



A GUIDE TO SHARED OWNERSHIP AND HELP TO BUY



Homes
England



Backed by
HM Government

We believe the homes we build should be available to as many people as possible, which is why we're committed to including affordable homes in our developments.

Many of Novo's Property Groups' schemes are in Altrincham, Hale and surrounding areas, where house prices are higher than regional and national averages. In these areas, Shared Ownership provides an opportunity for those looking to move into the area, or first time buyers wishing to stay in the area. Novo developments that offer shared ownership options include:

Brown Street Apartments, Hale



Brown Street is Novo's first development in sought-after Hale village. Over half of the units in the development are available through shared ownership. The Brown Street apartments offer a rare opportunity to buy a home in this popular village using shared ownership. Enjoy modern design, including full floor to ceiling windows with a choice of one and two bedroom apartments.

Stamford Arms Apartments, Little Bollington



This scheme restores the former Stamford Arms public house in Little Bollington which borders the National Trust Dunham Massey Estate. Affordability is at the heart of this development, with all nine apartments in the restored main pub building being offered through shared ownership, making them the centrepiece of this exciting scheme.

What is Shared Ownership?

Shared ownership is one of the schemes included under the heading of Affordable Housing, designed to help people to get their foot on the housing ladder. It allows buyers to purchase an initial share in a new home at an affordable level and pay a much reduced rent on the part you don't own.

How does it work?

Buyers are usually offered shares of between 25% and 75% of the full purchase price. The amount you buy is based on what you can afford both now and in the future, and is assessed using the government's Affordability Calculator.

Rent is charged up to 3% p.a. on the share you don't own and buyers typically put down a minimum 5% deposit on the share they are buying and obtain a mortgage for the share they purchase.

Examples of 40% shared ownership:

Home value	£150,000	£200,000	£250,000
Share Value	£60,000	£80,000	£100,000
5% deposit	£3,000	£4,000	£5,000
Mortgage required	£57,000	£76,000	£95,000
Monthly mortgage repayments (3%)	£270.30	£360.40	£450.50
Monthly Rent (2.75%)	£206.25	£275.00	£343.75

The combined monthly cost of mortgage and rent will normally be less than if you were purchasing the property outright. In the future you can sell your share for its value at the time, or alternatively have the option to purchase further shares. This is known as staircasing.

With most properties you are eventually able to own the property outright, known as staircasing. There are sometimes restrictions in order to retain affordable housing stock in certain areas, but in most cases you have the opportunity to purchase more shares if you wish to. As you purchase more shares, the rent reduces accordingly. Once you have 100% ownership, there is no rent to pay.

The Benefits of Shared Ownership

- Own part of your home instead of paying rent.
- Smaller deposits than if buying outright.
- Lower mortgage payments because your mortgage is based on a percentage of the house price rather than the full amount.
- Lower overall combined mortgage and rent monthly payments.
- Buy the share you can afford and increase shares as your income increases.

Shared ownership doesn't mean having to share your home with anyone else. You are a homeowner with all the responsibilities and benefits that go with owning a home. You are free to sell when you want, with the sale value based on the percentage you own.



Who's eligible?

Shared Ownership is designed to help working people in lower to middle income levels buy a home. Buyers who don't need the full support of social rented housing but can't afford a home on the open market.

Some shared ownership schemes are specifically designed to help people in certain professions, such as ex-military personnel get on the housing ladder.

The buyer's share is calculated to ensure

1. The mortgage amount is between 2.5 times and 4.5 times the buyer's gross annual household income.
2. Between 25% and 45% of a household's net annual household is used to support the purchase of the shared ownership property by the buyer/s.

Buyers must have a household income of less than £80,000 p.a. and can't currently own another property or have their name against a mortgage.



Interested in finding out more about buying one of our homes using shared ownership?

1. Register your interest on the Novo website.
2. Prospective buyers will deal with a Registered Provider, who handle sales and all aspects of the Shared Ownership application
3. We'll put you in touch with the Registered Provider for the property you're interested in, who will arrange for you to view the apartments and talk you through the shared ownership application process.
4. Once completed, they will process your application and confirm eligibility as well as the percentage share you can buy.
5. Once you receive confirmation, you can reserve your apartment and work with your mortgage lender and solicitor to enable the purchase of the property to take place.
6. After the property transaction has legally completed, you will be able to move you into your new home.

Help to Buy Equity Loan

If you're a first-time buyer in England, you can apply for a Help to Buy: Equity Loan when buying a Novo property under £224,400.

This is a loan from the government that you put towards the cost of buying a newly built home.

You can borrow a minimum of 5% and up to a maximum of 20% of the full purchase price of a new-build home.

The equity loan, the deposit you have saved, and your repayment mortgage cover the total cost of buying your newly built home.

For example, buying a home with a £200,000 price tag and a deposit of £10,000, you will get a Help to Buy equity loan of £40,000, which is 20% of the value. The remaining £150,000 will be covered by a mortgage from a repayment mortgage lender.



The percentage you borrow is based on the market value of your home when you buy it. If the market value of your home rises, so does the amount you owe on your equity loan. And if the value of your home falls, the amount you owe on your equity loan falls too.

You do not pay interest on the equity loan for the first 5 years. You start to pay interest in year 6, on the equity loan amount you borrowed.

The equity loan payments are interest only, so you do not reduce the amount you owe.

You can repay all or part of your equity loan at any time. A part payment must be at least 10% of what your home is worth at the time of repayment.

The team at Novo will be happy to help you with any questions you may have about using a Help to Buy equity loan to buy a home in one of our developments.

Please get in touch, we'd love to talk to you.

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Website: www.novoproperty.co.uk

