

Shared Ownership Mortgages

Shared ownership For those people on lower incomes who cannot afford to buy a home of their own, shared ownership may be an option. To be eligible for many schemes you must be in housing need and be unable to afford to buy a property in any other way. Shared Ownership is a part buy, part rent scheme and the properties available are usually owned by registered social landlords (RSLs), most commonly housing associations, and have either been renovated or built by them. Some RSLs offer non-government funded schemes, which run along the same lines, as do some private developers. You buy a share of a home with a mortgage or savings, normally around 25% to 50%, and you pay a subsidised rent to the housing association on the part you don't own. You can increase your share as and when you can afford to. The larger share you buy, the less you will have to pay in rent. Prices of properties will, of course, vary according to location. You still have the rights and the responsibilities of home ownership even though you will not own the property outright.

You can sell the property at any time but must notify the social landlord in writing. If you can afford to buy the remaining share of the property you can sell it outright, or just sell the part you own. You should be aware that because house prices can go up or down, you might have to pay more for additional shares in the property or you might have to sell at a lower price than you paid originally. Many housing associations will have included a clause in the lease so that they can put forward a new buyer for your home. This can speed up the process for you as they will keep a list of those interested in shared ownership. They may also charge you a small fee for undertaking this.

Most bank and building societies are happy to lend on shared ownership properties, some up to 100%.

To find out if you are eligible and to register your interest, contact your nearest HomeBuy agent at <http://www.housingcorp.gov.uk/>

If you would like to enquire about shared ownership mortgages follow this link and leave your details for the mortgage adviser to contact you.