

Helping our clients to achieve

Article on Shared Ownership

‘Moving with the times’

Date: 31st March 2008

by **Zoë Naylor, partner specialising in residential property**

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‘Getting a foot on the property ladder is fast receding from many people’s grasp but there is an affordable way by going for shared ownership’, says Zoë Naylor, partner at Phillips specialising in residential property, ‘it allows you to buy a proportion of your home to begin with, increasing that proportion in steps until you own the whole house or flat.’

So how does it work? When you buy a shared ownership property, you only buy a percentage stake in the property – typically from a housing association, or the government’s scheme if you are a key worker. You, the buyer, will need to be able to afford both the shared ownership mortgage, for the percentage of the property you own, **and** the rent payable to the housing association for the lease on the remainder that they own.

You can increase the proportion you are buying at any time, by adding to your mortgage or paying cash. Called ‘staircasing’, it fits neatly into your own financial ability to own more of the property. You can also apply with a partner as long as all applicants qualify.

Many schemes, some offering properties on the open market at a discount, are open to all comers through housing associations. Other schemes, often available on new build properties, have strict criteria usually based on your salary.

‘One good thing is that transactions under the shared ownership scheme are exempt from stamp duty’, says Zoë, ‘but you must also consider what will happen when you want to sell. If the housing market rises, you will gain a percentage of the equity growth, conversely if the market falls you will share the loss.’

Melissa Hannah, who recently bought her first shared ownership property with her partner, says: ‘It was the only way we could get on the property ladder and Phillips helped us to really understand the contract between us and our co-owner. It all went smoothly and we are very happy in our new home.’

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