

Buyers guide

Affordable home ownership from Genesishomes

Genesishomes wants to help more people who cannot afford to buy a home on the open market to get onto the first rung of the property ladder.

Part buy/Part rent

What is part buy/part rent?

We are able to offer new homes to own on a part-buy/part-rent basis. Part-buy/part-rent options come in the form of a Government funded scheme called New Build HomeBuy (formerly shared ownership) that gives you the same rights and status as a homeowner.

This means that you purchase a mortgage for a percentage of your home and pay a subsidised rent on the remainder. The rent is paid to a housing association: in the case of Genesishomes, this is to PCHA, a subsidiary housing association of the Genesis Housing Group.

Who can buy a part-buy/part-rent home?

Most first time buyers can apply to purchase a property through shared ownership, however priority will be given to:

- Council and housing association tenants.
- People on their local council's home ownership and/or rented housing waiting list.
- Key workers, for example police officers, nurses and teachers. Please ask your local council for a full list of key worker occupations in your area.

If you live with family or friends or in privately rented accommodation, you can still apply. Even if you have owned your own home before you may be able to buy through shared ownership if:

- You owned a home with a partner and the relationship broke down.
- You need to move because of job relocation.
- You are an existing shared owner who needs to move and you fulfil all our criteria.

You can buy with up to four other people, but all applicants must fulfil eligibility criteria and live in the property.

Am I eligible?

In order to qualify you must meet the following criteria:

1. You must have been employed on a permanent contract for at least six months.
2. If you are self-employed you will need at least two years audited accounts.
3. If you have ever had a County Court Judgement against you it must be satisfied.
4. You must be a UK resident or have the 'right to remain' clearly established and shown in your passport.
5. You will need to meet the minimum income requirements. These vary from scheme to scheme. We will also take into account any financial commitments you have, such as bank loans, to make sure you can afford the property.
6. You must have sufficient savings to cover legal fees and moving costs.

We will not be able to assist you if you can afford to buy the property outright on the open market.

What is the minimum/maximum share I can purchase?

The minimum share you can purchase in a New Build HomeBuy property starts at 25% and the maximum is 75% but this varies from scheme to scheme.

Financial implications:

What are the initial costs?

In order to buy your home you must have savings or access to sufficient funds to cover the following (we estimate this amount to be approximately £3,000).

- The bank/building society survey. The amount you have to pay varies. We can supply you with the details of some Financial Advisers who can help you make a decision regarding your mortgage. Alternatively you can approach your own or any other bank or mortgage provider directly.
- Legal fees. We can supply a list of reputable solicitors who are familiar with shared ownership. It is advisable to ask for an estimate before engaging your representative as fees vary.
- Stamp duty. This is a form of tax on transfer of the property. You can either pay duty on your share and on the rent or on the full value of your property. Your solicitor or legal representative should be able to advise you on which option to take.
- A deposit of £1000. This is refundable on completion.
- Removal costs. You will need to consider the cost of moving as they can sometimes be quite high.
- £200 reservation fee. This is refundable on completion.

What ongoing costs will I need to consider?

- Mortgage repayments. Your financial adviser or bank/building society will calculate your repayments.
- Rent. The rent is calculated on the proportion of the property you do not own. For example, if you own 40% of the property you will pay 60% of the total rent. This is also subsidised by Government grants. The rent will be reviewed every year from April 1.

What bills will I need to pay once I own a home?

- Council Tax – you pay this direct to the local authority.
- Household bills – you are responsible for all of your household bills including water rates
- Contents Insurance – you are responsible for supplying all of your own furniture and fittings and insurance of the contents of your home.

What other costs will I be responsible for once I am a homeowner?

If you purchase a home: you will be responsible for all repairs and redecoration both inside and out. You may also have to pay an estate service charge if there are common areas on the estate. We will arrange buildings insurance and you will have to pay the premium.

If you purchase a flat: service charge will be payable which will include some or all of the following:

- Building insurance cover
- Repair and maintenance of structure and common parts
- Landlord's lighting (lighting of communal areas, confirm)
- Cleaning of communal parts
- Gardening and general maintenance
- Management fee

The service charges will also usually include a contribution to a sinking and cyclical fund (a reserve fund to cover all or part of any periodic or necessary major works such as roof repair or external painting).

The service charges are reviewed annually and you will be provided with a breakdown of the items in the estimate. You must pay your service charges monthly in advance with your rent.

Buying further shares in your home ('staircasing')

Can I buy further shares in my property?

You can usually buy further shares in your home after 12 months or when you can afford to. You can buy shares in multiples of 10% or 15% (with a minimum of 10%.)

You need to let us know in writing that you would like to purchase more shares and we will obtain a valuation.

We will calculate how much your additional shares will cost and then if you would like to continue with the purchase you can then instruct your solicitor to proceed. You will be responsible for the valuation fee and the legal fees (which may include further stamp duty) as well as any charges made by your mortgage lender. Full details will be set out in your lease.

You will be given three months to complete the purchase of the further share. If the purchase takes longer for any reason it will be necessary under the terms of your lease to obtain an up to date valuation for which there may be a charge. The Genesishomes team can advise you on anything that you are unsure of.

You do not have to increase your share at any time if you do not wish to.

Becoming a homeowner

What does a shared ownership lease entitle me to?

Whether you buy a house or a flat we will grant you a lease. The lease is normally for 99 years but the terms can vary. Your solicitors will confirm this with you. It will entitle you to live in your house as an owner-occupier. It will also allow you to buy further shares in your property and sets out how you can do this. It also states that you can sell your property. Other points covered in the lease set out your responsibility for repair and payment of rent and service charges. Although you have not bought the property outright you have the same rights and responsibilities as a full owner occupier.

It is your legal adviser's responsibility to make sure you understand your obligations under the terms of your lease and we strongly urge you to clarify any points you may be unsure of with them.

Can I make improvements or alterations to my home?

If you wish to improve your home you will need our consent if the work involves non-structural alteration.

You are not allowed to make any structural alterations to the property. If you make significant improvements that affect the value of your home then these will be taken into account when you sell the property so that you will benefit from the increase in the value that your improvements have made. When you staircase, increase the percentage of your home which you own, any increase in value as a result of your improvements will be ignored. However, not all works that you carry out will be improvements for the purposes of the valuation.

What happened if I get into financial difficulties?

The mortgage contract is between you and your bank/building society. If you begin to have financial problems and you cannot pay your mortgage you should let them know as soon as possible. If you do fall behind and cannot agree a solution there is a risk that they may take possession of your home and sell it. If you fall behind with your rent or service charge it is very important that you get in touch with us as soon as possible to discuss the options available.

I'm interested in buying – what next?

[Click here](#) to download our application form and return it to Genesishomes for consideration.

If you are eligible for shared ownership we will register your details on our database and notify you of any suitable properties which may become available.

All applications are required to complete an equal opportunities questionnaire when they apply to join our register. Although we do not make offers based on ethnic origin, we are obliged to keep these records and to provide statistical information to the Housing Corporation. This information we collect enables us to monitor how well we are doing at reaching all sections of the community.

How can I find out more?

To find out more about shared ownership and the types of properties available, please contact the Genesishomes Sales team on **0845 600 4663**.

Alternatively, visit the Housing Options website at <http://www.housingoptions.co.uk> for a comprehensive guide.

Re-selling your home

What happens if I want to sell?

You can sell your share at any time but you must let us know in writing that you would like to move.

Can I sell it on the open market?

Your lease may say that you have to offer to sell the property back to us. If we want to buy it we will have to pay you the current value. If we do not want to buy you can either sell the part that you own or buy the remaining share and sell outright.

Genesishomes also has a period of time, set out in the terms of your lease, in which to nominate a buyer. The reason for this is that we wish the properties to remain available to those for whom shared ownership was intended. If we fail to nominate a buyer in the given time, usually two months, or if the person we nominate does not exchange contracts within a specified period (usually 12 weeks) then you may sell your property to whom ever you wish on the open market.

If we do nominate a buyer we will charge a fee of 1% of the value of your share* on completion e.g. if the property is valued at £150,000 and you own 50% (£75,000) the fees will be 1% x £75,000 = £750.00. Estate agents will normally charge a higher percentage of the whole value which will be considerable more.

* Please note that this will increase to 1% of the market value of the whole property for leases created after 1st February 2005.

What if the value of my property changes?

You will benefit from any increase in market values but you must be aware that you may be affected by any fall in values. Unless you have owned the property outright (ie 100%) for at least three months the price you may sell for is restricted by the valuation (the valuation is provided by either the District Valuer or an independent valuer which you are required to pay for). This condition applies in order to prevent profiteering from shared ownership and to ensure that public funds are protected.