Shared Ownership FAQs

I'm thinking of becoming a shared owner…

1. **What is Shared Ownership?**
   Shared ownership offers a low-cost way to buy your home. With shared ownership, you buy part of your home (usually with a mortgage), and then you rent the remaining from your landlord, in this case, Willow Tree Housing Partnership. Shared ownership properties are always leasehold.

2. **What percentage will I own?**
   The percentage you own can vary. If you buy a shared ownership home being resold by the current resident you will buy the share they currently own. With new-build properties you can usually select the share that fits your budget, starting from as low as 10%.

3. **Will I need to have a big deposit saved?**
   You will only need a deposit for the percentage that you buy, not the full property price. This makes it much more manageable.

   For example, if you were buying a £250,000 house with a 10% deposit, you would need £25,000. If you buy a 40% share the deposit required drops to £10,000 and some lenders will accept a 5% deposit meaning you'd only need £5,000.

4. **Can I buy a shared ownership home if I already own a property?**
   No, you would not be eligible for the scheme until you sell your current home or have your name removed from the mortgage.

5. **Are there any criteria to be eligible to buy a shared ownership home?**
   - You must be 18 years or older
   - Household income must be £80,000 a year or less
   - You must be unable to afford a home that meets your needs on the open market
   - You must be able to show that the property would be affordable, this will be assessed by financial advisor.

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6. **How do I register for a Willow Tree Housing shared ownership home?**
   New and re-sale shared ownership homes will be marketed through local estate agents, If you contact us to let us know the type of property and geographical area you are interested in, we will add you to our database and let you know when a suitable home is due to come onto the market. You can also search for shared ownership homes for sale on www.sharetobuy.com

I'm currently a shared owner…

a. **Can I buy a bigger share of my home?**
   Yes, you can increase the share you own by buyer a greater percentage through a process called Staircasing. You may need to live in the property for a minimum period of time before you are eligible to staircase. Many properties allow you to staircase all the way to 100% ownership, however some are limited to a maximum of 80% ownership. This is usually in rural areas where it is felt important that affordable housing is retained. Any restrictions will be set out in the lease.

b. **Can I ever own my home as a freehold?**
   Flats will almost always remain a leasehold as they are part of a larger block. Some houses or bungalows may also remain as leasehold, but most will become freehold once the shared owner staircases to 100% ownership.

c. **Can I decorate and improve my home?**
   You can decorate your shared ownership home to suit your taste and really make it feel like home. If you want to make significant changes you would need to get prior approval from Willow Tree Housing. It is especially important to ensure approval is in place as any value added by pre-approved improvements will be deducted from the valuation used to set the price if you decided to staircase to increase ownership share. If you're not sure if permission is required, it is best to check.

d. **Can I sublet my shared ownership home?**
   No, subletting is not permitted for shared ownership homes. You may also be breaching the conditions of your mortgage if you sublet. There are some exceptional circumstances where permission can be given to sublet for a fixed period of time, usually six month or a year. These may include where you will be working away from home for a short contract or if you need to provide full-time care.

e. Can I sell my shared ownership home?

You can sell your share of the property whenever you chose. You will need to liaise with us throughout but it is a relatively straightforward process. Your buyer will need to meet the criteria for the shared ownership scheme as well as any local connection requirements. The buyer will purchase the same share you currently own, or it may be possible for them to buy the whole property with simultaneous staircasing.

f. Can my lease be extended?

Most mortgage lenders require a minimum number of years to be remaining on the lease in order for them to offer a mortgage. If you are selling your share of the property or looking to remortgage you may need to extend your lease. This is a straightforward process and Willow Tree Housing are committed to making it as affordable as possible. Please contact us for details and to get the process underway.

g. How is my rent calculated?

The initial annual rent amount when the property is first sold is set at a percentage of no more then 3% of the value of the retained share, a smaller percentage is often used. The annual rent increase calculation will be set out in the lease – usually based on Consumer Price Index (CPI) or Retail Price Index (RPI) plus a specified percentage.

h. Who is responsible for repairs?

Generally the shared owner is responsible for their own repairs, this includes replacement kitchens and bathrooms. Willow Tree Housing will look after any structural repairs, the details will be set out in the lease.