



Shared Ownership Guidance Note



Legal & General Affordable Homes are part of the Legal & General Group. We are a leading direct investor, developer, and operator in residential property. We want to ensure that all our customers are provided with consistent information regarding our shared ownership properties.

What Is Shared Ownership?

Shared Ownership is a homeownership scheme backed by the government to help people purchase a share of a property while paying a subsidised rent on the remaining unowned share. Dependant on the property you are interested in, shares between 10-75% are available. Please speak to your L&G sales representative for confirmation on minimum share purchase for the property you are interested in.

Am I Eligible for Shared Ownership?

- You must be over the age of 18 years old.
- You cannot own another property (in the UK or abroad). If you do, you must be in the process of selling the property and have a Memorandum of Sale to evidence this.
- Your annual household income must not exceed £80,000 (outside of the Greater London Area) or £90,000 (Inside the Greater London Area)
- You must not be able to afford to buy a property that suits your needs on the open market.
- You must have good financial standing, be able to show good credit history and not be in mortgage or rent arrears. or further details please read our affordability policy, found here [Affordability-Policy-SO-Web.pdf](#)
- In some cases, specific developments will have additional local connection requirements. For further information on whether this applies to the property you are interested in, please contact your Legal & General Affordable Homes Sales Consultant.

Key Information Documents

There are 3 Key Information Documents that will be provided to you prior to you paying a reservation fee to secure your new home. The first Key Information Document has been sent to you alongside this Guidance Note. The remaining two key information documents will be provided on completing stage two financial assessment. The purpose of these documents is to provide clear and precise information in relation to the development and plot you are interested in and to ensure you are fully informed on long-term costs and requirements of shared ownership properties. If you have any questions regarding the documents, please speak to your Legal & General Affordable Homes Sales Consultant.

Next Steps: Application & Assessment

If you are confident you meet the above eligibility criteria, and wish to move forward with an application for a shared ownership property these are the next steps:

- If you haven't done so already, take a look at our available properties by visiting our website [Shared Ownership Houses & Affordable Housing Across the UK - Legal & General Affordable Homes](#). Once you have found a property that fits your requirements, reach out via the enquiry page on our website.
- One of our sales consultants will be in touch to discuss more about your position and your requirements regarding your property search.
- If you are interested in proceeding, you will be sent documentation to review, this will include a brochure, price list, guidance note and a key information document which will contain details on a property which meets your needs on the scheme you are interested in.
- Once you have read the documents provided, the next step is to speak to one of our panel mortgage brokers to complete an initial affordability check. This is also known as a stage one assessment. This will consist of a high-level conversation to ascertain if you are eligible for the scheme from an affordability perspective.
- If you can proceed, the next step will be a more detailed financial assessment, also known as stage two assessment. This step requires you to provide various documents to evidence your financial position (like if you were applying for a mortgage) The list of documents which are required for this stage are listed below:

- Proof of Photographic Identification (passport, driving license etc.)
- Proof of Current Address
- A copy of your credit report (www.checkmyfile.com is a free service for you to obtain your credit report with no subscription)
- 3 months of pay slips or 3 years of SA302s if you are self-employed.
- 3 months of bank statements
- Proof of your deposit funds (e.g., savings account statements, ISA, Stocks, or shares accounts.)
- If you currently own a property which is being sold, you will need to provide a copy of the Memorandum of Sale. This can be obtained from your estate agent or solicitor.
- If you are receiving any money as a gift towards the property, we will need to see ID, proof of address and a bank statement from the person/s gifting you the money as well as a letter confirming the gift (Our panel mortgage broker will be able to help you with this).
- Legal & General Affordable Homes have various policies and procedures which we must follow when selling shared ownership homes. A link to our policies can be found here [Policies - Legal & General Affordable Homes](#)
- Once the affordability assessment is completed, the case will be passed to Legal & General Affordable Homes to approve. At this stage, if you are able to proceed, you will receive confirmation on the share amount that is recommended for you to purchase, and you will be sent further Key Information Documents which confirm exact costings based on the share amount you have been accepted at.
- Once approved by Legal & General Affordable Homes, you will be asked to complete a reservation form and pay a reservation fee to secure your new home.

If you have any further questions in relation to the assessment, eligibility or application process, please contact us on sales@landgah.com.

Responsibilities through the Application Journey

We want to ensure that all our customers receive the support we expect throughout their shared ownership journey. Below is a table of the stages and which firm in the process is responsible for completing the stage. If you have any concerns regarding a specific step in your application for a shared ownership property, we recommend reaching out to the listed responsible organisation.

Application / Assessment Element	Responsible Organisation
Applicant eligibility and prioritisation	Legal & General Affordable Homes
Financial assessment of affordability	Mortgage Broker
Decision to accept or decline an application and at what share level*	Legal & General Affordable Homes
Application of provider specific policies	Legal & General Affordable Homes
Mortgage advice (if requested)	Mortgage broker
Complaints regarding application or share decision	Legal & General Affordable Homes
Complaint regarding mortgage advice	Mortgage Broker

Applicant statement	Signature	
I confirm that I have read and understood the above and attached information.		
	Print name	
	Date	

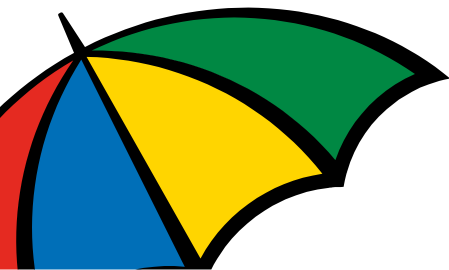
Disclaimers

Please note that the affordability assessment does not constitute mortgage advice or guarantee the availability of a mortgage. Applicants are advised to seek independent mortgage advice from a qualified advisor.

We work with sales agents across the country to sell our homes, the sales agents will be familiar with all our policies and procedures and will be in direct contact with the sales team at Legal & General Affordable Homes.

If a shared ownership customer does not meet one or more of the eligibility criteria for the shared ownership scheme, is unable to meet the requirements of the affordability assessment, is unable to meet one or more of the policies published by Legal & General Affordable Homes in this regard, or if they are unable or unwilling to provide the required information or documentation their application will likely be declined.

*If a shared ownership customer wishes to purchase a different share level, either higher or lower, to that deemed affordable by their affordability assessment without providing a justifiable rationale or reason why, Legal & General Affordable Homes can either offer a different share level to that which the applicant would prefer or decline their application.



FOR FURTHER INFORMATION



sales@landgah.com



landgah.com

Key information about the home

There are variations of shared ownership models which have different features. The model of shared ownership may vary depending on:

- what rules were in place at the time the home was funded or planning permission granted
- where the home is located
- whether the home is for a specific group of people

The table below highlights the key features of common shared ownership schemes. The information in this document is for the **standard model shared ownership**.

Shared ownership model	Older model shared ownership	Standard model shared ownership	New model shared ownership
Minimum initial share	25%	25%	10%
Lease length	Typically, leases were issued for 99 years from new	Leases are for a minimum of 99 years from new but typically at least 125 years	Leases will be for a minimum of 990 years from new
Initial repair period	No	No	Yes
Buying more shares - minimum purchase	10% or 25%	10%	5%
1% share purchase	No	No	Yes
Landlord's nomination period	8 weeks or 12 weeks	8 weeks	4 weeks

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 key information 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. This document 'Key information about the home' is a summary and you should consider the information in 'Summary of costs' and 'Guide to shared ownership' before making a decision.

This 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.

Property Details

Address	123 Scheme: Okement Park Okehampton 20 Shilling Park Okehampton Devon EX20 1XU
Property type	2 -bedroom House
Scheme	Shared ownership
Full market value	£ 230,250.00

<p>Share Purchase Price and Rent Examples</p>	<p>The share purchase price is calculated using the full market value and the percentage share purchased.</p> <p>If you buy a 50% share, the share purchase price will be £ 115,125.00 and the rent will be £ 263.83 a month.</p> <p>If you buy a larger share, you'll pay less rent. The table below shows further examples.</p> <table border="1" data-bbox="604 577 1449 1048"> <thead> <tr> <th>Share</th> <th>Share Purchase Price</th> <th>Monthly rent</th> </tr> </thead> <tbody> <tr> <td>25%</td> <td>£ 57,562.50</td> <td>£ 395.74</td> </tr> <tr> <td>30%</td> <td>£ 69,075.00</td> <td>£ 369.36</td> </tr> <tr> <td>40%</td> <td>£ 92,100.00</td> <td>£ 316.59</td> </tr> <tr> <td>50%</td> <td>£ 115,125.00</td> <td>£ 263.83</td> </tr> <tr> <td>60%</td> <td>£ 138,150.00</td> <td>£ 211.06</td> </tr> <tr> <td>70%</td> <td>£ 161,175.00</td> <td>£ 158.30</td> </tr> <tr> <td>75%</td> <td>£ 172,687.50</td> <td>£ 131.91</td> </tr> </tbody> </table> <p>The percentage share and rent amount will change depending on the amount you can afford. You'll receive a worked example after a financial assessment.</p> <p>Your annual rent is calculated as 2.75% of the remaining share of the full market value owned by the landlord.</p>	Share	Share Purchase Price	Monthly rent	25%	£ 57,562.50	£ 395.74	30%	£ 69,075.00	£ 369.36	40%	£ 92,100.00	£ 316.59	50%	£ 115,125.00	£ 263.83	60%	£ 138,150.00	£ 211.06	70%	£ 161,175.00	£ 158.30	75%	£ 172,687.50	£ 131.91
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<p>Monthly payment to the landlord</p>	<p>In addition to the rent above, the monthly payment to the landlord includes:</p> <p>Service charge £ 0.00</p> <p>Estate charge £ 23.81</p> <p>Buildings insurance £ 18.23</p> <p>Management fee £ 34.89</p> <p>Reserve fund payment £ 0.00</p> <p>Total monthly payment excluding rent £ 76.93</p>																								

Reservation fee	£ 500 You'll need to pay a reservation fee to secure your home. When you pay the fee, no one else will be able to reserve the home. The reservation fee secures the home for 42 days. If you buy the home, the fee will be taken off the final amount you pay on completion. If you do not buy the home, the fee is refundable.
Eligibility	You can apply to buy the home if both of the following apply: <ul style="list-style-type: none">• your household income is £80,000 or less• you cannot afford all of the deposit and mortgage payments to buy a home that meets your needs One of the following must also be true: <ul style="list-style-type: none">• you're a first-time buyer• you used to own a home but cannot afford to buy one now• you're forming a new household - for example, after a relationship breakdown

Eligibility	<ul style="list-style-type: none"> • you're an existing shared owner, and you want to move • you own a home and want to move but cannot afford to buy a new home for your needs <p>If you own a home, you must have completed the sale of the home on or before the date you complete your shared ownership purchase.</p> <p>As part of your application, your finances and credit history will be assessed to ensure that you can afford and sustain the rental and mortgage payments.</p>
Tenure	Leasehold
Lease type	Shared ownership lease House
Lease term	<p>999 years</p> <p>For more information, see section 2.5, 'Lease extensions', in the 'Key information about shared ownership' document.</p>
Rent review	<p>Your rent will be reviewed each year by a set formula using the Retail Price Index (RPI) for the previous 12 months plus 0.5%.</p> <p>For more information, see the Rent Review section in the 'Summary of Costs' document which includes an example of how rent could increase over a 5 year period. A worked example demonstrating how the rent is calculated at review is also set out in Appendix 2 of the lease.</p>

Maximum share you can own	You can buy up to 100% of your home.
Transfer of freehold Freehold	

Landlord	<p>Legal & General Affordable Homes Limited One Coleman Street, London EC2R 5AA</p> <p>Under a shared ownership lease, you pay for a percentage share of the market value of a home. You enter into a lease agreement with the landlord and agree to pay rent to the landlord on the remaining share.</p>
Landlord's nomination period	<p>When you give the landlord notice that you intend to sell your share in your home, the landlord has 8 weeks to find a buyer. The landlord may offer to buy back your share, but only in exceptional circumstances and if they have funds available. If they do not find a buyer within 8 weeks, you can sell your share yourself on the open market. For example, through an estate agent.</p>
Pets	<p>You can keep pets at the home subject to an approved pet consent form</p>
Subletting	<p>You can rent out a room in the home, but you must live there at the same time.</p> <p>You cannot sublet (rent out) your entire home unless you either:</p> <ul style="list-style-type: none"> • own a 100% share; or • have your landlord's permission which they will only give in exceptional circumstances (see section 1.5 in 'Key information about shared ownership' document) <p>and</p> <ul style="list-style-type: none"> • have your mortgage lender's permission if you have a mortgage