

**Conveyancing
steps...**

**A step by step guide
to buying your
New Build
HomeBuy home
(formerly called
Shared Ownership)**

**...through to
completion**



Affinity Sutton



There's nothing quite like the thrill of the moment when you first walk through the door of your new home. At last you own it, the new home you have thought about and planned for so long.

This leaflet aims to provide a useful guide to anyone purchasing a New Build HomeBuy (formerly called Shared Ownership) home with the assistance of a Housing Association.

New Build HomeBuy?

Until recently, the part buy/part rent scheme described was called Shared Ownership. It is now called New Build HomeBuy but the principles are similar.

New Build HomeBuy is an affordable home ownership scheme that allows you to buy a share of a property (usually between 25-75%) and pay subsidised rent to a Housing Association on the remaining share.

Buying a home is complicated, time consuming and likely to be the single biggest financial transaction you'll ever make. This leaflet assumes that you have reserved a new build or resale property. It details the different stages of purchasing a home and some of the jargon you may come across.

In order to proceed, you will require access to savings of at least £3,500 and maybe more, depending on the amount of Stamp Duty Land Tax payable.

Professional advisers

You will need the services of a number of professional advisers. In this section we explain their roles.

The solicitor

Most people use a solicitor or licensed conveyancer to conduct the detailed work required to transfer ownership of a property. Solicitors or conveyancers must be properly insured, which in theory means that you should have some comeback if things go wrong.

Your solicitor or conveyancer will charge you for their work and any costs incurred on your behalf (called disbursements). It is always recommended that you choose a professional who has significant experience in New Build HomeBuy or Shared Ownership as this should save considerable amounts of time and expense.

Do stay in regular contact with your solicitor so that you are fully informed of the progress of your purchase.

The mortgage lender

If you are purchasing your home with a mortgage, then you will have to arrange this.

Under the Financial Services Act, we are not able to offer financial advice or arrange mortgages.

We recommend that you contact an Independent Financial Adviser (IFA) experienced in arranging New Build HomeBuy or Shared Ownership mortgages. Their service is often free and they deal with many lenders who lend on these properties and are not tied to any building society or bank. They can also advise you on other financial products.

Some mortgage lenders will lend 100% mortgages for New Build HomeBuy, so it may not be essential to have a deposit.

Do check that any lender recommended has direct experience of New Build HomeBuy or Shared Ownership, as not all lenders will lend on this basis. We only accept mortgages from high street lenders such as banks or building societies and may challenge unusual terms such as high interest rates, type or length of mortgage. We will not accept 'interest only' mortgages. If you are uncertain about the lender or mortgage, please contact us before making any commitments.

The surveyor

When you have chosen your property, your mortgage lender will instruct a surveyor to inspect and value it. You will be asked to pay for this when you apply for the mortgage.

The mortgage offer

Two or three weeks after the inspection of the property, you should receive your mortgage offer, a copy of which must be sent to us for approval.

You will not be allowed to have a mortgage greater than the value of the share of the property that you are purchasing.

Conveyancing steps

Conveyancing is the process of transferring ownership of land from one person to another. It is a complicated process and can take up to 12 weeks between agreement of sale and moving in. With new properties, six weeks is more usual.



Your solicitor will contact the seller's solicitor and ask for information such as:

Property information form – a questionnaire giving details of boundaries etc.

Details of fixtures, fittings and contents - telling you what is and is not included in the sale e.g. carpets, white goods etc.

Title deeds – showing that the person selling the property owns it and advises of any rights or obligations that affect the property e.g. a lease.

Contract – drawn up by the seller's solicitor, it sets out the terms of the proposed agreement including names and the price.

Lease – outlining any conditions, restrictions and financial responsibilities.



Your solicitor will carry out a number of searches. The Local Authority search outlines proposed changes to the local area and whether any planning applications have been made on the property. If the property is in a mining area, then the solicitor will also carry out a mining search. There are also environmental and drains searches.



Your mortgage lender will instruct a survey/valuation of the home which you will need to pay for.

You need to agree to the contract based on the searches and surveys you have carried out.



4
Mortgage Offer

If you are buying with a mortgage, you need to get the mortgage offer on the specific property from the lender (not just an agreement in principle). Once you have received the offer, send Affinity Sutton a copy so that it can be approved.



5
Exchange of Contracts

You are now ready to agree an exchange of contracts and a completion date (when the home becomes yours). At exchange of contracts you may need to put down a deposit. If you withdraw from the sale, the deposit is non refundable. The minute you exchange contracts, the sale is set in stone – you must buy it at the price stated and the seller must sell.

6
Completion

You will now be required to sign a purchase deed and your solicitor requests the mortgage funds from your lender. They will also conduct a final search at the Land Registry. If there is any outstanding balance, you will need to pay this to your solicitor at this time. This includes:

Stamp Duty Land Tax, a government tax levied on the purchase price of the property. Under New Build HomeBuy, you have two options regarding payment – ask your solicitor to explain these to you.

You will need to pay **rent and service** charges in advance to Broomleigh, Downland or William Sutton. This will include rent for the remainder of the month in which you complete plus one month's rent in advance. After that, your direct debit payment will be on the same date each month.

You will also need to book your removal van, contact the local authority to register for payment of council tax, contact the utility companies and get your post re-directed.

7
Moving Day

Your solicitor hands over to the seller's solicitor the remainder of the purchase money (buying price less deposit) and in return your solicitor receives:

The transfer document showing that the home is now transferred to you. This is sent to the Land Registry.

The title deeds prove that you own the property. These are forwarded to your lender if you have a mortgage. If you don't have a mortgage you must keep the deeds in a safe place such as your bank.

Congratulations! You can now collect the keys and move in!



After you have moved in..

Our service doesn't stop when you move in to your new home. You will be given a specific person to contact if you have any problems or queries.

Home improvements

You must ask for Broomleigh, Downland or William Sutton's permission before you proceed with any major improvements to the property. General maintenance/repair and redecoration do not require our permission. Remember to keep all receipts for work completed as you may need to produce these when you sell the property or purchase more shares.

Re-mortgaging

At some stage, you may be able to secure a better repayment plan for your outstanding loan by changing mortgage lenders. However, you may not borrow more than the original cost of the property and you will not be able to consolidate loans into the mortgage.

Arrears

Under New Build HomeBuy, you will be paying monthly mortgage repayments and monthly rent. It is important not to get into arrears on either payment as this may result in repossession of your home. If you have difficulties paying the mortgage, you should contact the mortgage lender. If you have problems paying the rent, you should contact your nominated person at Broomleigh, Downland or William Sutton.

Further advances or loans

These are not normally agreed unless they are to be used to acquire further shares of the property or to carry out essential repairs or maintenance.

If you would like a further advance, please contact us for approval. You will be required to pay for a valuation to ensure that there is sufficient equity in the property.

Increasing your share of the property (staircasing)

You usually have the right to increase the share you own in your property. You may increase your share in minimum tranches of 10%.

You will have to pay for the valuation of your home. It will be valued with and without any improvements undertaken. Provided that we have agreed these improvements, then you can purchase the additional share at the price excluding the value of the improvements. You do not receive the actual cost of the improvements; only the value that they have added to the property.

Selling your property

The lease agreement generally states that we have a period of time in which to find a suitable buyer for your share of the property. You will be required to pay for an open market valuation of the property and, possibly, our selling fee. If we are unable to find a buyer, then you may place the property with an estate agent. You will be responsible for their fees.

Affinity Sutton is one of the largest providers of affordable housing in England. Affinity Sutton provides services for Broomleigh, Downland and William Sutton Homes.

This information is available in large text or on audio tape. It can be translated into another language on request. If you require this service please contact us.



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