

Selling your home Shared Ownership

This guide outlines the two options for selling your shared ownership property. Under the terms of your shared ownership lease you may have the option to sell 100% of your property or the share you currently own.

If your lease does not allow you to purchase the full 100%, known as restricted staircasing, this will affect the percentage you can sell. If your lease is restricted, we will write to you to advise. *Please note some shared ownership leases restrict who you can sell to as they may be subject to Local Occupancy Restrictions.*

Please note the length of term remaining on your lease may affect how you can market the property. Under the Commonhold and Leasehold Reform Act 2002, as a shared owner you do not have a statutory right to extend your lease. If your lease has less than 80 years remaining some mortgage lenders may be reluctant to lend. Therefore, it is advised that you check the remaining term of your lease **before putting the property on the market** as in some cases you may only be able to market at 100%.

Selling your share (Assignment of the Lease)

Selling the share, you currently own in your property is referred to as an **Assignment (of the lease)** as you will be assigning your lease to the purchaser. As per the terms of the shared ownership lease shared ownership properties must be sold at current market value as determined by a RICS (Royal Institution of Chartered Surveyors) valuation. A valuation from your estate agent is not sufficient (unless they are RICS qualified). The valuation is valid for a **3-month** period and must be valid at the date of completion of the sale.

Your valuation sets the price of your share, and you cannot market/ sell the property for more than this amount.

For a list RICS qualified valuers in your area please visit: www.ricsfirms.com

You will be required to pay an administration fee of £185.00 which covers the approval process, providing our consent and liaising with your solicitors to complete the sale.

You will require a valid EPC to sell your property as this is a legal requirement:
www.gov.uk/find-energy-certificate

Purchaser Qualification/ Requirements

As your purchaser will be buying a shared ownership property there are certain steps they will need to follow:

1. Register with Help to Buy

All purchasers must register with the Help to Buy Agent and provide proof of eligibility for shared ownership. This is an online application process. <https://www.helptobuyagent1.org.uk/> The purchaser will need to provide us with a copy of the approval.

2. Affordability Assessment

All purchasers must then undergo an affordability assessment via an independent financial advisor. Your Housing Group can arrange this referral, through Metro Finance. The purchaser will be required to provide evidence of their financial circumstances **within 5 days**. Please note the purchaser will not have to take out a mortgage or any other financial product with Metro.

3. Introduction to Shared Ownership Lease

Once the financial approval has been completed our Home Ownership team will contact the purchaser to discuss the terms of the lease and any service charges payable (if applicable).

Should the purchaser be approved, following the above steps, we will provide our written consent to yours and their solicitors confirming approval of the purchaser and sales price.

If your property is subject to a service charge provided by a third-party managing agent, for example, RMG, Scanlans etc. there may be a further administration fee for responding to Management Company/Service Charge enquiries. You need to ensure your solicitors are made aware of this third-party Managing Agent to avoid delays in the sales process.

Completing the sale

It will be the responsibility of your solicitor to ensure we are made aware of when completion will take place. You must ensure that your rent and all other charges are paid up to the date of completion. The purchaser's solicitor will need to confirm completion within 14 days and pay the rent/service charge from the date of completion to the end of that month, plus the following month. Failure to do so may result in you being charged rent past the completion date.

Next steps

You will need to appoint a selling agent to market your property. Please provide the agents with this guide to ensure the correct process is followed. You will also need to obtain a RICS valuation to set the sales price of your share, as detailed above.

The administration fee is payable at the point the sale is provisionally agreed and the purchaser will need to provide Your Housing Group with the confirmation of eligibility from the Help to Buy Agent at

this point also. We ask you to complete a resale application form and provide us with a copy of your memorandum of sale (Your agent will provide you with a copy of this).

Please send any correspondence via email to resales@yourhousinggroup.co.uk or contact the Commercial Transactions Team on **01925 592610**.

Any written correspondence please send to:

Commercial Transaction Team
Your Housing Group
130 Birchwood Boulevard
Birchwood
Warrington
WA3 7QH

100% Resale (Selling at 100%)

If you are selling 100% of the property, the process is also known as back-to-back staircasing. Back-to-back staircasing in its simplest terms means that we sell you the remaining equity in the property and you sell it to the incoming purchaser. The money for the additional equity purchase comes from the buyer of your property and on completion they will own 100% of the property.

In accordance with the terms of your lease the value of our share of the property must be set by a RICS qualified surveyor. We have a panel of independent surveyors and can arrange this valuation on your behalf. The fee for the valuation is payable by you. Any works of improvement you have carried out which add value to your property will be disregarded from the valuation. Also, any failure to keep the property in a good state of repair will be taken into consideration as you are responsible for the maintenance and upkeep of your home.

Following receipt of the valuation report, we will send you an Offer Notice. The Offer Notice will detail the value payable for our share. If you are selling 100% on the open market, we will not be required to approve the purchaser from an affordability perspective. However, in certain circumstances, where there is a continued service charge obligation, your purchaser will need to complete the attached form and we will arrange to go through lease with them.

In line with regulatory guidelines the valuation will be valid for a period of **three months**. Should your purchase not complete within this timeframe you may be required to cover the cost of a re-valuation. Please note, the market value of your home may not remain the same.

Completing your sale

Should you wish to accept the staircasing offer you will be required to complete a Notice of Intention Form providing your solicitors details. Once we receive these details, we will instruct the Group's solicitor to progress through to completion of the sale. On completion of the final staircasing you will simultaneously sell the property to your purchaser.

Rent Arrears

Please note, you must settle all rent and service charge arrears prior to or on completion of your sale. You will only be expected to pay rent and service charges/ ground rent up to the date of completion. We will advise your solicitors accordingly once they have confirmed a completion date.

Next steps

You will need to appoint a selling agent to market your property. Please provide the agents with this guide to ensure the correct process is followed.

Once a sale has been provisionally agreed you will be required to provide us with a copy of the RICS valuation report or alternatively if you would prefer us to arrange the valuation, please contact the Commercial Transactions Team on **01925 592610** to pay the appropriate fee.

Please send any correspondence via email to resales@yourhousinggroup.co.uk or contact the Commercial Transactions Team on **01925 592610**.

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