

## **SHARED OWNERSHIP PROPERTIES – AN AFFORDABLE WAY TO BUY YOUR OWN HOME**

With property prices in this part of the country still increasing, it is becoming more and more difficult for people to buy their first home. As a result, shared ownership properties are becoming more in demand as the price you pay initially is less than is required for a full ownership property.

Before you buy a shared ownership property though, you should check your income is enough to cover the monthly mortgage, rent and service charge payments you will have to make.

Shared ownership properties are generally only available to certain people. If you are buying a property for the first time or if you are currently renting a council or housing association property then you are likely to have the chance to buy a shared ownership property.

When you buy a shared ownership property, you will usually hold the property under a long term lease from a housing association. The housing association will keep a percentage of the ownership of the property and you will buy the remaining percentage.

You should be aware that you will pay a rent to the housing association that relates to their percentage of the overall ownership of the property. You are effectively part buying and part renting your first home.

When you sell your shared ownership property, you will have to inform the housing association. The housing association will then generally have a period of time to find a buyer for the property before you can market the property for sale yourself.

During the time you own your shared ownership property, you can decide to buy some or all of the remaining percentage in the property that the housing association owns. You are not required to buy a further percentage in the property but if you are intending to stay in the property for a long period of time then it may be advisable as it will reduce your monthly rental payments to the housing association.

Cont'd...

**GUILDFORD**

65 Woodbridge Road  
Guildford  
Surrey  
GU1 4RD  
Tel: 01483 752700

**CRANLEIGH**

Broadoak House  
Horsham Road  
Cranleigh  
Surrey GU6 8DJ  
Tel: 01483 273515

**EPSOM**

123 High Street  
Epsom  
Surrey  
KT19 8AU  
Tel: 01372 729555

**LEATHERHEAD**

Sweech House  
Gravel Hill  
Leatherhead  
Surrey KT22 7HF  
Tel: 01372 374148

**REIGATE**

40 West Street  
Reigate  
Surrey  
RH2 9BT  
Tel: 01737 221212

**WIMBLEDON**

7-9 Queens Road  
Wimbledon  
London  
SW19 8NG  
Tel: 020 8946 6454

The position concerning Stamp Duty Land Tax (SDLT) on shared ownership property purchases is more complex than if you were buying a full share in a leasehold flat or a freehold house. In some circumstances, you can pay SDLT on both the initial purchase of a share in the property and also further SDLT when you buy a further share in the property. For this reason, it is important to instruct a solicitor who specialises in shared ownership property work so that you receive accurate advice on your best course of action taking into account your needs.

If you would like specialist advice on a sale or purchase of a shared ownership property, please contact Richard Bland on 01483 273515 or alternatively [richard.bland@twmsolicitors.com](mailto:richard.bland@twmsolicitors.com)

*© TWM Solicitors LLP July 2013 - All Rights Reserved. Information contained in this article and on our website does not constitute legal advice and is provided for information purposes only. Recipients should not act upon it, but should seek legal advice relevant to their own situation.*

**GUILDFORD**

65 Woodbridge Road  
Guildford  
Surrey  
GU1 4RD  
Tel: 01483 752700

**CRANLEIGH**

Broadoak House  
Horsham Road  
Cranleigh  
Surrey GU6 8DJ  
Tel: 01483 273515

**EPSOM**

123 High Street  
Epsom  
Surrey  
KT19 8AU  
Tel: 01372 729555

**LEATHERHEAD**

Sweech House  
Gravel Hill  
Leatherhead  
Surrey KT22 7HF  
Tel: 01372 374148

**REIGATE**

40 West Street  
Reigate  
Surrey  
RH2 9BT  
Tel: 01737 221212

**WIMBLEDON**

7-9 Queens Road  
Wimbledon  
London  
SW19 8NG  
Tel: 020 8946 6454