



## Factsheet:

# Low cost home ownership

This factsheet gives outline information on the various low cost home ownership schemes available. Further information is available by visiting our website.

### Help to buy Shared Ownership

This scheme is where you buy a share of a newly built home from a housing association or other housing provider.

The minimum share you can purchase is 25 percent of the value, although a higher percentage may apply on some housing developments.

The housing association or housing provider will hold the remainder of the equity and a subsidised rent is payable on the share you do not own.

### Help to buy Equity Loan

Help to buy Equity loan is a Government supported scheme which gives you the opportunity to buy a new home with the assistance of a loan for up to a maximum of 20% of the full purchase price of the property. You will need to fund the remaining amount of at least 80% by obtaining a mortgage. The equity loan will be placed as a charge on the property.

The equity loan has no fee for the first five years. At the start of year 6, a fee equalling 1.75% of the original equity loan amount is collected. This fee will increase yearly.

Further information can be obtained from Radian who are the Help to Buy agent for the area see: [www.helptobuysouth.co.uk](http://www.helptobuysouth.co.uk) or telephone 0800 456 11 88.

### Resale of existing shared ownership dwelling

This involves a property that has previously been bought on a shared ownership basis. With the agreement of the housing association who owns the freehold, you purchase the share owned by the present occupier for the open market value at that time.

## **Discounted market housing**

This enables you to purchase a property at a fixed percentage of the open market value which is generally between 60 and 70% depending on the development.

You own the freehold of the property but you can only ever receive the original percentage of the market value when you decide to sell. This ensures that the property is always worth less than normal market value and therefore remains affordable. There is no rent to pay and a housing association is not usually involved.