

Shared ownership – frequently asked questions

What is new build or shared ownership?

To many people, this scheme is known as shared ownership. If you are eligible, you buy a share of a property, usually 25%, 50% or 75%, with Acis keeping the other share. You have the flexibility to buy more shares after the first twelve months, up to 100% (subject to no restrictions on the lease). This is known as staircasing. You pay a small rent charge on Acis's share of the property, which is 2.75% of the remaining share in the property. The idea is that the monthly mortgage and rent payments add up to less than a mortgage on the full value of the property. In some cases it is also cheaper than renting in the given area.

Who can apply?

To apply you must be eligible and be able to afford the share you wish to purchase.

Who is eligible?

You must not be able to afford the property outright. You need to have access to some savings and be able to secure a mortgage for the share you wish to purchase (we recommend seeing an independent financial advisor).

Eligible applicants include:

- ✓ First time buyers
- ✓ Those on a housing waiting list or register of the Local Authority
- ✓ Tenants of a Registered Social Landlord who vacate their property upon completion
- ✓ Those living in rented accommodation, hostel, B&B or with family and friends
- ✓ The elderly who require accommodation suitable for their needs but cannot afford
- ✓ To buy an alternative property without assistance
- ✓ A joint owner needing to move due to a relationship breakdown
- ✓ A home owner needing to move after being widowed
- ✓ A home owner needing to move due to social or medical reasons or overcrowding
- ✓ A home owner needing to move because they cannot meet their current housing costs.
- ✓ A shared ownership leaseholder requiring larger accommodation

Can I afford it?

Buying a home is a decision which should not be taken lightly and there are a number of other costs which you should take into consideration before applying for home ownership.

We strongly recommend speaking to an independent financial advisor about which mortgage product would best suit your circumstances. They earn their commission from the mortgage lenders and the service is often free of charge to you. It is best to ensure that they are 'whole of market'. This means that

they are not tied to any particular mortgage lender. They will review your personal financial situation with you and make recommendations based on your incomings and outgoings. They can help you with the mortgage application.

Always ask for a quote for their services before formally appointing your solicitor. It is best to get a few quotes first.

Am I responsible for the repairs to my home?

In a house, the resident is responsible for carrying out all repairs to their own property. The only exceptions to this are for new properties built by Acis which are still covered by the builder's guarantee (usually 12 months). In addition, owners living in blocks of flats will contribute to a separate fund for long-term repairs to their roof, doors, windows and external painting which Acis have responsibility to repair using that fund.

How do I make a claim for a repair covered by the insurance policy?

You should contact the Customer Services team at Acis as soon as possible and obtain two estimates for the work involved. Please do not authorise a contractor to proceed without approval from our insurers unless it is an emergency in which case only carry out works to make safe/secure. We will then submit a claim to the insurer on your behalf.

Can I purchase a larger percentage of my property?

Yes, normally you may purchase in 10% or 25% stages (see your individual lease for confirmation), providing you are able to do this with either cash payment or an addition to your mortgage. Please contact the Property Sales Officer for further details (please note that some leases have restrictions on staircasing - refer to your lease for full details).

What happens if I want to sell my property?

You can sell your existing percentage. You will need to confirm your intentions in writing to the Property Sales Officer who will discuss the process with you in more detail.

What is rent to homebuy (also known as rent to own and rent to purchase)?

Rent to homebuy is designed for people who want to buy their own home but are not yet ready. It allows you to plan for becoming a homeowner and means you can save some money whilst renting a new home.

Rent to homebuy could be for you if:

- You are unable to buy a home at the moment
- You would like to try a property out before you commit to buying
- You need to save up for a deposit
- You are unsure about buying in the current market

How does rent to homebuy work?

You can rent the home for up to three years and the rent you pay will be about 80% of the normal market rent for the property. This allows you to begin saving to own your home.

When you decide to buy, it will be through shared ownership (also known as NewBuild HomeBuy). This means that you can buy shares in your property and pay a reduced rent on the other share. Eventually you can own 100% (lease permitting) when you are ready.

Acis offer an incentive to all rent to homebuy customers. If you purchase a minimum 50% share in the property then Acis will refund all the rent paid in year one of your tenancy to help you save for their deposit on the mortgage (subject to terms and conditions).

Am I eligible?

Rent to homebuy is intended for people who want to buy their own home in the future and can afford to pay rent.

What kind of property is available?

We have a range of properties across our areas. They are mainly newly built flats and houses. Prices vary according to location. Please contact us for an up-to-date list of what is available under rent to homebuy.

Am I required to take out property insurance?

No. Acis has a block buildings insurance policy on all our properties. However, we strongly advise that residents take out insurance on their contents. We would ask you to bear in mind that there is a £250 excess on any claim on our policy, of which the shared owner is responsible for the first £125.