting the value of your home
- Premium payable will increase over time
- No more ground rent charge

For further information on our voluntary lease extension process please email: LME@hyde-housing.co.uk

Your lease in the future

- During the course of your shared ownership lease you may wish to transfer or assign the ownership of the property to increase or reduce the number of registered owners
- To do this your solicitors will need to contact us for confirmation on what is required under the terms of the lease and our administration fee payments
- To become the sole owner of the property we will also require confirmation from your lender that you pass affordability checks



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hydenewhomes.co.uk
0345 606 1221

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