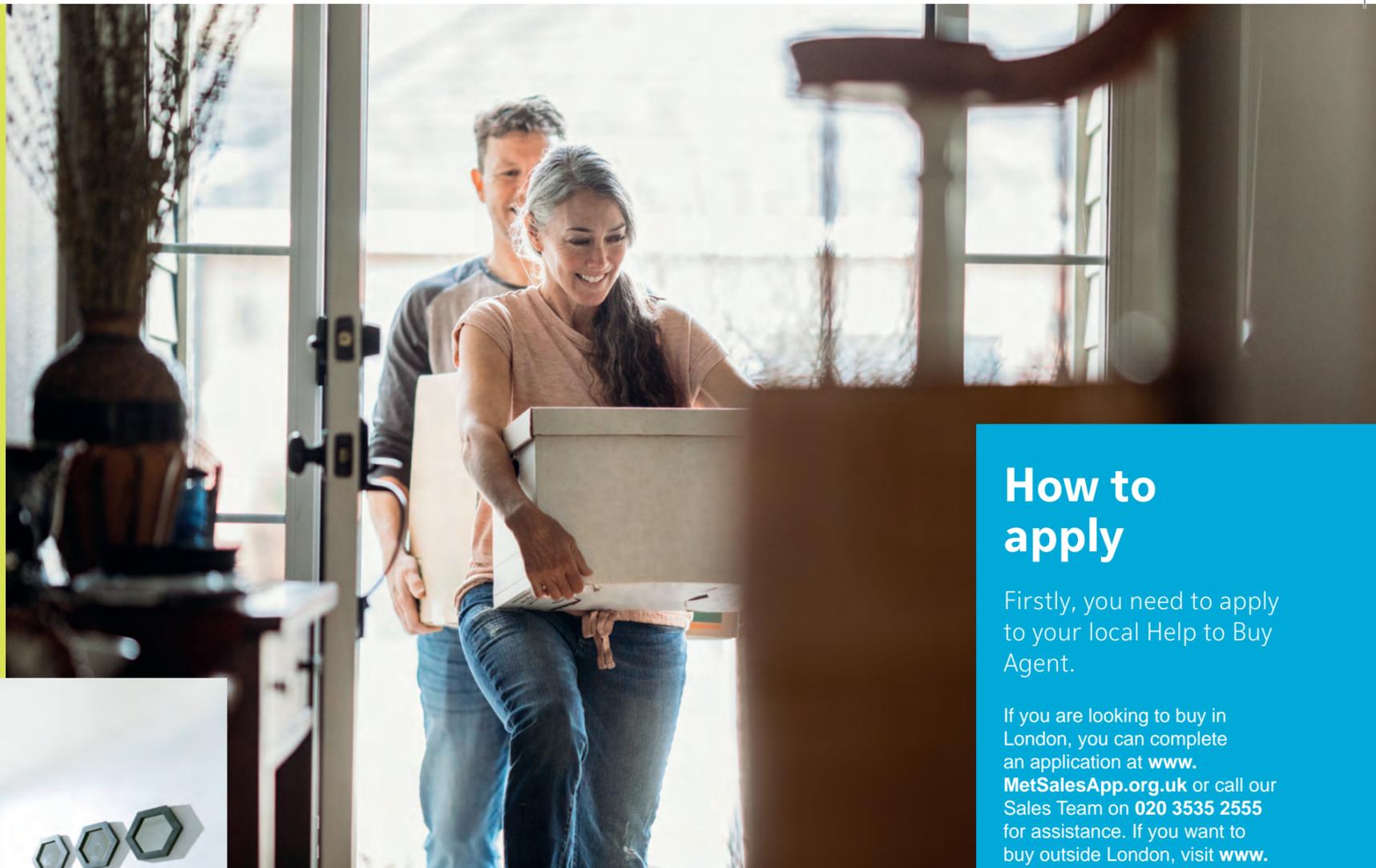

Your Guide to Shared Ownership



Metropolitan is one of the UK's leading providers of affordable housing and care and support services.

We own and manage a large portfolio of nearly 38,000 homes, providing services to more than 71,000 customers across London, the East Midlands and the East of England. For more information about Metropolitan please visit our website at www.metropolitan.org.uk.



How Shared Ownership will work for you

Shared Ownership helps you to get a foot onto the housing ladder and buy a home of your own.

It's a great stepping stone to full home ownership and could be perfect for you if you can't afford to buy your own home outright, right now.

It's affordable

Shared Ownership works on a part-buy, part-rent basis so your monthly housing costs are kept manageable and affordable. You will need savings to pay mortgage deposits and your legal costs but these are much lower than if you were buying a home outright.

It's chain-free

If you are buying a new home, you won't be affected by other people in a property chain. This makes the house-buying process much easier and less stressful!

You have peace of mind

Homes are offered with a 10 or 12-year warranty against faults in materials and workmanship, meaning that you don't have to worry about unexpected repairs. Your new home also benefits from a 1-year warranty* from the date the property is constructed so any minor issues can be sorted out.

We are with you all the way

Our Sales Team are always on hand to help you through the buying process. We are with you every step of the way through to your completion day when we have pleasure in handing over your keys and completing your new home demonstration.

* The 1-year warranty is valid from the date the property is built, not the legal completion date



Shared Ownership - the basics

Shared Ownership is a government-backed part-rent, part-buy scheme.

You buy a share of a home that you can afford and pay a subsidised rent on the share that you don't own. You can buy more or all the remaining shares when you can afford to do so; this is known as 'staircasing'.

Metropolitan offers a range of new and previously owned properties, with shares being offered between 25% and 75%.

The rent you pay on the share you don't own is set generally at 2.75% and is reviewed annually in line with the Retail Price Index (RPI). Depending on what type of property you buy, you will also

pay service charges which cover the cost of Buildings Insurance, communal cleaning and gardening services, for instance.

We will grant you a long lease for 125 years, which explains conditions including:-

- Your rights and responsibilities as the Leaseholder
- Metropolitan's rights and responsibilities as the Landlord
- How often rent and service charges will be reviewed
- The processes for buying more shares or selling in the future

How to apply

Firstly, you need to apply to your local Help to Buy Agent.

If you are looking to buy in London, you can complete an application at www.MetSalesApp.org.uk or call our Sales Team on **020 3535 2555** for assistance. If you want to buy outside London, visit www.HelpToBuy.org.uk or just call us – whichever is easier for you.

To qualify, you need to meet the following criteria:

- your annual household income is up to £80,000 (or £90,000 in London)
- you're a first-time buyer, or
- you used to own a home, but can't afford to buy one now, or
- you're an existing shared owner

Priority is given to buyers who are currently Council or Housing Association Tenants, in eligible roles within the Ministry of Defence and who live or work in the location of the property. In some instances, local authorities may set specific eligibility criteria. Please talk to our Sales Team if you have any questions as we want to make sure Shared Ownership is right for you.

* Income limits may vary



Viewing and reserving a home

As soon as you have registered with the local Help to Buy agent, you can start looking for a new home!

Our homes are advertised on our own website at www.metropolitansales.org.uk but you can also find us on Rightmove, Zoopla and Homes for Londoners, in local and national publications. For some developments, we may have marketing suites and show homes, so you can reserve a property off-plan. Some of our homes might be ready to move in to straight away. You can have a face to face chat with one of our Sales Officers who will be able to answer any questions about Shared Ownership.

If you find a property that is perfect for you and wish to reserve it, you will be asked a few more eligibility and affordability questions and given specific information on the property you have chosen. As we often have high demand for some of our homes, we consider all reservations in line with our Selection & Allocation Policy, a copy of which will be provided at your viewing.

If you meet our eligibility criteria

you will be invited to attend a financial assessment with a Specialist Financial Advisor (SFA) from our approved panel. This will be done within 5 days of you expressing interest in reserving a property and can be face to face, online or a mix of both at a time convenient for you. We will also put you in touch with a solicitor experienced in Shared Ownership, who can help with the legal side of your purchase.

At the financial assessment the SFA will work out what share you can afford to buy and provide you with all the information you will need about future costs and obligations. You will need to provide the following documentation:-

- Your passport, or other form of photo identification
- Payslips from the last 3 months (or, if you are paid weekly, 12 weeks payslips)
- If you are self-employed, your audited accounts for at least the last two years.

- Proof of residency for all addresses you have lived in for the past three years. For example, Council Tax documentation, utility bills or bank statements.
- Proof of savings
- Evidence of any children living with you or any adult dependents
- Evidence of any credit card, hire purchase or personal loans that you currently have.
- Evidence of any benefits you may receive (including child benefit)
- Evidence of your rent payment history, if appropriate.

The SFA is also on hand to give mortgage advice. They search for the best mortgage offers meeting your needs, submit an application for you, and will manage the processing of obtaining the mortgage for you.

What are the costs of buying?

You will need savings to cover any mortgage deposits, reservation fees, and solicitor and SFA fees.

You will be required to pay a deposit of 10% of the share you are buying when you proceed to exchange of contracts.

You will need to cover the following costs:-

RESERVATION FEE If your financial assessment is successful, we will ask you for a deposit of £500 to reserve your new home. This is collected when we formally offer you a property and will be deducted from the purchase price at completion.

SOLICITORS' FEES We will give you access to a list of solicitors who have experience of Shared Ownership. They will quote for their work and may require some advance payment to cover some initial costs, for example local search costs.

STAMP DUTY Stamp duty is a tax that you may need to pay when you purchase a property. Ask your solicitor for advice on how much is due and the payment options available to you.

MORTGAGE FEES AND DEPOSITS Your SFA will be able to give you details on the fees and deposits that apply to the mortgage recommended for you. They will also advise what fees are due for their service to you.

Other costs

When you move in, we will ask you to pay your first month's rent and service charges in advance. Your solicitor will collect this as part of the completion process. You will also need to make sure you have savings to cover your moving costs.

The offer

Once you have successfully completed your financial assessment, your reservation will be confirmed by paying a £500 reservation deposit.**

We will only request a deposit following your financial assessment so please note that you will lose your reservation fee if:

- You decide not to proceed, for any reason, including if you change your mind, after we have issued the Offer letter.
- Metropolitan withdraw the offer of a property because you have provided false or misleading information to us, the Financial Advisor or the Mortgage Provider.

You will then receive an Offer letter and an Acceptance of Offer form which we ask you to complete and

return to us to confirm that you wish to proceed. The Acceptance of Offer form provides us with important information about your proposed purchase and we then issue a Memorandum of Sale (MOS) which sets out the terms of the sale.

Once we have issued the MOS and instructed the solicitors we will set a deadline to exchange contracts, within 28 days. During this time your solicitor will raise their queries if there are any and your mortgage lender will carry out their valuation to ensure they are satisfied that the property is sufficient security for the loan you are applying for – you should receive your mortgage offer

within 21 days of your application.

Once you have received your mortgage offer, your solicitor will invite you to sign your relevant paperwork and will ask for a deposit of 10% of your share purchase price so that you can exchange contracts.

Your Sales Officer will keep in regular touch with you throughout the buying process to guide and support you and to ensure everything is going smoothly.

** The reservation fee is deducted from the share of the property you buy at completion.

Exchanging, completing and moving in!

We will ask you to exchange contracts within 28 days* of your Offer letter.

If the home you are buying is ready to be lived in when you exchange contracts, you will be given a completion date. If you are buying a home off-plan your solicitor can still exchange contracts but completion will take place on notice. This means you are ready to complete, but that you may have to wait until your new home is ready. Your Sales Officer will keep you fully informed on progress on your new home as we want you to move in as soon as possible.

You can move into your property on your completion date. Just before you complete your solicitor will send you a completion statement. This will show all the costs related to your purchase, including deposits paid and the full amount due to the solicitor.

Our solicitor will give us the news that your purchase has completed. Arrangements can then be made to meet you at your new home to handover your keys and complete a thorough home demonstration, so you know how everything works.

On your completion day, you will also receive:

- Your Home Owner's Manual
- Details of your home warranty
- A handover form which will include gas, electricity and water readings

We will also make sure we have received your bank details, so we can set up your account for your future rent and service charge payments. You will hear from us within a few days of your completion confirming your account

is set up and you will receive your unique reference and account number.

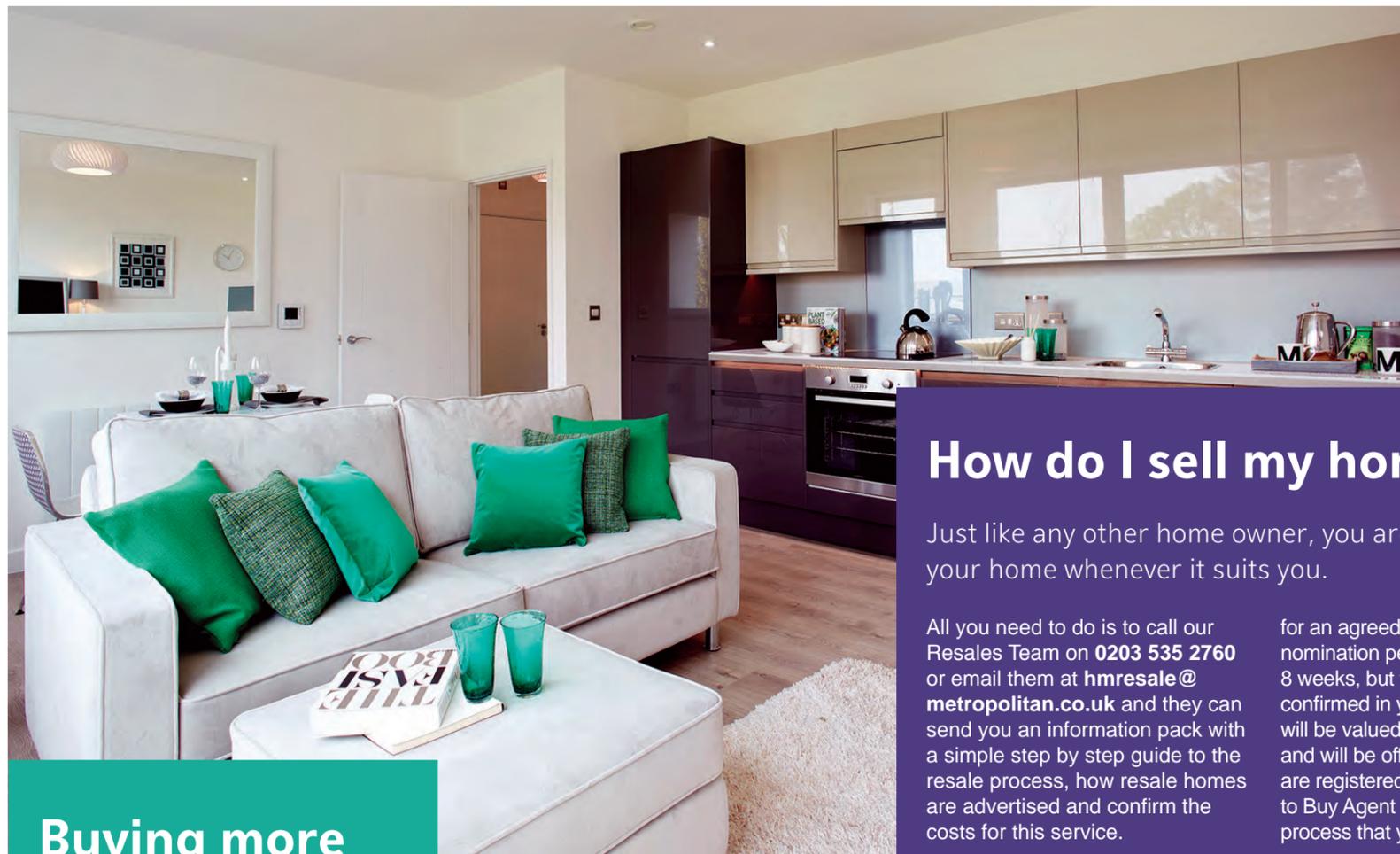
After you have moved in, you need to make sure you contact the utility companies to let them know that you are the new home owner. You need to also contact your local council to ensure that you are set up for your council tax payments.

If you are currently renting a home, you will need to make arrangements to return the keys to your landlord. Please make sure that you check the terms of your existing agreement to see how to end your tenancy.

Your new home will already be covered by buildings insurance, but this does not cover your contents insurance. Your SFA will be able to offer advice on this for you.

Once you have completed your purchase, you will be responsible for the ongoing costs which are explained later in this document. You will have all the benefits of a new home and the peace of mind of buying what you can afford now. In the future you can buy a further share in your property. You can also find some useful information in our Welcome Pack on our website.

*If you do not exchange contracts and complete the sale within the terms of the Offer Letter, we reserve the right to offer the home to another eligible buyer.



Buying more shares

Staircasing is the term we use for buying additional shares in your home.

You can staircase as soon as you can afford to and can do this in steps from a minimum of 10% of the value of your home, right up to outright ownership.

Each time you want to staircase* you will have your home valued by a RICS Surveyor and you will pay the associated costs (administration, legal and mortgage valuation costs). The costs of buying the extra share will be based on the current valuation of your home. As you increase the share you own, the rent you pay will reduce proportionally. Please call our dedicated staircasing experts on **020 3535 2760** or email at **Leaseholdaftersales@metropolitan.org.uk**.

*Staircasing terms may vary depending on the conditions of your Lease.

How do I sell my home?

Just like any other home owner, you are free to sell your home whenever it suits you.

All you need to do is to call our Resales Team on **0203 535 2760** or email them at **hmresale@metropolitan.co.uk** and they can send you an information pack with a simple step by step guide to the resale process, how resale homes are advertised and confirm the costs for this service.

To make sure your home can be offered to buyers who cannot afford to buy outright, we will have the right to find a buyer for your home

for an agreed period of time (a nomination period). This is usually 8 weeks, but the actual term will be confirmed in your Lease. Your home will be valued by a RICS Surveyor and will be offered to buyers who are registered with the local Help to Buy Agent following the same process that you originally did.

If we are not able to find a buyer within the nomination period, you will be free to sell your home to buyers on the open market.

Your future responsibilities

You are responsible for paying your rent, service and other related charges and living costs each month.

If you have purchased a house, you will be responsible for all repairs and maintenance to the property, inside and out. If you have purchased an apartment, you are responsible for maintaining the inside areas only.

We will take care of day to day repairs and maintenance of the outside areas and shared areas. Where you have purchased an apartment in a block not owned by us, the Management Company will be responsible for repairs and maintenance. The costs are paid for through the service charge you pay.

If you want to carry out any improvements or alterations to

your property, you will need our permission first. Depending on the alterations you have in mind, you might also need your mortgage lender's permission. You do not need our permission for simple redecorations and repairs, but if you are not sure, please ask us.

All Shared Ownership properties are leasehold, with the term generally being 125 years for new homes. Once your lease term approaches 85 years, you should consider extending it. The cost of extending your lease will depend on the unexpired lease term at the time you apply. Your property value will be affected by a short lease term once it is less

than 80%. If you own a house and staircase to 100%, the freehold will transfer to you, so there is no need to extend the lease. Your solicitor will guide you through the clauses in the Lease, which include a prohibition on sub-letting, so you fully understand your obligations as a Leaseholder.

If you think that you may be getting into difficulty meeting your mortgage payments or monthly charges, please contact us as soon as possible. There are a number of ways that we may be able to help you. Please remember that your home is at risk if you do not keep up the repayments on a mortgage or any other loans secured against it.

Contact us

To find out more about Shared Ownership,
contact our Sales Team today:

Metropolitan

The Grange
100 High Street
Southgate
London N14 6PW

 **020 3535 2555**

 **mhosales@metropolitan.org.uk**

 **www.metropolitansales.org.uk**

 **[@flythenest](https://twitter.com/flythenest)**

To give us your feedback on this information booklet, contact our
Marketing Team at mho_marketing@metropolitan.org.uk



Metropolitan

Metropolitan is a leading provider of integrated housing services, care and support and community regeneration. Metropolitan is the brand name for Metropolitan Housing Trust Limited (MHT Ltd), registered office, The Grange, 100 High Street, Southgate N14 6PW.

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