## Purchase costs

|  |  |
| --- | --- |
| **Full market value** | £215,000 |
| **Share purchase price** | £107,500 (50% share)  The share purchase price and percentage are based on the amount you can afford. |
| **Deposit** | £10,750 (based on 10% deposit) |
| **Reservation fee** | £300 |
| **Your solicitors' fees** | Solicitors' fees can vary. You can expect to pay fees including:   * legal services fee * search costs * banking charges * Land Registry fee * document pack fee * management agent consent fee - subject to development and terms of the management company   You'll need to ask your solicitor what the fees cover and the cost for your purchase. |
| **Stamp Duty Land Tax (SDLT)** | You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your solicitor. There is more guidance on the GOV.UK website:   * [Stamp Duty Land Tax: shared ownership property](https://www.gov.uk/guidance/sdlt-shared-ownership-property) * [Calculate Stamp Duty Land Tax (SDLT)](https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/) |

## Your monthly payments to the landlord

|  |  |
| --- | --- |
| **Rent** | If you buy a 50% share, the rent will be £246.35 per month.  The percentage share and rent amount is based on the amount you can afford. |
| **Service charge** | £15 per month  The service charge is for grounds maintenance (maintenance of external areas, weed treatments and tree works), general repairs (sundry repairs, waste removal, fly tipping and tree works), insurance (public liability insurance) and sinking fund. |
| **Estate charge** | There is no estate charge to pay. |
| **Buildings insurance** | £8.25 a month |
| **Management fee** | There is no management fee to pay. |
| **Reserve (sinking) fund payment** | There is no reserve fund payment. |
| **Total monthly payment to the landlord** | Your total monthly payment for the rent and other charges described above will be:  £269.60 a month based on 50% share  You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water. |

## Rent review

|  |  |
| --- | --- |
| **Rent review period** | Your rent will be reviewed every year on \_\_1st April\_\_\_\_. |
| **Rent increase** | The maximum amount your rent can go up by is the same as the percentage increase in the [Retail Prices Index](https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23) (RPI) for the previous 12 months plus **0.5%.** |

## Future costs if you buy more shares

|  |  |
| --- | --- |
| **Home valuation** | If you choose to buy shares of 5% or more, you'll need to pay for a valuation by a surveyor who is registered with the [Royal Institution of Chartered Surveyors](https://www.rics.org/) (RICS). The estimated current cost is **£250-500.**  You will need to arrange the valuation.  You can [find a registered surveyor on the RICS website](https://www.ricsfirms.com/residential/).  The price of a 1% share is based on the original full market value adjusted up or down each year in line with the [House Price Index (HPI)](https://www.gov.uk/government/publications/about-the-uk-house-price-index). You'll receive an HPI valuation at least once a year. You or the landlord can choose to use a RICS valuation instead of HPI. The party who chooses to instruct a RICS surveyor pays for the cost of the valuation.  For more information, see section 6, ‘Buying more shares’, in the 'Key information about shared ownership' document. |
| **Share purchase admin fees** | Buy shares of 1% - no admin fee.  Buy shares of 5% or more - £120.00  You cannot buy shares of 2%, 3% or 4%. |
| **Your solicitors' fees** | Where you require legal advice when buying more shares, you are responsible for paying your own legal fees. Your mortgage lender will require you to instruct a solicitor if you are borrowing money to fund any purchase of additional shares. The landlord is responsible for paying their own legal fees related to share purchase transactions. |

## Future costs if you sell your home

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| --- | --- |
| **Landlord's current selling fee** | £120 |
| **Estate agent's fee** | You'll need to pay their fee, which is negotiable. |
| **Your solicitors' fees** | You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees. |
| **Home valuation** | The landlord arranges the valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost. |

## ***Future costs if you need to extend your lease term***

## All shared ownership homes are sold as leasehold, even houses. You may need to

## extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

|  |  |
| --- | --- |
| **Lease term** | 990 years |
| **Maximum share you can own** | You can buy up to 100% of your home. |
| **Transfer of freehold** | At 100% ownership, the freehold will transfer to you.  See section `Transfer of Freehold' in the `Key information about the home' document for more information. |

## Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

## For more information see section 2.5 in the ‘Key information about shared ownership’ document.

## ***Other potential costs from the landlord***

|  |  |
| --- | --- |
| **Admin fee for purchase of further shares** | £120 |
| **Notice of assignment on final staircasing** | £120 |
| **Admin fee for lease extension or variation fee** | £250 |
| **Flagship Legal fees for lease extension** | £480 |
| **Copy of lease (admin cost for copy from Land Registry)** | £15 |
| **Admin fee for completion of LPE1** | £120 |
| **Admin fee for Deed of variation** | From £150 |

## Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

|  |  |
| --- | --- |
| **Mortgage repayment** | £\_\_\_\_ a month |
| **Contents insurance** | £\_\_\_\_ a month |
| **Council Tax** | £\_\_\_\_ a month |
| **Gas and electricity** | £\_\_\_\_ a month |
| **Water** | £\_\_\_\_ a month |
| **Annual boiler service** | £\_\_\_\_ a year |
| **Other payments** |  |