

## Summary of costs

The information in this document is for the **standard shared ownership model**. There are variations of shared ownership which have different features. For more information on the variations, see the 'Key information about the home' document.

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the 'leaseholder') and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should take independent legal and financial advice.

This summary of costs document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

It does not form part of the lease. You should carefully consider the information and the accompanying lease and discuss any issues with your legal adviser before signing the lease.

Failure to pay your rent, service charge, or mortgage could mean your home is at risk of repossession.

The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.

## Purchase costs

<b>Full market value</b>	£210,000
<b>Share purchase price and percentage share offered</b>	<p>£105,000 (50% share)</p> <p>The share purchase price is calculated using the full market value and the percentage share purchased.</p>
<b>Deposit</b>	£0
<b>Reservation fee</b>	£0
<b>Your legal adviser's fees</b>	<p>Legal adviser's fees can vary. You can expect to pay fees including:</p> <ul style="list-style-type: none"> <li>• legal services fee</li> <li>• search costs</li> <li>• banking charges</li> <li>• Land Registry fee</li> <li>• document pack fee</li> <li>• management agent consent fee - subject to development and terms of the management company</li> </ul> <p>You'll need to ask your legal adviser what the fees cover and the cost for your purchase.</p>
<b>Stamp Duty Land Tax (SDLT)</b>	<p>You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your legal adviser. There is more guidance on the GOV.UK website:</p> <ul style="list-style-type: none"> <li>• <a href="#">Stamp Duty Land Tax: shared ownership property</a></li> <li>• <a href="#">Calculate Stamp Duty Land Tax (SDLT)</a></li> </ul>

## Your monthly payments to the landlord

<b>Rent</b>	If you buy a 50% share, the rent will be <b>£226.91</b>
<b>Service charge</b>	<b>£52.55</b> (Including Buildings Insurance).
<b>Reserve (sinking) fund payment</b>	N/A
<b>Total monthly payment to the landlord</b>	<p>Your total monthly payment for the rent and other charges described above will be:</p> <p><b>£279.46 a month</b></p> <p>You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.</p>

## Rent review

<b>Rent review period</b>	Your rent will be reviewed every year on 1 <sup>st</sup> April.
<b>Rent increase</b>	<p>Your rent will increase in line with the terms of your lease.</p> <p>Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.</p> <p>Your rent will go up when it is reviewed. It will never go down.</p>

## Future costs if you buy more shares

<b>Home valuation</b>	<p>If you want to buy more shares, the minimum amount you can buy is an extra 10%. When you do this, you'll need to pay for a valuation by a surveyor who is registered with the <a href="#">Royal Institution of Chartered Surveyors</a> (RICS). The estimated current cost is £300 - £400.</p> <p>You will need to arrange the valuation.</p> <p>If you need to arrange the valuation, you can <a href="#">find a registered surveyor on the RICS website</a>.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
<b>Share purchase administration fees</b>	<p>The administration fee for buying more shares will be £0.00</p>
<b>Your legal adviser's fees</b>	<p>If you require legal advice when buying more shares, you are responsible for paying your own legal fees.</p> <p>Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares.</p> <p>The landlord is responsible for paying their own legal fees related to share purchase transactions.</p>

## Future costs if you sell your home

<b>Landlord's current selling fee</b>	£250 + vat  This may be subject to change in the future.
<b>Estate agent's fee</b>	You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.
<b>Your legal adviser's fees</b>	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
<b>Home valuation</b>	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

## Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

<b>Lease term</b>	125 years from 1 <sup>st</sup> November 2017. (117 years remaining).
<b>Maximum share you can own</b>	You can buy up to 100% of your home.
<b>Transfer of freehold</b>	At 100% ownership, the leasehold title falls away and you will obtain the Freehold. <b>There are some ongoing Service charges, paid direct to the Management Company.</b>

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the 'Key information about shared ownership' document.

## Other potential costs from the landlord

Resales – Landlord Enquires	£250.00 + vat
LPE1 Management pack	£250.00 + vat
Remortgage Approval	£60.00 + vat
Lease Extension Admin Fee	£250.00 + vat
Certificate of Compliance – name change/removal	£60.00 + vat
Home Improvements/Alterations – Permission Requests	£60.00 + vat

## Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

<b>Mortgage repayment</b>	£_____ a month
<b>Contents insurance</b>	£_____ a month
<b>Council Tax</b>	£_____ a month
<b>Gas and electricity</b>	£_____
<b>Water</b>	£_____
<b>Annual boiler service</b>	£_____ a year
<b>Other payments</b>	