
Frequently Asked Questions



Our guide to help answer your initial thoughts
and queries on shared ownership

The following pages answer the common questions you may have when you are thinking about buying a shared ownership home. If you would like further information or would like to know about our current schemes please look at our availability on the home page of our Home Ownership website.

What is Coastline Housing Limited?

We are a charitable Housing Association providing affordable housing in Cornwall. We own and manage over 5,000 homes with a diverse mix of tenures including: affordable rent, rent to buy, supported housing and shared ownership. We are registered with the Regulator for Social Housing as a Registered Provider.

What is Shared Ownership?

Shared ownership is a scheme whereby properties are sold on a part-buy, part-rent basis. This means that you buy a share that you can afford in your home and you pay a subsidised rent on the share that you do not own.

All homes purchased through shared ownership are leasehold. This means that you own the property and have the right to occupy it for the length of the lease (usually 99 or 125 years). The freehold will be retained by Coastline. You have the option to buy more shares in the property known as staircasing as and when you can afford to do so. In most cases you can staircase to 100% and own the property outright, acquiring the freehold in the process.

In some rural areas you may not be able to acquire the freehold, there is more information on this within the guide.



Do I have to be a first time buyer?

No, but you cannot buy a shared ownership home as a second home or as an investment. If you own a home already, you can still purchase through the shared ownership scheme if you are unable to buy a property suitable for your needs on the open market. However, you will need to complete the sale of it before you can complete your purchase, this can be done simultaneously. Coastline will not consider applications from purchasers with a property to sell that is not sold subject to contract.

What size house can I buy?

You can buy any size home that you like, providing you can afford to do so and sustain the payments to live there. An affordability assessment will be carried out to make sure that the property is affordable for you.

For example, if you are a couple with no dependent children, but wanted to buy a three bedroom home, then you are able to, providing you can afford to do so.



Can my rent and service charges go up?

Yes, they can. Rents and service charges are reviewed each year. Any rent increase is capped at RPI + 0.5%. To calculate the service charge costs for the estate, we based the figures on the estimated costs for the coming year, whilst taking in to account the debit/credit adjustments from two years before.

To calculate the costs of the service charges for individual properties we work out the service charges per block or estate as applicable. We then divide the costs between all those eligible properties benefiting from the provision of the services.

For example, if the total grounds maintenance costs for an estate were £2,000.00 and 100 houses were eligible to pay for the service then the cost would be apportioned equally:-

$£2,000.00 \div 100 \text{ properties} = £20.00 \text{ per property per year.}$



Who is eligible?

The scheme is designed to help people who are unable to purchase a property on the open market that is suitable to their needs. To buy a shared ownership, you need to:

- Be unable to afford to buy a home on the open market that is suitable for your needs.
- Be able to afford the cost of buying the share you want to buy without overstressing yourself financially.
- Have a household income of less than £80,000 per year.
- Have enough savings to cover the cost of solicitors and moving costs when buying your home. You should budget for about £1,500. This cannot be added to your mortgage as you cannot secure borrowing against our share of the property.

An independent assessment will be carried out on each applicant based on their individual circumstances.

Financial Assessments – TMP

Throughout the buying process with Coastline there is a two-stage-financial assessment. The initial assessment will be carried out at the stage you submit your application form. Whilst completing the application form you should get in touch with TMP (The Mortgage People – <https://tmpmortgages.co.uk/>) to have an initial financial assessment carried out. This will provide us with enough information to assess your application and establish if we are able to offer you a home.

Applications will be processed in the order that they are received. Properties are allocated on a first come, first served basis upon receipt of a completed and successful application.

Once reserved, TMP will collect more information about your financial circumstances to carry out a full assessment. TMP can also help you find a mortgage lender that suits your needs.

After the full assessment is complete, you have no obligation to use TMP to find a mortgage lender and you're welcome to use your own mortgage broker.



Am I eligible for shared ownership as a current home owner?

If you already own a home, including any property overseas or an existing shared ownership home then you will not be eligible for the scheme. However, if you need to purchase a property suitable for your needs but cannot afford to do so on the open market – you may be able to apply. We would need to demonstrate that you cannot afford to buy on the open market. This will be done by carrying out an affordability assessment.

Your application will not be considered by Coastline Housing until we receive evidence that your current property is sold subject to contract.

Who is responsible for the repairs and maintenance?

The purchase of a shared ownership property will be on a full repairing lease. That means you are responsible for all works to your home in the same way as any other home owner, both internally and externally. The gas and electrical maintenance is also your responsibility. It is a condition of the lease that you arrange for a Gas Safe – registered engineer to inspect your gas appliances every year. Any electrical work / maintenance carried out in your shared ownership home must be done by a registered NICEIC electrician.

If you purchase a new build property, your home will come with a defect liability period. This means that any issues with the property these will be rectified by the developer or Coastline Services. This defect period is often a year and starts from the day the properties are built, not from the day you move in. If you are buying a resale property, the defect liability period is not applicable.

How are the homes allocated?

We understand that people will have different preferences. We offer homes on a first come first served basis, but only after we have assessed your eligibility. If more than one person has applied for the same property, the home will be offered to the person who has a successful and complete application, this is why it is important to provide Coastline and TMP with all the requested information as quickly as possible. If we have received grant funding to build the property, we may also work in partnership with Cornwall Council's housing register, and allocate in accordance with our Shared Ownership Marketing and Allocations Policy.

Can I buy if I am on benefits?

This will depend on the type of benefit that you receive and the duration that it will be received. Your application will be considered if you are currently in receipt of benefits.

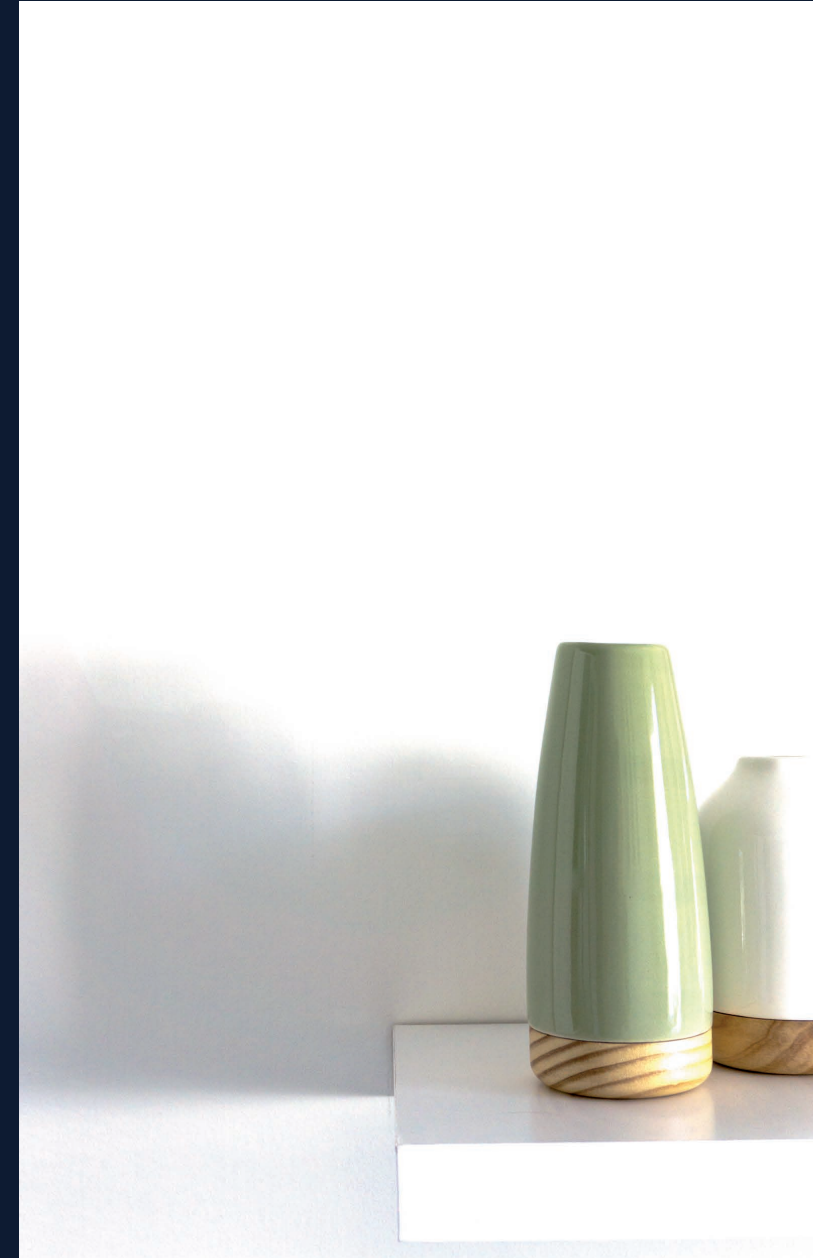
Do you provide mortgages?

Coastline do not provide mortgages. If you are buying your share with a mortgage, you will need to speak to a financial advisor.

What mortgage lenders can I use?

You're able to use any mainstream mortgage lender for your purchase. Once your financial assessment is complete you will need to discuss your options with a financial advisor. We do not currently allow the use of adverse mortgage lenders. It's recommended that any historic credit issues are resolved before purchasing a property.

It is worth noting; not all mortgage providers lend on shared ownership schemes therefore it is important that the mortgage provider and your financial advisor are both aware you are buying through shared ownership.



Can I purchase if I'm looking to retire soon?

Yes, absolutely – we will look at each application on a case by case basis as we appreciate that everyone's circumstances are different. However, we do not allow mortgages to be taken out whilst in retirement.

Is there a waiting list?

There is not a waiting list as such, but there is a central register of people interested in buying through the shared ownership scheme which is managed by the government appointed local Help to Buy agent.

Help to Buy South is the local Help to Buy agent for the area, who act on behalf of local housing associations throughout the south region including Devon & Cornwall. Information on homes will be listed on Help to Buy South, further details on the scheme can be found on our own website. Once you have registered your interest in a development on Help to Buy South, if the property you are interested in is still available, the team will get in touch with further details of the scheme and guide you through to the next steps of your application. It is then your responsibility to provide all of the relevant documents to us as soon as you can. Our properties are offered on a first-come, first-served basis.

What is the minimum/maximum initial share I can buy?

This can vary from scheme to scheme. The general rule of the shared ownership scheme is to allow you to buy 25% to 75% of the property. You are not able to buy more than 75% initially. A share higher than this would defeat the purpose of the scheme as it could be deemed that you can afford to buy on the open market. The minimum share cannot be less than 25% for any scheme. However the housing provider may set the minimum share that can be purchased at a higher percentage.

Each application is assessed based on the individual's circumstances. You will need to buy the share that you are able to afford without overstressing yourself. The assessment process is designed to ensure that the home is affordable for you. Most schemes will have a minimum share that you'll have to purchase, this is usually 40% but may differ in higher value areas to ensure it remains affordable.

What may I have to pay for when buying a home?

As with any home purchase, you may have to pay for the following when buying your home:

- Conveyancing / legal costs
 - Land Registry fee
- Office copy and documents
 - Mining search
- Local authority search fee
 - Drainage search fee
- Environmental search fee
- Bankruptcy search fee
- Identity check
- HM Land Registry land charge fee
 - Electronic bank transfer fees
 - Survey for mortgage company
 - Arrangement fee for mortgage
 - Deposit
- Stamp Duty Land Tax (if required)

Are there any other conditions?

If a Civil Injunction and/or a Criminal Behaviour Order has been given against you or anyone who will be living with you in the last two years, we may reject your application, but only after we have asked you about the circumstances and decided whether it would be reasonable to do so. We may also require reference from your existing landlord, if you have one.

If you are a non UK citizen then you may still be able to purchase a shared ownership home. You would need to demonstrate that you can sustain payments for the property in the longer term and that the property will remain your principal home, you will also need an indefinite leave to remain in the UK.

Do I have to have a local connection to the area?

For some schemes, you will need to have a connection to a particular area. This will normally be because the home that you want to buy would be subject to a Section 106 Agreement. This often means that the property can only be sold as affordable housing to someone with a local connection to the area (for example, someone who was born in a certain parish or town, or who has lived or worked there for a set period of time). This only applies to some homes.



Can shared ownership homes become freehold?

On most schemes you would be able to acquire the freehold by staircasing to 100%. However, for schemes in some rural areas you may not be able to obtain the freehold although you would normally be able to staircase to 100%. This is to ensure that the home is retained as an affordable home for the future where there is limited scope to build more affordable homes. There are some shared ownership properties in rural areas where you cannot staircase past 80%.

Buyback provisions, what are they?

Buyback provisions are sometimes added to leases on developments in designated protected areas where there is little scope to build additional affordable housing in the area. This means that although you are able to staircase to 100%, you will not acquire the freehold of the property when doing so. If you have staircased past 80%, when you choose to sell your share, Coastline (or a nominated Housing Association) must buy it back at the current market value at that time. The value will be determined by an independent RICS qualified surveyor.

Shared ownership leases that contain the buyback provisions are referred to as protected areas leases.

What are the benefits of shared ownership?

Shared Ownership offers people the opportunity to get on the property ladder, giving the occupier long-term stability that they might not have if renting privately. The deposit needed for a shared ownership property is generally lower than what would be needed to buy on the open market.

The price that you pay for your home is a percentage of the full open market value which is assessed by an independent surveyor. You will be given the opportunity to buy a share that is affordable to you.

Once you've purchased a shared ownership property, you will receive the benefit of any increases in value of the share that you own. However, the reverse also applies, if house prices go down, you do run the risk of the value of your share also decreasing.

Who pays for the building insurance if I own the freehold?

If you staircase to 100% and own the freehold of your property, you will no longer be required to pay buildings insurance for your home through Coastline.

If you've staircased to 100% but have not acquired the freehold, then the building insurance will still be covered by Coastline, this will always be the case for apartments as Coastline will continue to own the freehold of the rest of the building.

Can a Shared Ownership home be Buy to Let?

No, shared ownership properties cannot be let out. However, if you have a spare bedroom you can have a lodger, this will have to be approved by our Leasehold & Service Charge Team. You must also continue to live at the property.

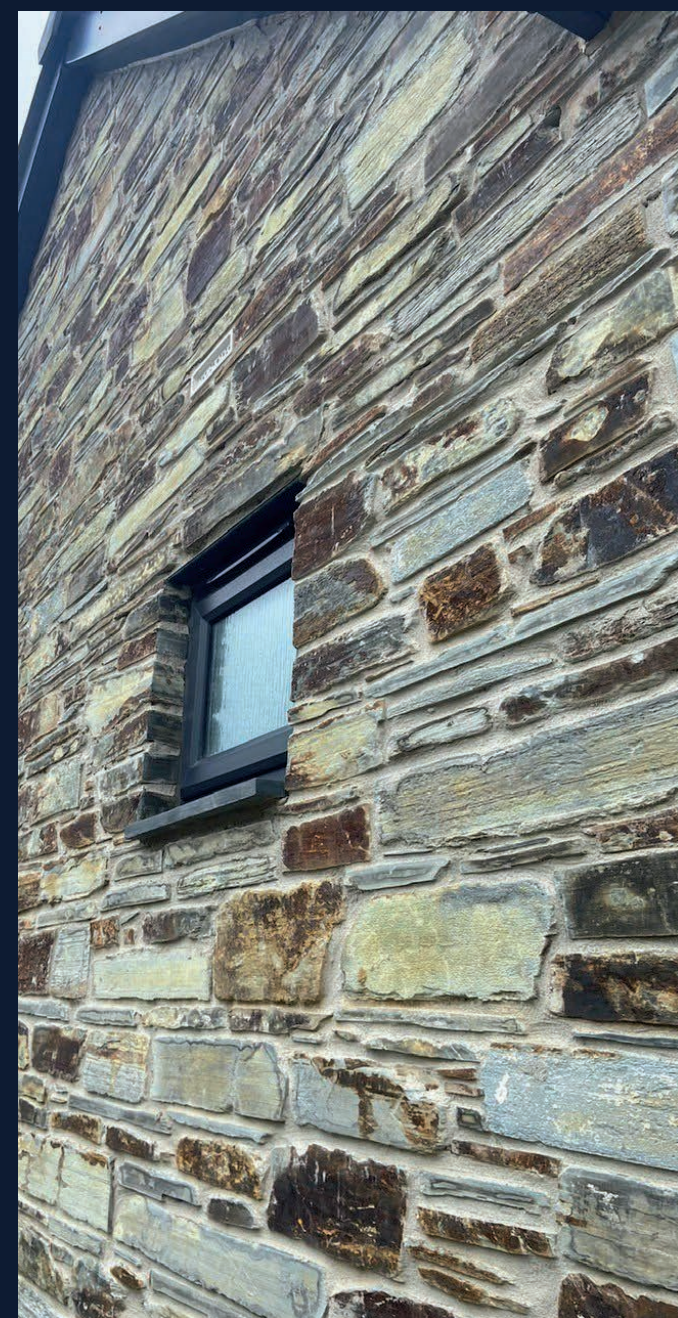
When should I staircase?

You can choose to staircase as soon as your financial circumstances allow you to. You will have three opportunities to buy more shares of your property, all additional shares will need to be bought at a minimum of 10% portions.

Whenever you wish to stair case we will carry out a financial assessment to ensure it continues to be affordable for you. If you are looking to stair case to 100% we will only need proof of funds, this could be an AIP (Agreement in Principle) from your mortgage lender.

Where can I find Shared Ownership properties for sale?

All Shared Ownership properties in Cornwall will be listed on Help to Buy South as a minimum. Here at Coastline, we also list our properties on; our Home Ownership website and Rightmove.



We're here to help you

At Coastline Housing, we know a thing or two about shared ownership.

We are a charitable Housing Association that owns and manages over 5,000 homes in Cornwall.

We help people find the right homes at the right price for them through a range of different options and we're sure we'll be able to help you too.

Get in touch

T: 01209 200230

E: home.ownership@coastlinehousing.co.uk

Visit our website www.coastlinehomeownership.co.uk

Or find us on social media:

 @coastlinehousingsales

 Coastline Housing

 @coastlinehouse



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