

Our guide on the new Shared Ownership model lease

This is a guide to help you understand the differences brought forward from government’s changes in policies around new shared ownership leases. The new model lease will only apply to Coastline’s shared ownership properties. On some schemes you’ll be able to purchase a shared ownership home which will use the new model lease, if you’re unsure about what lease you have, please ask a Sales Consultant.

Which homes will be affected?

If your shared ownership lease with Coastline Housing commenced before March 2023, then your home **will not** be affected by the changes. If the construction of your home was funded by Homes England’s from 2023 onwards, then your lease is likely to include the new changes set out below. If you are unsure what lease is used on your property, please ask a Sales Consultant.

Key differences	
Previous model lease	New model lease
Minimum initial share that can be purchased: 25%	Minimum initial share that can be purchased: 10%
Larger shares can be purchased at a minimum of 10%	Staircase at 1% increments for the first 15 years of occupancy. After 15 years of occupancy larger shares can be purchased at 5%
Costs of repairs and maintenance are covered by the shared owner.	For the first 10 years from the lease commencement date, the costs of repairs and maintenance are covered by the landlord, i.e Coastline Housing.
When reselling your home, the shared owner has a nomination period of 8 weeks before having the option to sell via an agent.	Nomination period reduced to 4 weeks.

Changes to reselling your home

The shared owner's nomination period to find a new purchaser will end after 4 weeks if they wish to pursue a sale on the open market rather than the previous 8 week nomination period.

Changes to buying more shares of your home

Shared ownership homes that utilise the new shared ownership lease now give shared owners the option to purchase additional shares at 1% increments for the first 15 years. The 15 year period will reset for every new shared owner for any resales that take place. After this 15 year period, the minimum staircasing transaction is now 5% of the open market value, rather than previously being 10% on the older leases.

For 1% staircasing transactions, the valuation is calculated from the Land Registry's House Price Index.

- 5% staircasing transactions will require a RICS valuation and will follow the same process.
- 1% staircasing – once a year Coastline will send out Land Registry's House Price Index (HPI) valuation. The staircasing transaction will be based of 1% of this valuation.

Initial repair period

There is a 10 year 'initial repair period' period starting from the lease start date which applies while you own less than a 100% share in the home. Repairs which are the landlord's responsibility during the initial repair period will not be recharged through the service charge.

In the initial repair period, you'll be able to claim costs up to £500 a year from your landlord to help with essential repairs or replacement (if faulty) of:

- installations in the home for the supply of water, gas and electricity (including basins, sinks, baths and sanitary devices, fittings and appliances for making use of the supply of water, gas or electricity such as ovens or washing machines), pipes and drainage
- installations in the home for space heating and water heating.

During the initial repair period, the landlord is also responsible for the cost of essential repairs to the external fabric of the building and structural repairs to walls, floors, ceiling and stairs inside the home.