OWNING MORE OF YOUR HOME

SO Resi is the customer facing brand of SO Resi Partnerships, the Shared Ownership specialists. We work in partnership with a wide range of organisations – from private investment funds to local authorities – to help make home ownership possible for more people.

Own more of your home – more flexibly than ever

Once you've settled into your SO Resi home, you might want to own more of it. That's easy. You just buy a bigger share – and can typically even own 100%. It's really flexible, so it suits your budget and your life.

Why is a bigger share a good thing?

Buying more of your home can be a satisfying feeling – and so can working towards owning 100% of it. It could help you financially too.

Cut down your monthly rent payment

Each time you buy a bigger share of your home, we'll work out your new rent payment – based on the smaller share you don't own. Remember, if you borrow more on your mortgage to buy a bigger share, your payments for that will probably go up.

To see how owning more could cut your rent payment check out our montly calculator at sharedownership.co.uk

Grow your investment

The more of your home you own, the more you benefit if house prices go up. When you think about this, don't forget that house prices can also go down.

What's staircasing? It just means buying more of your home. It's an industry term, so you'll hear it now and again, but at SO Resi we prefer using words that everyone understands – like owning more of your home, or buying a bigger share.

When’s a good time?

Life changes and so does your money. Careers take off, bonuses are earned and mortgage rates never stay the same. To fit in, we make it easy for you to own more of your home in a way that suits you. This guide explains what you need to think about and how to take the next step.

+ Time to buy more?

It’s up to you to decide when the time is right to own more of your home, but here are some pointers to help.

A pay rise or better paid new job

More income could give you the flexibility to afford a bigger share.

You get a big bonus

If it’s enough to buy a bigger share, it’s one option for your money.

You come into some money

An inheritance or a maturing investment can open up new choices.

The value of your home goes up

You might be able to borrow more to buy a bigger share.

Your mortgage rate goes down

If you move onto a lower rate mortgage, you might be able to borrow more. We can put you in touch with a financial adviser to talk through your options.

Buying 5% or more How does it work?

You can buy 5% or more of your home's full market value at any time.

So, if your home is valued at £250,000, the smallest extra share you can buy is 5% of that, which would cost £12,500.

If you can afford to, you can buy any amount over 5% – 6%, 7%, 8% and so on – right up to the point where you own 100%. If you do not staircase up to 100% you will need to leave a minimum of 10% and your next step after that is to buy the last 10% in one go, so that you own 100%.

+ Helping you decide

It makes sense to check off a few simple steps to help you decide whether buying a bigger share is a good move for you.

Some leases give you a different option for buying more of your home. Find out more on page 8

+ A step-by-step guide

Step 1

Get an idea of how much your home is worth

Check **sharedownership.co.uk** to view the price of similar homes near you. Websites like rightmove.co.uk or zoopla.co.uk are handy too, and estate agents will often give a rough valuation for free.

Step 2

Talk to a mortgage lender and financial adviser

If you need to borrow more money on your mortgage, speak to your lender to find out whether that's possible and how much it would cost. You may also find it helpful to speak to a financial adviser. You'll find a list of our recommended advisers on our website: **sharedownership.co.uk**

Step 3

Make a decision

Now you have a clearer idea of the costs, it's time to decide whether to go ahead.

How much does it cost?

The main cost is for the bigger share you are buying. You also need to pay for:

+ a valuation report from a RICS surveyor
+ mortgage lender's fees for arranging any extra borrowing on your mortgage
+ solicitor's fees for the legal work involved
+ Stamp Duty – if you need to pay this your solicitor will let you know
+ Administration fees – your landlord may charge a fee to cover administration and legal fees of up to £720 including VAT. We can advise you of the exact amount payable. If your landlord is Metropolitan Thames Valley Housing, no administration fee is payable.

A step-by-step guide to buying more

+ What you do

Step 1

Go to the My SO Resi online portal and sign in or create a new profile – you can see a guide to buying a bigger share of your home there

Step 2

Ask an independent RICS surveyor to write a valuation report. You pay them and they send the report to you and us. If your lease has fewer than 80 years remaining on it, you may find it helpful to get the surveyor to provide you with a lease extension premium at the same time. Go to soresi.co.uk and search 'leases' to find out more.

Step 3

If you've made major home improvements, make sure you give the RICS surveyor details because they might affect the value of your home and what you pay for your share. Please note, only structural home improvements are taken into consideration – not cosmetic improvements.

Step 4

Look out for our offer letter with the price, then complete and return the Acceptance of Offer form that comes with it. We will also ask you to provide some identity documents and details of your solicitors.

Step 5

Instruct a solicitor as soon as possible and give them all the paperwork they ask for quickly, so they can answer questions from your landlord's solicitor and keep things running smoothly. Visit **sharedownership.co.uk** for a list of our recommended solicitors, who all have Shared Ownership experience.

Step 6

Make sure your mortgage funds or savings are ready on the completion date.

Remortgaging?
Lenders and valuers may ask you for an External Wall System form (EWS1). Find out more on page 12.

+ What we do

Step 1

Send you an email confirming the steps to buying a bigger share of your home.

Step 2

Check the valuation report and work out how much it will cost you to buy the bigger share you want.

Step 3

Look at any home improvements you've made and decide whether to deduct the value of these from the overall value of your home.

Step 4

Send you an offer letter with the price and other details, explaining what to do next. When we get your Acceptance of Offer form, we'll tell your landlord's solicitors to go ahead.

Step 5

Deal with your solicitors and send a completion statement setting out the final amount to buy the extra share and get all your rent payments and service charges up to date.

Buying 1% more a year
An extra option for some leases

Was your Shared Ownership home built in the last few years? You may benefit from recent changes to leases that give you an extra option for buying a bigger share. To find out if you can take advantage, ask our aftersales team.

You can simply buy an extra 1% of your Shared Ownership home each year. You can do this for the first 15 years that you live in it. You don't have to take up the option every year – just when it suits you.

The main cost is for the extra 1% you are buying. The other costs are minimal. There are no valuation fees, no administration fees. You don't even need to appoint a solicitor, unless buying an extra 1% takes you to an 80% share – find out more on page 9.

+ How does it work?

For the first 15 years you live in your Shared Ownership home, you can choose to buy an extra 1% once a year.

All you have to do is tell us if you would like to go ahead that year. You can let us know at any time – on the My SO Resi online portal or by emailing aftersales@soresi.co.uk

We then send you an offer letter setting out the price of the 1%. The price is based on a standard calculation method that is detailed in your lease.

If you decide to go ahead, we will let you know how to make the payment for your extra 1%, and update all your rent payments in line with your new share.

80% or more?

If buying an extra 1% increases your share to 80% or more, you may need to pay Stamp Duty. If this affects you, we recommend instructing a solicitor, who can explain and give you advice.

Answering your questions

Here we've answered some of the questions homeowners ask us about owning more of their home. If you have a different question or would just like to talk things through, we're here to help.

+ What is the smallest extra share I can buy?

You can buy from 5% of your home's full market value at any time. With some newer leases, you can also buy an extra 1% a year for the first 15 years you live in your home. See page 8 to find out more about this.

+ What happens when I own 100% of my home?

Your rent payments will stop, but you may still need to pay service charges and ground rent. Depending on your lease, the freehold may be transferred to you, so you own the land as well as the home on it. We'll tell you more if you let us know you are thinking about owning 100% and your solicitor will explain the details if you appoint one to go ahead with the transaction.

+ What happens if I sell soon after buying a bigger share?

If you sell your home for a higher price than the valuation that your bigger share was based on, your landlord may be able to claim back some of the extra profit you make. The time limit for them to do this is set out in your lease. It is normally three months.

+ How long does buying 5% or more take?

The whole process usually takes six to eight weeks. You can help to keep things on track by using one of our recommended surveyors and solicitors. See a list at **sharedownership.co.uk**

+ What if I've made some big home improvements?

If you are buying 5% or more, some improvements could affect the value of your home. These include replacing single glazing with new double glazing or adding central heating to a home that didn't have any. Things that do not usually add value include rewiring and replumbing, replacing heating systems or changing flooring. The change in a property's value is not linked to the actual cost of improvements. If you've made changes that you think increase your home's value, tell the RICS surveyor and show them evidence. If they agree, the surveyor will provide a market value including and excluding the home improvements. The difference in market value will be deducted from the valuation and the cost of staircasing will be based on the lower amount.

+ When should I instruct a solicitor?

If you are buying 5% or more, you should instruct a solicitor as soon as you have decided you would like to go ahead. We will put you in touch with one of our recommended solicitors, who have experience in buying more of your Shared Ownership home. We recommend using them to help make sure everything goes as smoothly as possible. See a list at **sharedownership.co.uk**. If you are buying 1% a year, you generally don't need a solicitor.

+ What should I do if my lease has less than 85 years left?

A shorter lease may make it harder for you to buy a bigger share or to sell your home in the future, because many banks are less willing to lend on shorter leases. We recommend speaking to your solicitor and a financial adviser about your lease length and whether it is suitable for your needs. If you are thinking about extending your lease, you can do this at the same time as buying more of your home. You may find it costs less than doing it separately. To find out more, email us or go to **sharedownership.co.uk**.

What is an EWS1?

Are you remortgaging to buy more of your home? Lenders and valuers may have asked you to provide an External Wall System form (EWS1) as part of your mortgage transaction. The EWS1 has been designed by the Royal Institution of Chartered Surveyors (RICS) to give mortgage lenders and valuers assurance that a building's external wall system meets the relevant building regulations and advice notices. This information helps them decide whether to value or lend against a property. To find out more about EWS1, please read booklet 4, our EWS guide.

+ Which buildings usually need an EWS1 form?

If your home is in a building with these features, your lender or valuer is likely to ask for an EWS1 form.

For buildings over six storeys, where:

- there is cladding or curtain wall glazing on the building, or
- there are balconies that stack vertically above each other and either both the balustrades and decking are constructed with combustible materials (such as timber, or the decking is constructed with combustible materials and the balconies are directly linked by combustible material.

For buildings of five or six storeys, where:

- there is a significant amount of cladding on the building (for the purpose of this guidance, this means around a quarter of the whole elevation estimated from what is visible standing at ground level), or
- there are ACM (aluminium composite material), MCM (other metal composite materials) or HPL (high-pressure laminate) panels on the building, or
- there are balconies that stack vertically above each other and either both the balustrades and decking are constructed with combustible materials such as timber), or the decking is constructed with combustible materials and the balconies are directly linked by combustible materials.

For buildings of four storeys or fewer, where:

- there are ACM, MCM or HPL panels on the building.

Making home ownership possible

Buying a bigger share of your SO Resi home is exciting, but we understand that there's a lot to think about. That's why we're here to help with all your questions. You can find out more on our website.

Get in touch

aftersales@soresi.co.uk

Go to

sharedownership.co.uk

Get social

About SO Resi

SO Resi is the customer-facing brand name of SO Resi Partnerships, the Shared Ownership specialists. We work in partnership with a wide range of organisations – from private investment funds to local authorities – to help make home ownership possible for more people.

For over fifty years, SO Resi has been taking pride in making Shared Ownership simple and straightforward, building and selling good quality, affordable new homes and managing them well. Our expertise and experience, combined with the diverse strengths of our partners means we are now helping even more people in more places than ever, creating more communities that people are happy to call home.

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 your Shared Ownership landlord.

SO Resi terms and conditions include eligibility checks. Be sure you understand all the terms and conditions before you sign a contract with your Shared Ownership landlord. We recommend you talk to a solicitor or legal advisor.

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