

Shared Ownership Sales Process

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The following pages guide you through each stage of the shared ownership sales process from the marketing of a scheme right through to handover of the keys. This will help you to understand what to expect at each stage of the process and how long the process takes.

Marketing

When we have a shared ownership scheme coming up we will plan how to market our scheme so that the local community are aware of the properties available. We will do this through a variety of methods depending on the nature of the scheme. Examples of marketing methods we may use are:

- Advertisement in the local newspaper
- Hoardings
- Leafleting local businesses
- Advertisement on South West Homes
- Internet Advertising
- For Sales Boards
- Launch events
- Advertisement on Coastline Housing's website

Whichever way you hear about the scheme we will ask you to contact us either by telephone, e-mail or by coming into the office to let us know you are interested.

Upon enquiry we will send you the following:

- Local authority housing register application form and guidance notes if applicable
- Sales Details for scheme
- 'Shared Ownership Frequently Asked Questions' leaflet
- 'Shared Ownership Sales Process' Leaflet

The Next Step

Unless we are due to hold a launch event, we will carry out an initial assessment on the information you provide to us. This basic assessment will confirm the likelihood of you being able to afford to purchase and sustain the property. If this assessment is positive, we will invite you to an interview. This is an opportunity for us to discuss your application and for you to ask any questions you may have.

The interview is usually held at our offices, or in your home and lasts approximately an hour.

As part of the next step we recommend that you see an independent financial advisor and we can help you find a suitable advisor who is familiar with shared ownership. If you require a mortgage to fund your purchase we will request that you provide a mortgage offer in principle at this stage. A mortgage agreement in principle is a letter from a mortgage lender confirming what amount they are prepared to lend to you for a shared ownership mortgage. We will also request information the mortgage terms such as interest rate and number of years to repay

the loan from your advisor so that we can make an accurate assessment. Please do shop around for the best deal as most lenders offer different deals.

Please note your advisor may choose to send a copy of this offer in principle direct to us.

We would also recommend at this stage that you research what solicitor you would like to use and obtain an estimate fee for their work on your purchase.

Interview

We require further information from you in order to assess your eligibility to be accepted as a buyer of one of the shared ownership properties. This is so we can assess whether:

- You will be able to afford home ownership without over-committing yourself financially
- You are unable to afford to buy on the open market
- You have sufficient savings to cover the costs associated with buying a home, such as solicitor's fees, mortgage arrangement fees etc. You will not be able to add these to your mortgage
- You have a satisfactory credit record.

We will require you to provide us with the following evidence to support your application. You need to bring the following to the interview:

- Photocopy of proof of ID - driving licence or passport
- Proof of local connections if required - electoral roll certificates or council tax bills
- Your last six months pay slips - we will need to see originals and retain copies
- Your last 6 months bank statements
- If you get any regular overtime or bonuses not shown on your payslips, evidence of these from your employer
- Evidence of any other income, such as:
 - * Income from benefits
 - * Maintenance from a former partner
 - * Income from savings and investments
- If you have any loan agreements or credit and store card debts, copies of latest account statements
- Copy of your credit report - we will email or send you our 'Credit Report Advice' leaflet
- Evidence of any savings - latest bank or building society statements and/or signed letter from family member/friend stating how much they are prepared to give to you towards the purchase
- A completed budget form and declaration - we will email or send you our 'Budget Sheet and Declaration' form
- Mortgage Agreement in Principle

If you would prefer to bring original documents, we are happy to photocopy them for you. We must have a photocopy of your ID at the interview as we will not take your driving licence or passport with us. If you are unable to arrange for your ID to

be photocopied we are happy for you to come into our office and we will do this for you.

In the interview we shall go through the 'Shared Ownership Interview Materials' which everybody in your position shall go through. The interview materials cover:

- An explanation of who Coastline are and what we offer
- The purpose of the interview
- What is shared ownership and who is eligible
- Information about the scheme you have applied for, including the rent level, service charge payments and the properties available
- Who shall occupy the property
- Your contact details and preferred method of contact
- Employment reference contact details
- Tenancy reference contact details
- Evidence to support your application

Assessment

When we received all of the evidence required to support your application we will make an assessment of your financial information to see whether you can afford to buy and sustain a property and at what percentage.

To assess your information we use the affordability calculator designed by the Homes and Communities Agency who are our funders and regulators. We also look at the budget sheet you have filled in and your bank statements to see how you are managing your finances.

We carry out such vigorous assessments to ensure we are housing people who can afford the initial purchase and who can sustain home ownership. As a Charity and a Housing Association, many of our schemes are funded using grant money from the Government therefore it is our duty to allocate homes wisely.

The following forms of income is used to calculate your monthly income: your annual earnings before deductions, 50% of your gross overtime or bonus, Working Tax Credits (but not the childcare element of the credit), Disability Allowance and guaranteed maintenance but you must either have a court order in place OR receiving through the CSA. We can not include child benefit, child tax credits or the childcare element of the Working Tax Credit. When looking at your other financial commitments we take in to take in to consideration your monthly repayment of any loans and 3% of your balance of any credit or store cards even though your minimum payment may be less than this. We do not include any student loan you are repaying.

Your mortgage, rent on the unsold share of your home, service charge (if applicable) must be more than 30% but less than 45% of your take home pay after deducting loan repayments and credit or store cards repayments. If your payments are more than 45% then it is deemed that the property will be unaffordable for you to sustain at that share. Your mortgage must be at least 2.5x and no more than 4 x your annual salary before deductions. We may then look to offer you a higher or lower share than previously discussed. The Homes and Communities Agency within their Capital Funding Guide specify that "Registered Providers must encourage purchasers to buy the maximum share they can afford

and sustain.” so this is a guideline that we must abide by whilst making affordability assessments on individuals.

We also aim to provide an excellent service and therefore only allow you to buy a property on the scheme if this is suitable to your needs. If you are unfortunately unable to afford it we will point you in the right direction of a range of further housing options.

As part of our assessment we will write to your employer for an employment reference and to your landlord for a tenancy reference. If you are currently living at home with family we will not require a tenancy reference. We may ask for details of a previous tenancy if you have not lived at your address for very long or if you are currently living with family. References should confirm the information you have already told us for example your salary, whether you receive any overtime or bonuses, what your rent payments are and whether or not you have had any rent arrears.

If you do not wish us to request a tenancy reference from your landlord at this stage, in case you do not proceed for any reason, any offer made will be subject to receiving a satisfactory tenancy reference before you complete on your purchase.

Shortlisting

If you are the only applicant at that time applying for a particular property we will still take you through the assessment process but there will be no waiting for the shortlisting process, so if your application is satisfactory we will make you an offer on the property.

If more than one person is interested in the same property and both are eligible and they applied at the same time, we look at the priority band that South West Homes would have put you in, if we have received grant funding to build the property, we may work in partnership with Cornwall Council’s housing register, and allocate in accordance with our Shared Ownership Marketing and Allocations Policy.

Offer Letter

Once we have all the items we require to make a full assessment and we assess that you are to purchase a property on this scheme, we will be able to send you an offer letter for you to sign and return to us with your reservation fee. Your offer letter will include the following:

- Property to be conveyed - the address and plot number of the home you have been offered
- Purchaser’s details - the name of all purchasers, their address and telephone number
- Your solicitors details - the name and address of the firm, their telephone, fax and DX numbers, their email address and the solicitor acting for you
- Purchaser’s mortgage details - name of all purchasers, the full market value of the property, the percentage of the property to be purchased, the purchase value of the percentage you are buying, the rent you would pay if you were not purchasing any equity and the rent you will pay for

the share you will not own

- The reservation details - date of the offer, the scheme you are buying on, and whether you are buying a house or a flat, the number of bedrooms and whether there is a garage or a parking space
- The terms of the offer letter including the reservation fee of £250
- Your declaration
- Payment options for reservation fee

You have up to a maximum of 12 weeks from the date of the offer letter to exchange on your purchase if the property is being bought "off plan". If the property is already built and awaiting occupation then we will offer you 8 weeks to exchange on the property if a mortgage is involved, and 6 weeks to exchange if no mortgage is being taken out on the property. You must confirm your reservation by paying your reservation fee and by signing the offer letter and returning to us within 14 days of the date of the offer. The reservation period starts from the date of the offer, not the date you receive the letter.

Once the legal transaction has begun, it is likely that most communication and requests for information relating to the property sale will be dealt with through solicitors for legal reasons, however you are still welcome to contact us should you have any additional queries.

In order that your purchase goes smoothly, it is essential to instruct your chosen solicitor without any delay. You are advised to keep to keep in regular contact with your solicitor and to respond promptly for any requests for information.

We are happy to arrange further viewings or access for surveys, measuring up for flooring etc. during the sale process if it is possible to get in to the property. Sometimes this is not possible, especially if the property is being bought off plan and is located on a working site.

Viewing

It is highly unlikely that you will be given a chance to see the properties before reserving when buying off plan due to health and safety issues associated with working building sites. In this case, we will try to set up a viewing of a property on the development prior to exchange, this may however not be possible.

If the property has been built we will try to arrange a viewing during the assessment process.

Viewings usually last about half an hour when carried out.

At the viewing you will be able to have a look at either a show home or at a property which will be the home you hope to buy, or a similar home to the one which you may be allocated.

The viewing appointment is also a chance for you to ask any further questions about your application or the properties.

Handover

Towards the end of the sales process your solicitor will confirm a target completion date. We will arrange a provisional handover appointment with you on that date usually around 2pm after the completion money has transferred. We

are not able to release keys to you until we have had confirmation that the monies to fund your purchase have been received by our solicitor and that the sale has gone through.

We tend to get confirmation of completion around midday and therefore we make the provisional appointment at this time to allow for time to travel to the property. If for any reason we have not received confirmation that we can release the keys in time for our provisional appointment, we will keep in regular contact and delay this appointment to later in the afternoon when we receive this confirmation.

The handover appointment is held in your new home. Although at that point you will be the legal owner of the share you have purchased, there are still a few things we need to go through with you on the day.

At the handover appointment we will go through the following:

- Direct debit mandate - we need to set up your direct debit for your rent and service charge payment
- CORE form - a national information source that records sales and lettings information from housing associations and local authorities
- Shared ownership tenancy start form - we need to set up your shared ownership property on our housing management system which includes who is living at the address and any contact details. We are then able to record on this system any future contact we have with you regarding your new home
- Data protection form - under the Data Protection Act 1998 we need your authority to hold and process your personal data
- Customer Profiling form - we require you to fill out this form to enable the Company to monitor its Equal Opportunity and Diversity Policy to ensure you have not been discriminated in any way
- List of outstanding defects - although you will have a full repairing lease, if you have bought a new build property off plan they will have a defects period where the developer is liable for certain items should you experience any problems. This usually lasts either 6 or 12 months. It is important to report any defects as soon as possible if you discover any after your handover appointment
- Meter readings - once you complete on your purchase you become responsible for any water, electric and gas bills. You should inform the relevant providers as soon as possible of the agreed meter readings. We will also contact them.

There are also various leaflets which we will give to you in your welcome pack such as instruction manuals for any items in your new home and other information which we feel may be of use to you as a new home owner.

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Fax: 01209 722472



email: homeownership@coastlinehousing.co.uk

www.coastlinehousing.co.uk



We are continually monitoring and reviewing the services we provide. If you have any comments regarding this leaflet, please e-mail us at homeownership@coastlinehousing.co.uk.

Do you need information in a different format?

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Arabic الرجاء ارسال لي هذه الوثيقة باللغة العربية

Polish Na specjalne życzenie, niniejszy dokument może być dostępny w języku Polskim.

Thai เอกสารนี้มีให้ในภาษาไทย ถ้าคุณต้องการ

Other language required: _____

Name: _____

 Address: _____

Postcode: _____

 Telephone: _____



Send to:
Coastline Housing, Ferris House,
Dolcoath Avenue,
Camborne, TR14 8SD.



08082 027728

If you tell us which language you speak, we
will be able to get a translator on the phone.