

SHARED OWNERSHIP

# A place of your own

Leeds   
Federated



# Shared Ownership is a great way for you to buy a place of your own.

It's an affordable way to become a homeowner because your mortgage is less than if you bought the property outright.

You buy a share of the house (usually 50%). You pay rent to Leeds Federated for the share that you haven't bought – and you can buy more of your home in the future when you can afford it.

Our Shared Ownership scheme makes it easier for you to get on the housing ladder.

## Who can apply?

You can apply for a shared ownership home if:

- You are not already a homeowner
- Your household earns £80k a year or less
- You have no outstanding credit problems

Leeds Federated may give priority to first-time buyers with a local connection to the area, existing social housing tenants and eligible ministry of defence personnel.

We also look at whether the property is suitable for you. You can usually apply for a home with one more bedroom than you need.

**This means a single person could buy a 2-bedroom home and a couple with one child a 3-bedroom.**



# How it works

## Step 1

Fill in the Shared Ownership application form.

## Step 2

We will review your application and if you are eligible to buy the property ask you to provide:

- Identification (eg valid passport/ driving licence)
- Proof of address (eg utility bill)
- Proof of salary (eg payslips of P60)
- Details of any children or other dependents living with you
- Agreement in principle from a mortgage lender if you need a mortgage
- Any other useful information to support your application.

## Step 3

If your application is successful we will send you an offer letter to confirm the details of the home you are buying, your share and the lease agreement for the share you will pay rent for.

You will need to pay a non refundable £200 reservation fee and instruct a solicitor to handle the legal aspects of your purchase.

# FAQs

## Buying and selling

### How much does it cost?

The cost is worked out based on the value of the home you buy. For example:

Dave wants to buy a **50% share** of a property.

Property price	£160,000
Cost of a 50% share	£80,000

Dave saved up a **5% deposit** of **£4,000** deposit and got a **£76,000 mortgage** to cover the rest.

Each month he pays:

Mortgage	£362*
Rent on other 50%	£183
Total per month in rent/mortgage	£545

\* Mortgage based on a 30-year repayment mortgage with an interest rate of 3.99%. Please note, mortgage rates vary.

### Can I buy a further share of my home?

Yes. Increasing the share you own is called stair-casing. You need to inform Leeds Federated in writing and we will arrange for an independent valuation of your home. This will cost you around £150.

You have a three-month window from the date of the valuation to buy a further share of your home. You can usually buy additional shares in stages of 10% or 25% until you own your home outright.

If you choose to go ahead, you will need to instruct a solicitor to handle the legal aspects for you.

## Can I sell my home?

### Yes. This is called a resale.

If you want to sell your home you need to write to us. We will arrange for an independent valuation which you will need to pay for in advance.

You can sell the part that you own, or you can buy the remaining share, and then sell the property outright. Please refer to the lease, as there may be a clause that restricts you from selling your home on the open market for 3 months after increasing the share you own.

### If your home has increased in value, you will receive the increase for your share.

Unless you own the property outright, clauses in the lease may mean that Leeds Federated can find prospective buyers and restrict the sale price to the valuation given by an independent valuer.

If we find someone to buy your home you will be charged a fee of up to 1% of the price you sell your share for. Please read your lease to check if these clauses apply to your home, or ask Leeds Federated for more information.

# FAQs

## Repairs & home improvements

### Who repairs my home?

You will be responsible for all repairs, maintenance and decorating. Leeds Federated will insure the structure of your home and you will pay a service charge to cover this.

If you buy a flat, Leeds Federated will keep the building in good repair and ensure shared communal areas such as corridors are decorated, cleaned and lit. The cost will be covered by the service charge.

### Can make improvements or alterations to my home?

You need to request Leeds Federated's written agreement before you start and give us details of the proposed work. Most non-structural work is usually agreed.

For further information, refer to the lease or contact Leeds Federated for more information.

## Payments

### How much rent will I pay?

The amount of rent you pay is based on the value of the unsold share of your home. For a new build property you pay 2.75% of the unsold share a year. For other shared ownership properties you pay rent at the same rate as the previous owners. All rents are reviewed every year and may increase.

### What if I fall behind with my mortgage repayments, rent or service charges?

If you cannot pay your mortgage, you should let your mortgage company know as soon as possible. If you fall behind on your mortgage payments and cannot agree on a solution with your mortgage lender, there is a risk that they will take possession of your home and sell it.

If you are unable to pay your rent and service charges you may also be at risk of losing your home.



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