



Sage
Homes

A modern living room interior. In the foreground, a dark wood armchair with a light-colored cushion is partially visible. Behind it, a light-colored wooden sideboard with three drawers stands against a white wall. To the left of the sideboard is a large potted plant with broad green leaves. To the right, a black floor lamp with a large, dome-shaped shade stands next to a white vase filled with greenery. Three framed pictures hang on the wall above the sideboard. A small, dark, round coffee table is in front of the armchair. The floor is covered with a dark, textured rug.

Your guide to Shared Ownership

with Sage Homes



Contents

What is Shared Ownership?	3
Why choose Shared Ownership?	5
Seven steps to Shared Ownership	6
Living in your new home	8
Frequently asked questions	9



What is Shared Ownership?

Shared Ownership is a ‘part buy, part rent’ scheme, helping you buy your own home with a smaller upfront payment.

Buying a part of your home and renting the rest is a great way to start out on the property ladder. You will take out a mortgage for the share you buy (in some cases you can be a cash buyer) and then pay a subsidised rent on the share you don’t own.

How does it work?

You can buy between 25%¹ and 75% of your home with just as little as a 5%

deposit. The deposit is based on the share you’re buying, rather than the total value of your home..

The share you don’t buy is owned by Sage Homes. The rent on this share is subsidised and often cheaper than the open market so your monthly costs are manageable.

You can choose to buy more of your home when you’re ready (called ‘staircasing’) right up to 100% (there are some exceptions to this). The bigger the share you have, the less rent you pay.

¹Under the new model shared ownership lease you can buy as little as 10% shares. We explain the other differences in the new model on page 8.

Why choose Shared Ownership?

Shared Ownership can help you get on the property ladder faster than you might have thought. It also offers you a range of benefits.

Starting out

The share of your home you buy is fully flexible, meaning you can buy as little as 25% or up to 75% of your home straight away. Your deposit can be as little as 5% of the share you buy, making it far easier to get your foot on the property ladder.

Increasing your share

Once you’ve bought your share, you can buy more at any time you like, right up to owning 100% of your home (there are some exceptions to this). Check your lease on whether there are any restrictions on the maximum share you can own and for more information on this process known as ‘staircasing’.

Peace of mind

With a long-term leaseholder for the share you don’t own (Sage Homes), you don’t need to worry about short term rentals and landlords giving you notice. This is your home and a long-term investment.

Am I eligible for Shared Ownership?

Shared Ownership is open to you whether you’re a first-time buyer or looking to move up or down the property ladder. There are some general criteria that must be met, although there may be further criteria depending on the development.

Do you meet one or more of the below eligibility criteria? If so, you are likely to be eligible for a Shared Ownership home.

- I am 18 years old or older and a UK resident
- I want to buy outside London with a household income of less than £80,000 or want to buy in London with a household income of less than £90,000
- I cannot afford to buy a home any other way
- I don’t own another property (if you do, it must be sold before your Shared Ownership sale completes).

How much will it cost?

The cost of buying your Shared Ownership home will vary from development to development. Here’s an example of how Shared Ownership can work.

Shared ownership

50% share	£150,000
5% deposit	£7,500
50% unpurchased share	£150,000
Rent	£344mth
Mortgage	£833mth
Total monthly cost	£1,177

Estimated buying costs

Reservation fee:	£500
<small>(This is deducted from the final amount you’ll need to pay Sage Homes)</small>	
Legal fees:	£1,500
Mortgage valuation fee:	£0 - £800
Mortgage arrangement fee:	£0 - £999

The above example is for illustrative purposes and is based on a home of £300,000 full market value with a mortgage interest rate of 5%. This is subject to independent financial advice and terms and conditions apply. Prices correct at time of print.





Seven steps to Shared Ownership

Step one: Make an enquiry

You can register your interest with Sage Homes at sagehomes.co.uk or with one of our selling agents. You'll need to complete an online registration for Shared Ownership.

Step two: Financial qualification

You will need to complete an affordability assessment to be carried out by one of Sage's appointed Independent Financial Advisor's (IFA). The IFA will consider all elements of your income and expenditure to decipher what % share of a home may be affordable for you. Once you've had your assessment, you are under no obligation to use Sage's appointed IFA for your mortgage.

Step three: Choose a home

Speak to our agents about the home you want to buy. This may be off-plan if it is still being built, or if it's available, you can make an appointment to view. Allocation of a home will be in line with our first come, first served policy at Sage Homes. This is based upon whoever is first to pass their assessment and submit their documents to Sage Homes via the Sales Agent. If you are approved you'll be able to complete the initial reservation paperwork which our agents will send over to Sage Homes. You'll need to provide quite a few documents at this stage, but the agents will let you know you what is required.

Step four: Reserve your home

When we receive your paperwork we'll confirm approval within five working days and call you to complete your reservation which includes taking your reservation fee. You will now need to instruct your chosen solicitor and submit your mortgage application. We'll carry out our compliance checks and once completed will issue the Memorandum of Sale, CML form and instruct searches on your behalf. This means that your solicitors don't need to order them, we've got this stage of your purchase covered.

Step five: How your purchase is progressed

One of our sales progressors will call you to introduce themselves and go through some of the key steps you'll need to complete to reach your exchange deadline of six weeks.

First step is confirming that you've instructed your solicitor from our panel. This is key as your six week exchange deadline starts from the day we issue your legal pack. If you have not instructed them by this time, it could delay exchange.

Securing your mortgage is the one stage that you have the biggest influence on. By regular contact with your broker and chasing them for updates on what stage your application is at, ensures there's no delay with your offer and helps us get you to the point of exchange. We're not able to exchange without your mortgage being approved by Sage.

You'll need regular contact with your solicitors to check if they have received your legal pack, are raising enquiries, and chasing responses from our solicitor.

We'll also be checking in regularly with you to make sure that everything is going well.

Step six: Exchange contracts

Your solicitor will manage the sale on your behalf, giving you relevant guidance as needed. Once all enquiries are satisfied, your solicitor has reported back to you and your mortgage is in place and approved, we will be able to either exchange on notice or exchange with a fixed completion date. If your home is ready to move into we will set a completion date, if it is not yet ready to move into we will exchange on notice and set a completion date once it is ready. You'll need to sign your contracts and transfer your deposit for exchange to take place. We'll plan your completion date once you've exchanged.

Step seven: Move in

Congratulations! You've legally completed and now have a share in your own home. On the day of legal completion, your agent will meet you at your home to handover your keys. They'll also walk you through your home to show you how everything works. You'll get a Home User's Guide which will give you all the information you need for your home, including how to deal with defects and report issues.



Living in your new home

Our Homeownerservices team will contact you to introduce themselves and will check that you've been able to set up your account in the Customer Portal and that you can access your online account. Through the portal you can access your rent account, report defects, find useful documents and find more information on resales and staircasing.

Want to buy more?

After moving in, you could buy a larger share in your home (called 'staircasing'), right up to owning 100%. The more you own, the less rent you pay Sage Homes. Prices for the extra share you buy will be based on the market value of your home at the time you want to buy them.

For more information on staircasing, visit sagehomes.co.uk or see our Staircasing Guide.

Want to sell?

You can sell your share in your home at any time. The value of the shares will be based on the full market value at the time of selling. Sage Homes will market your home for you as we have many buyers wanting a Shared Ownership home. In the unlikely event we can't find a buyer, you'll be able to appoint your own agent to sell on your behalf.

For more information on reselling, visit sagehomes.co.uk or see our Resale Guide.

New model of Shared Ownership

We've referred to the minimum share of 25% throughout this document, however for homes built after 2021 with Government grant the rules are slightly different.

- Leases granted on these homes are for 990 years
- There is a 10 year 'initial repair period' starting from the lease start date. This applies when you have less than 100% share in your home
- You'll be able to claim costs of up to £500 a year from Sage Homes to help with essential repairs. A maximum of one year's allowance will roll over to the following year if unused
- This new lease differs from previous leases as you have the option to buy a 1% share each year for the first 15 years from the date of completion
- The price of the 1% share is based on the original full market value adjusted up or down each year in line with the House Price Index (HPI)
- You can't roll over unused options to buy 1% shares to future years. The offer is limited to a maximum of 1% each year. If you want to take this option or buy a larger share get in contact with Sage Homes.

For more information on buying a Shared Ownership home, please visit sagehomes.co.uk.

Frequently asked questions

When I part-buy-part-rent, what exactly am I buying?

You are effectively buying a leasehold house or flat. However, you are paying rent on the share you don't own.

Can I buy any home on a Shared Ownership basis?

No, Shared Ownership is only available for specific homes.

How much rent will I pay?

This depends on the value of your home and the share you've bought. The annual rent is usually set at 2.75% of the value of the share you don't own. This increases annually as per the terms of your lease (usually RPI + 0.5%).

Who insures my Shared Ownership home?

Sage Homes will provide the building insurance cover. We'll recover the cost of this through service charges. You'll be responsible for arranging your contents insurance.

Can I decorate my Shared Ownership home?

You can decorate your home as you see fit. There may be restrictions on major alterations.

Can I have a lodger or sub-let my Shared Ownership home?

Most Shared Ownership leases don't allow sub-letting. Lodgers are often allowed, as long as you get permission from Sage Homes first.

What is a Shared Ownership lease?

The Shared Ownership lease is a document setting out the rights and obligations of landlord (Sage Homes) and tenant (you).

How many bedrooms am I able to buy?

There's no longer any restriction on the number of bedrooms you can have in your Shared Ownership home.

Can I sell my home in the future?

You can sell your home at any time if you're ready to move on. Your lease will set out how long Sage has to find a buyer for your home. If you're selling through an estate agent on the open market you can simultaneously buy the remaining shares and sell your home outright. This is all done through your solicitors.

The share of your home you're selling must be sold at a value set by an independent valuer.





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