

# Shared Ownership



*Your Guide*



At Prestige Private Finance, we know buying your first home can feel overwhelming, but we're here to make it easier.

Shared Ownership is a fantastic way to step onto the property ladder without needing a large deposit upfront.

In this guide, we'll walk you through the key points of the Shared Ownership scheme and how we can help you make the best financial choices for your future



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## How Does Shared Ownership Work?

Shared Ownership allows you to buy a share of a property, between 10% and 75%, with the rest owned by a housing association or developer. You'll take out a mortgage on your share and pay rent on the remaining portion.

For example, if you purchase 50% of a £200,000 home, your mortgage would be for £100,000, and you'd pay rent on the other £100,000. This means you don't need to find a full deposit for the total value of the property, making it more affordable to get started.

*Our expert tip:*

As your financial situation improves, you can buy more of the property over time - a process called "staircasing," giving you greater ownership.



## What Do You Need to Qualify?



To be eligible for the Shared Ownership scheme, you'll need to meet a few criteria:

- *Income*

Your household income must be below £80,000. This can vary from scheme to scheme, so be sure to check.

- *Your Buying History:*

You should either be a first-time buyer, someone who used to own a home but can't afford to buy now, or an existing Shared Ownership participant.

## What Are the Costs Involved?

Buying a home is a big commitment, so it's important to understand all the costs involved. Alongside your mortgage deposit and monthly payments, you'll also need to consider:

- *Rent payments:*

Based on the share of the property you don't own. If you own 50% of a £200,000 home, your rent would typically be around £250 per month.

- *Additional costs:*

Legal fees, stamp duty, and any survey or valuation fees. We'll help you plan for these costs and ensure there are no surprises.

## Can You Increase Your Share?

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Yes! Through staircasing, you can gradually purchase a larger share of your home, up to 100%. This gives you more control and potentially reduces your rent payments.

However, as the value of your property increases, so will the cost of the additional shares.

We recommend speaking to one of our mortgage experts before making any decisions on staircasing. They'll help you decide if it's the right time and guide you through the financial considerations.



## Can You Remortgage?

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Remortgaging can be a great way to fund staircasing or secure a better deal on your existing mortgage. While it's possible with Shared Ownership, it does depend on the housing association or developer's terms.

Our team at Prestige Private Finance has access to specialist lenders who offer tailored products for Shared Ownership, often with more competitive rates than you'd find on the high street.

## Things to Consider

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**Before you move forward with Shared Ownership, here are a few more things to keep in mind:**

### **Stamp Duty:**

Depending on the value of the share you buy, stamp duty might apply, but we'll walk you through the options and timing to manage these costs.

### **Leasehold or Freehold:**

Shared Ownership properties are typically leasehold. You can look to obtain the freehold once you own 100%.

### **Selling your home:**

If you own 100% of your property, you can sell it like any other home. If not, the housing association has the first option to buy it back.

## Choosing the Right Mortgage

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There's no one-size-fits-all mortgage. Shared Ownership mortgages can be harder to find, but at Prestige Private Finance, we have access to specialist lenders that others don't, ensuring you get the best possible deal.

We understand the complexity of Shared Ownership, and our friendly, professional team is here to guide you. Whether it's your first home or you're looking to staircase, we'll help you make informed, confident decisions every step of the way.

Get in touch today for tailored advice that suits your situation.