



Making home ownership possible

# Plus

An easy way to buy more  
of your home



Your home may be repossessed if you do not keep up payments on a mortgage or any other borrowing secured on it.

**By Thames Valley Housing**



...an easy way to buy more of your home

If you're interested in owning as much of your home as possible, we'd like to tell you about So Resi Plus – an even more flexible version of So Resi.

#### Let's recap on So Resi first

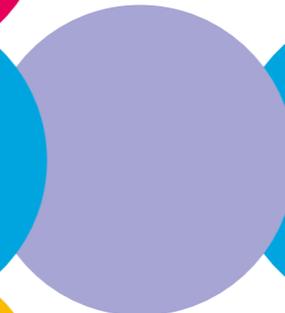
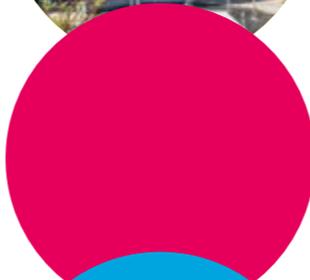
With So Resi, you start by buying a share of your home, usually between 25% and 75%. Your monthly outgoings include your mortgage, a So Resi payment on the share you don't own, your service charge for looking after the shared areas of the building and the usual monthly household bills.

You can buy extra shares when it suits you, from 10% extra each time. It's a great way to build up to owning 100% of your home, but there are legal and other costs each time you buy a bigger share.

Your home may be repossessed if you do not keep up payments on a mortgage or any other borrowing secured on it. Your equity, including any extra share you buy through So Resi Plus, could be at risk if your home is repossessed. Property values can go up or down. You must take independent financial advice before you sign any agreement with Thames Valley Housing.

82%  
would recommend  
it to a friend\*

\*Source: Cambridge Centre for Housing & Planning Report: Shared ownership plus: a review of progress and potential, 2016.



## What's better about So Resi Plus?

If you choose So Resi Plus you have all the benefits of So Resi with much more flexibility. You can choose to buy 1% extra of your home each year at a price you know from day one, with no extra costs to worry about.

- ✗ No solicitor's fees
- ✗ No valuation fees



...how does it work?

**So Resi Plus gives you the option of buying an extra 1% of your home each year at a price that is set from day one, even if property prices go up.**

- In the first year it will cost 1% of your home's full value
- Then the amount you pay will go up by 3% a year

We'll get in touch each year to confirm the price and ask whether you want to go ahead.

So Resi Plus lasts for 15 years, so you can buy up to an extra 15% of your home this way.

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97%  
of new buyers  
have chosen  
So Resi Plus\*



**Want to buy more than 1% extra sometimes?**

No problem. You can just do it in the usual So Resi way. That means buying a share from 10% upwards in multiples of 5%. The cost of the extra share is based on an independent valuation of your home at that time, which you need to pay for. There will also be solicitor's costs and possibly Stamp Duty to pay.

**Gone large?**

If you have built up to owning 79% of your home, you won't be able to buy any more 1% shares through So Resi Plus. But you will have the option to increase your share to 100% in the usual So Resi way.



\*Source: Cambridge Centre for Housing & Planning Report: Shared ownership plus: a review of progress and potential, 2016.



## ...let's compare the two homebuyers

John and Sue both buy So Resi homes worth £250,000 in the same apartment block. They both start with a 50% share, worth £125,000. They each pay a deposit of 10% on their share, which works out at £12,500. Then they both arrange a mortgage on the remaining £112,500.

### What are their monthly outgoings in the first year?

#### Mortgage

The amount Sue and John pay for their mortgages depends on the arrangements they have with their lender. To make things simple we've assumed that both John and Sue have the same mortgage rate.

#### So Resi payment

Sue and John's monthly So Resi payments are based on 2.75% of the £125,000 share that we own.

#### Other costs

Sue and John both also pay a monthly service charge for the shared costs of looking after their building, as well as their monthly household bills

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## John and So Resi

### John keeps his share the same.

Because John didn't choose So Resi Plus, he would need to buy at least 10% extra in one go and pay solicitor's and valuation costs on top of that. Without actually getting a valuation, he doesn't know exactly how much it would all cost. He decides to wait and hopes to buy a share in the future, keeping his fingers crossed that property prices don't go up too much.



House price	Full value of property	Value of 15%
-20%	£200,000	£30,000
-10%	£225,000	£33,750
0%	£250,000	£37,500
20%	£300,000	£45,000
40%	£350,000	£52,500
60%	£400,000	£60,000

This table shows how much it would cost John to buy the same share as Sue does – 15% – with different house price increases and decreases.

### Before deciding to buy an extra 1% we advise you to:

- Check that you can afford your new mortgage payment
- Look at other ways to invest any extra money you have – an independent financial advisor can help
- Look at property prices in your area and decide if the deal works for you

## Sue and So Resi

### With So Resi Plus it's easy for Sue to own an extra 15% of her home.

She just buys 1% extra for 15 years. In the first year that costs 1% of her home's full value.

Then there's a simple 3% increase in the cost each year.

Sue knows the exact amount upfront and there are no other costs to pay.

She doesn't have to buy the extra 1% every year, but if she does, this is what she'd pay.



Year	Cost
1	£2,500
2	£2,575
3	£2,652
4	£2,732
5	£2,814
6	£2,898
7	£2,985
8	£3,075
9	£3,167
10	£3,262
11	£3,360
12	£3,461
13	£3,564
14	£3,671
15	£3,781
<b>Total</b>	<b>£46,497</b>

If Sue had bought the whole 15% extra on day one, it would have cost her £37,500 rather than £46,497.

She couldn't afford that amount in one go, so she decided to spread the cost over 15 years with So Resi Plus. That also gives her the flexibility to decide each year whether she wants to buy the extra 1% or not.



## ...what if I have a question?

Here we've answered some of the questions we get asked. If you have a different question or would just like to talk things through, we're here to help.

### Why do you offer both So Resi and So Resi Plus?

Some people are happy to stay as part owners of their home, so the basic So Resi option suits them well. So Resi Plus is designed for people who know from the start that they want to buy a bigger share of their home in a way that spreads out the costs and makes sure there are no legal or valuation fees to pay.

### Can anyone choose So Resi Plus?

So Resi Plus is offered on selected new build homes. If you qualify for our basic So Resi option then just ask us to add So Resi Plus.

### Will the 1% extra cost the same each year?

No. After the first year, the cost will increase at 3% each year. We'll set everything out for you before you go ahead with So Resi Plus, so you know exactly how much your extra 1% will cost each year.



### What if I choose So Resi Plus but can't afford the extra 1%?

It's your choice. Each year, we'll just get in touch to ask if you want to go ahead. If you decide not to, that's absolutely fine.

### Can I pay for my 1% extra share in monthly instalments?

No, but you could easily put a monthly amount aside in a savings account. You'll know what the whole payment will be for that year, so just divide it by 12 and save that amount each month.

### What if I want to buy more than 1% extra sometimes?

No problem. You can just do it in the usual So Resi way. That means buying a share from 10% upwards in multiples of 5%, the cost of the extra share is based on an independent valuation of your home at that time, which you need to pay for. There will also be solicitor's costs and possibly Stamp Duty to pay.

### What happens after 15 years?

You simply go back to the basic So Resi option. The only difference is that if you want to buy extra shares you do it in the usual So Resi way, as in the question above.

**John buys with So Resi**  
 He doesn't buy any extra shares  
 He pays £63,934 in So Resi payments over 15 years  
 His So Resi payments are all based on the 50% we own  
 After 15 years he owns 50% of his home

**Full value**  
 £250,000

**Share bought**  
 50%

**Sue buys with So Resi Plus**  
 She buys an extra 1% a year  
 She pays £54,280 in So Resi payments over 15 years  
 She saves £9,654 in So Resi payments compared to John  
 After 15 years she owns 65% of her home – the extra 15% cost her £46,497

### How does Sue save on her So Resi payments?

Her payments go up less than John's each year, because she owns an extra 1% of her home each year. That means we own 1% less.

In this example John and Sue's So Resi payment increases by 3.5% a year. This is based on an illustrative RPI of 3% plus 0.5%. Actual costs vary and could be more or less than in this example. We don't need to add the line about Sue buying 1% more each year, because it's in the bubble. I think they might try to add it back in, so maybe we should point this out.





# ...what if I have a question?

## What happens to my monthly So Resi payment when I buy an extra 1%?

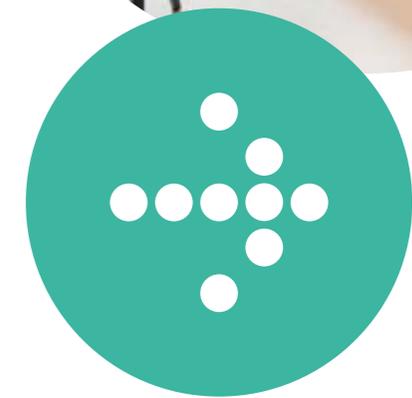
In theory it goes down because you own a bigger share and we own a smaller share. In practice your So Resi payment is likely to go up because it increases each year in line with the Retail Price Index (RPI) plus a percentage set out in your lease. Buying the extra 1% does mean that it won't go up as much as it would otherwise. The graphs shows how this works.



**Key**

- Monthly So Resi payment
- Monthly So Resi Plus payment

\* Each years rent is calculated on a measure of inflation (RPI)+0.5%, the example here assumes an average increase of 3.5% per year. Actual increases vary and costs could be more or less than the example shown here. The figures for So Resi Plus assume a purchase has been made each year.





**Making home ownership possible**

...what to do next

Buying a home with So Resi is exciting, but we understand that there's a lot to think about. That is why we're here to help with all your questions about So Resi and So Resi Plus. You can call our team or find out more on our website.

**Call 020 8607 0550**

**9am to 5.30pm, Monday to Friday**

**Go to [soresi.co.uk](http://soresi.co.uk)**

**By Thames Valley Housing**

**This is important**

If you take out a mortgage or a loan secured against it, you need to keep up your payments or your home will be repossessed. Make sure you can afford all the payments before you sign any contract with Thames Valley Housing.

So Resi Plus terms and conditions include eligibility checks. Be sure you understand all the terms and conditions before you sign a contract with Thames Valley Housing. We recommend you talk to a solicitor or legal advisor.

The details in this brochure are correct at the time of going to print but may change. They do not form any part of a contract or agreement.