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Article

Title: How first time buyers can get a foot on the property ladder

Date: June 2009

by Zoë Naylor, partner specialising in residential property

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‘Despite the recent landslide in property prices, values are still relatively high for many first time buyers’ says Zoë Naylor, partner specialising in residential property at Phillips Solicitors, ‘but shared ownership can be an excellent way to get a foot on the property ladder.’

What is ‘shared ownership’?

Shared ownership is a scheme for helping people who cannot afford to buy a home outright or who don’t want to pay high rents on rental properties with private landlords.

The scheme is run in conjunction with housing associations, which are non-profit making organisations trying to increase the provision of affordable housing in the UK. 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 pay the shared ownership mortgage, for the percentage of the property you will own, **and** the rent payable to the housing association for the lease on the remainder.

You can increase the proportion you are buying by adding to your mortgage or paying extra cash. Called ‘staircasing’, it fits neatly into your own financial ability to own more of the property. Later, when you can afford it, you can increase your share, at current market values, until you own the whole property.

What are the benefits?

The main benefit is that you will not have to take out a huge mortgage, because you will only be purchasing a certain percentage of the property. You can also jointly apply with someone else as long as all applicants qualify. And often the properties offered are newly built houses and apartments.



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Zoë Naylor concludes: “When you come to sell your property you repay the percentage that you borrowed, not the actual sum, so you need to take into account that property prices go up as well as down. Shared ownership schemes certainly provide a more affordable and effective way for first time buyers to get onto the property ladder – in fact they are so popular now that in many areas there are waiting lists. But it can be complicated, so make sure you choose a solicitor who has had a lot of experience with this.”

Call Zoë Naylor at Phillips on 01256 854623 or visit the website at www.phillips-law.co.uk

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Note to editor: Phillips is a leading law firm in Basingstoke, with around 60 members of staff. We offer a comprehensive range of services to business and private clients, locally and nationwide. We specialise in helping clients achieve what they want.

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