



Your guide to buying a Shared Ownership home with us



Let us introduce ourselves

Riverside Home Ownership is the specialist leasehold division of The Riverside Group Limited, one of the leading Registered Providers of Social Housing in the UK.

The Riverside Group owns or manages over 50,000 properties nationwide.

Riverside Home Ownership part owns and manages over 4,000 homes across the country, from houses and flats in residential suburbs, to city centre apartments, as well as developments specifically for older people.

Since 1985 we have been the experts in building and selling affordable homes through a range of government backed home ownership schemes, including Shared Ownership.

But it doesn't end there - as leasehold managers, we also provide and manage a host of services such as gardening and cleaning to our 100% owned and shared owner leaseholders.

We also manage and let a smaller number of properties for 'market rent' and discounted 'intermediate rent'.

Helping people take their first step onto the property ladder is a vital part of our aim to transform people's lives and build strong, lasting communities.



What is Shared Ownership?

Shared Ownership helps you get a foot onto the property ladder. You part-buy a property, say 50%, and pay a monthly rent and service charge to us on the remainder.

Because you need a smaller mortgage and pay a reduced rent, the monthly costs are cheaper than buying outright.

Can I own my home outright?

In most cases you can buy the rest of your home from us in the future and eventually own 100% of your property.

Some of our homes for people over the age of 55 or in rural areas have the maximum shares limited, to keep the home as an affordable property for future generations.

Am I eligible?

You're likely to qualify if:

- you are a first time buyer
- you're currently a housing association or council tenant
- you are buying for the first time after a relationship breakdown
- your household income is less than £80,000 a year
- the monthly mortgage, rent and service charge payments on the property are less than 45% of your household income after tax.

Some other restrictions may apply on certain properties such as a local residency requirement or minimum household size.

What else do I need to know?

Read through the rest of our guide to find out more details.

If you buy, you should also ask your solicitor to explain the lease conditions so you know exactly what you will be responsible for, such as repair obligations and ongoing charges.



Buying one of our brand new homes step by step

Buying a home can seem daunting but we're here every step of the way to make it a breeze.

If you're buying a brand new home from Riverside Home Ownership, here's how it works.

Complete an application and send us the appropriate supporting evidence.

We'll ask for copies of your last 3 payslips, last bank statement and photo ID.

We will carry out a financial assessment and confirm if your application has been approved.

Once approved, you can reserve your property with a reservation fee of £350.00.

Your reservation fee secures the property while the sales progresses and the £350.00 will be deducted from the monies taken on completion of the sale. If you withdraw from the sale, the reservation fee is non-refundable.

When you have reserved your chosen property, you must appoint a solicitor to act on your behalf and make your mortgage application.

We can give you details of Independent Advisors who can help you to obtain a mortgage, but you can use your own if you like.

Once we have your solicitor's details, we will instruct our own solicitor. They will issue the legal documentation to your solicitor.

Your solicitor will carry out local searches and make legal enquires on your behalf. Riverside's solicitor will respond to their enquiries.

Make sure you keep in touch with your solicitor regularly and that they explain to you the lease and responsibilities you are taking on.

We can give you some questions that you should ask your solicitor.

The legal process may take around 6-10 weeks, although this depends on solicitors, so could be quicker.

We recommend that you keep in regular contact with your solicitor to ensure that your purchase progresses as quickly as possible, whilst we do the same on our side.

Solicitors exchange contracts and agree a completion date for the sale.

This can be on the same day. On the day of completion your mortgage monies are transferred to Riverside and you become the leaseholder of the property.

You can move into your new home on completion day!

We're here from the minute you find one of our homes until the day you move on.

Resale shared ownership homes

If you're buying an existing shared ownership home, the process is similar but different - you are buying your share from the existing owner rather than from us.

Often, these 'resale' homes will be advertised by local estate agents in the same way as any other home. The estate agent or the seller will arrange viewings with potential buyers.

If you wish to buy, you must complete an application and return it to Riverside Home Ownership with the appropriate supporting evidence, in order for us to approve you as a purchaser.

We'll ask for copies of your last 3 payslips, last bank statement and photo ID.

We will carry out a financial assessment and confirm if your application has been approved.

Once approved, you can make your offer to buy the property, usually through the estate agent.

We will also confirm to the seller that you have been approved by us.

When you and the seller have agreed the sale, you should appoint a solicitor to act on your behalf and begin your mortgage application.

Your solicitor will carry out local searches and make legal enquires on your behalf with the seller's solicitor.

Riverside Home Ownership is also involved and we will deal with both solicitors during the sale.

The time the legal process takes with resale properties can vary, depending on whether the person you are buying from is part of a 'chain'.

We recommend that you keep in regular contact with your solicitor to ensure that your purchase progresses as quickly as possible.

Solicitors exchange contracts and agree a completion date for the sale.

On the day of completion, your mortgage monies are transferred to the seller and you become the leaseholder of the property.

You can move into your new home on completion day!



Frequently Asked Questions... with answers!

These are the questions we get asked the most. If there's anything else you need to know, we're always here to help - just drop us a line.

Why can't I choose the share I want to purchase?

We are regulated by the government's Homes and Communities Agency who provide us with grants to help us build affordable homes. We must follow their rules and guidelines. This means that prospective owners of new properties must purchase the largest share that they can comfortably afford to. For resale properties, the share options available depend on the share that is for sale by the current owner.

Can you help me to arrange my mortgage?

We can put you in touch with a panel of independent financial advisors who will be able to help you find a suitable mortgage, but you are free to choose your own suitable advisor.

Can you recommend a solicitor?

We can provide you with a list of solicitors who understand how shared ownership and leasehold works, and a list of questions that you should ask them. You can choose any solicitor you wish.

What will my solicitor do?

Your solicitor will deal with the conveyancing for you and should explain the lease to you so that you are fully aware of your responsibilities and what you are purchasing. It is important that you fully understand exactly what you are buying in to.

Why does Riverside have to approve my mortgage?

We have to make sure that you are not borrowing more than the value of your share and confirm that the monthly repayments are affordable. Mortgage lenders also require us to have given our approval as part of their conditions of lending for shared ownership.

Why do I have to pay rent?

As you own only a share of the property, you must 'rent' the remainder from Riverside. The rent you pay is usually reduced, meaning the total monthly cost of a shared ownership home is less than if you had a mortgage on the whole of the property. The rent we receive goes towards repaying the cost of developing your property and may also help us to finance the cost of building more new homes.



What is a service charge and what does it cover?

The cost of any additional services that we provide to your home is paid for by the residents on the development through a service charge, usually paid monthly.

The amount and what it covers depends on the development but normally includes buildings insurance, our management fee and the cost of communal area services such as gardening and repairs.

Where service charges include more than buildings insurance and management fees, you will receive an annual budget and set of accounts to show how this money has been spent.

What is the management fee for?

The management fee covers Riverside's costs for running your rent and service charge account, provision of a Service Delivery team and some of our support services, including access to our Customer Service Centre, open 24 hours a day, 365 days a year.

Who will carry out repairs to my property?

Riverside Home Ownership do not have any responsibility for internal repairs within the majority of individual properties. These are generally your own responsibility.

Houses

If you live in a house it is unlikely that we will be responsible for any repairs inside or outside of the property. You are usually responsible for all external and internal repairs.

If you live in a house that forms part of a scheme with shared services however, such as a car park or gates, you will contribute towards the upkeep and repair of these facilities via your service charge. Riverside will be responsible for organising any related repairs.

If you contribute towards 'cyclical' repairs then Riverside may be responsible for the redecoration of such things as the outside of your house or communal gates. This work will be carried out every 5 years or so, depending on your lease. You will contribute to these costs through your service charge.

Flats

Riverside's repair responsibilities are usually confined to the main structure of the building and internal and external communal areas.

Remember, this is just a guide.

Your individual lease will explain in detail restrictions, obligations and responsibilities.

You must read it carefully and should seek your own independent legal advice before signing.

Frequently Asked Questions... continued

Can I sublet my property?

Shared ownership properties cannot be sublet.

Shared ownership is intended to help people buy a property of their own who wouldn't otherwise be able to afford it, and for the property to be their principal home. The public money which helps provide the property cannot subsidise any personal gain of the home owner. If you have to be away from the property for an extended period of time, you should contact us to discuss your circumstances.

Can I have pets?

Your lease will tell you whether you can keep pets in your home and may even specify the type of pets allowed.

If you live in a house, it is more likely that you are able to have pets as long as they do not become a nuisance to other residents.

If you live in an apartment, restrictions are often in place.

Your lease may specify that you need to request permission from Riverside if you wish to keep a pet.

Can I make improvements to my home?

If you wish to carry out some decorating such as painting or putting up shelves, then you won't need our permission. If you're thinking about changing your bathroom or building an extension, then you'll need to contact us first to talk it through, and fill in one of our Home Improvement Request forms.

All authorised improvements to your home would be carried out at your own cost and would be subject to the applicable building regulations and planning permissions.

What are selling & administration fees?

The cost of some services that we must provide under your lease are not paid for through the regular service charge.

We will always provide you with details of any administration fees 'up front'. These charges cover our costs for providing the service, and a full list is available upon request.

For example, when you sell your home, there is certain work which we are obliged to carry out as your landlord. We deal with many elements of a resale including approving valuations, assessing purchasers, liaising with solicitors and responding to enquiries, calculating and collecting charges and granting our consent to the sale that is required under the terms of your lease.

There may also be charges for us supplying duplicate copies of information we have already provided, such as service charge accounts.

How can I pay my rent and service charge?

You can choose to pay your rent and service charge by monthly Direct Debit, standing order, or by credit or debit card online or over the phone. You can also use your Allpay card to pay over the counter at a Post Office or any PayPoint outlet, or send us a cheque by post.





An A to Z of what it all means

You'll hear many of these terms used when buying a property. This guide covers most of what you'll need to know.

Administration Fees

Fees are charged by Riverside Home Ownership when you come to buy and sell your property and for certain other services we provide that are not included in your regular service charge. The resale fees cover our costs for handling all elements of the sale including approving valuations, assessing purchasers, liaising with solicitors, calculating and collecting all charges and granting our consent to the sale, which is required under the terms of your lease.

Affordability Check

Riverside will carry out an assessment of your finances to see if you can comfortably afford to buy a property. We look at your monthly income (after tax) and your monthly outgoings; this information is then compared with the estimated monthly mortgage repayment, rent payment and service charge costs. This total cost must be below 45% of your monthly income after tax to be approved.

You can use our online affordability calculator at www.riversideho.org.uk to give you an idea.

Agreement in Principle / Decision in Principle

This is an indication from a bank or building society of how much they may lend to you before they complete the formal application process for a mortgage. For example, you can ask a mortgage lender for a decision in principle to tell you roughly what you will be able to borrow before you start searching for a property to buy. This makes it easier to work out what you can afford and what options are realistic for you.

Building Guarantee

Our properties come with a 10 year guarantee from the build completion date, not the date you move in. This is often called an 'NHBC Warranty' or similar, and covers the structure of the building against major defective problems.

Buildings Insurance

Where Riverside provides buildings insurance, the cost of this is covered in your service charge. It is insurance for the structure of the building only, which is often required by your mortgage lender. You will need to arrange your own contents insurance separately.

Completion

Legal completion is when the solicitors or legal representatives from both the buyer and seller complete the sale transaction and the seller receives the money from the buyer. It is at this point that the purchaser becomes the legal owner of the property. You can normally move in on the day the sale completes.

You'll be in the hands of experts along the way - your solicitor, mortgage advisor... and us!

Conveyancing

This is the term for the legal process involved in buying a property and transferring ownership from the seller to the buyer. This is usually carried out by a solicitor or licensed conveyancer who should check up on every legal aspect of the property. They should ask the seller's solicitor any questions about rights of way, neighbours, boundaries or drainage issues etc.

Depending on the replies, your solicitor will advise you to continue with the transaction or hold off until further information has been received. Your solicitor will also carry out investigations with the local authority and local searches, to find out if there are any matters which might affect your decision to proceed with the transaction, such as proposed new developments around the property.

Credit Check

Your financial advisor and mortgage lender will check the files of a credit reference agency to determine your suitability for a mortgage. This will involve looking at any loans or credit agreements you have with other companies and whether you have been keeping up with the repayments.

Defects

Brand new properties we sell come with a 'defects period', during which time you can report to us any items of defective workmanship or defective materials. We will arrange for the builder to come back and put these items right, and then sign off the property to make sure you are happy with it at the end of the defects period. This usually lasts for 12 months from the date the property was built, but can vary. We will give you details of the defects period on a property before you move in.

Exchange of Contracts

This is the point in the sale transaction when the purchaser and seller agree to sign contracts prepared by the solicitors and a deposit will be paid by the buyer to the seller. The contract is legally binding and obliges the seller to sell the property, and the purchaser to buy it.

Compensation may be payable if either party pulls out after this point. Exchange of contracts can often take place on the same day as completion on new build properties.

Extra Care

Some of our homes form part of an 'extra care' development, usually for people aged 55 and over. These homes are designed for people who can live independently, but need some support on-hand. Additional services are usually provided and paid for through the service charge, such as on site staffing and helplines.

Freehold

'Freehold' means that the property and the land it is built on are the owner's. Under Shared Ownership, Riverside often owns the freehold; we sell the property to you on a leasehold basis by means of a shared ownership lease.

Income Reference

Most lenders will ask for proof of income, as part of your mortgage application - usually your last three months' wage slips and a P60, and possibly three months' bank statements. They will also occasionally write to an employer for confirmation of income, length of service and pay structure. For self-employed applicants, 2 years accounts will usually be required and very often a reference from the accountant.

Independent Financial Advisor (IFA)

IFAs are professionals who offer independent advice on financial matters to their clients and recommend suitable financial products from the whole of the market. They will carry out a details assessment of their client's financial position and requirements and help find a suitable mortgage. You should check with the IFA what their fees will be before you begin.

Lease

The lease is the legally binding document setting out the terms of ownership and the legal rights and responsibilities of both the leaseholder (you) and the landlord and/or freeholder (usually Riverside). It is essential that you read and understand the lease before you commit to buying a property and that you ask your solicitor to explain it fully to you.

Lease Extension

When a brand new shared ownership property is sold for the first time, it is on a lease which usually runs for 125 years. When the property is sold again, the new buyer 'inherits' the remaining years rather than receiving a new 125 year lease.

When the lease runs down to around 70 years or less, it may cause difficulties obtaining a mortgage on the property. With Riverside's agreement, you may extend the 'term' of the lease to increase the number of years remaining. The leaseholder is responsible for the cost and all legal fees associated with extending the lease.

Leasehold

This is a form of property tenure where the leaseholder (you) own only the right to occupy the land or building for the length of the lease – the 'bricks and mortar' are still owned by the landlord or freeholder. Generally, all flats or apartments are leasehold, although some houses can be too. All shared ownership properties are normally sold on a leasehold basis.

Leasehold Scheme for the Elderly (LSE)

Some of our retirement properties are available through the LSE scheme specifically for people aged 55 and over. The leaseholder pays 70% of the open market value to purchase it and pays a monthly service charge. The remaining 30% is a 'locked in' discount – the idea behind the scheme is to retain a supply of homes for older people at an affordable price.

Management Company / Managing Agent

Some services to a building or development may be supplied by a third party management company, for example if Riverside does not own all of properties within a development. Charges for their services will usually be included in the shared ownership service charge collected by Riverside, but some may be payable directly by the leaseholder.

Mortgage

A mortgage is a loan from a bank or building society to purchase a home and is secured against the property itself. Riverside must approve your mortgage to check that it is affordable and that it is not for an amount greater than the value of your share. Your mortgage cannot be longer than 35 years and should not usually take you past retirement age. Your home may be repossessed if you do not keep up repayments on your mortgage.

Repairs Obligations

All properties need some general repairs from time to time. Usually under shared ownership, you are responsible for all the repairs to your property, like any other home owner. If you live in an apartment or on a development with shared areas such as corridors or a car park, it is usually Riverside's responsibility to arrange maintenance of these areas. The cost of communal repairs is shared by the residents and collected through the service charge. Details of who is responsible for which repairs are detailed within the lease of an individual property.

Resale Property

Shared ownership resale properties are existing homes already held in shared ownership that are being sold by the current resident, rather than from new by Riverside.

Reservation

When buying a new home from Riverside, you will be asked for a reservation fee to 'reserve' or secure your chosen property whilst the sale proceeds. The fee is usually £350.00, and the reservation period is usually 4 weeks. We will not offer the home to anybody else during the reservation period. In that time, you must demonstrate that you are able to continue with your purchase by providing all the supporting documents that we need. Within the reservation period you should have begun your formal mortgage application and be ready to instruct a solicitor.

If you change your mind after solicitors have been instructed, Riverside will have to retain your reservation fee to cover the costs we have incurred.

Scheme

Riverside may refer to your home being part of a 'scheme'. A scheme is another word for 'development' and is usually a self-contained group of houses or apartments that we manage.

Service Charge

Service charges apply to most shared ownership properties. The charge usually covers buildings insurance and a management fee. If your home receives services such as the maintenance and cleaning of communal areas, gardening or lift maintenance, the cost of these will also be included. Where the charge is for more than a management fee and insurance, you will receive an annual set of accounts to show how the service charges on the development have been spent.

Shared Ownership

You buy a share in a home and pay rent and service charge to a housing association for the remaining share they still own. Shared ownership is a government backed scheme aimed at helping people who want to become homeowners but cannot afford to buy a property outright on the open market in their local community. It is a stepping stone to eventually owning your home outright as you can usually buy more shares of the property in the future.



Sinking Fund

A sinking fund is money set aside for the replacement of major components on an individual development such as windows or a roof.

Rather than collect an amount each month to cover these costs through the service charge, many leases require a sinking fund payment to be made when you sell the property. The lease will state how this amount will be calculated, but it is usually based on a percentage of the sale price and how long you have owned the property. Some developments do 'pay as they go' by making a contribution to the fund through the service charge.

A sinking fund is necessary to ensure that the costs of major renewals and replacements are paid equally by all generations of residents. The provision of such a fund also maintains the value of your asset, with any new purchasers feeling reassured that sufficient money has been set aside for the future and they will not be expected to bear the full costs of major repairs.

The money in the sinking fund is held in trust in an interest-bearing bank account on the development's behalf. Riverside Home Ownership does not benefit in any way from the sinking fund.

Staircasing

After your initial purchase you can usually buy further shares in your home. Many of our properties can eventually be bought outright. This is called 'staircasing'. The extra share you buy could be 10%, 75% or somewhere in between, depending on your lease. The price of the extra shares is determined by a market valuation taken at the time you wish to buy them.

You will need to pay for a RICS valuation (carried out by a surveyor with a Royal Institute of Chartered Surveyors qualification) and Riverside's fees, as well as your own legal fees when you staircase. Where Riverside is the freeholder of a house property, this will usually be transferred over to you when you buy out to 100% ownership.

Stamp Duty Land Tax (SDLT)

Stamp Duty is a government tax payable when you purchase a property. Different terms can apply on shared ownership properties and in different parts of the country. You should speak to your solicitor who will advise you what you will have to pay, if anything.

Supporting Documents

We request 3 months' wage slips, a recent bank statement, photographic proof of ID, proof of any other income and proof of savings. If you have a house to sell, we will also ask for evidence of your offer of purchase and what money you are likely to receive when it sells. We use this information to assess whether the new property you are buying is affordable and that it supports the information you have given us on your application.

Survey / RICS Survey

All surveys and valuations must be carried out by a surveyor who is a member of the Royal Institute of Chartered Surveyors (RICS). This is often a requirement of the lease and is common practice with shared ownership.

**We're here for you
every step of the way.**

**If you have any questions,
no matter how small,
just get in touch.**

Countdown to moving in day

Use this handy checklist to help you remember all the important things as you get ready for your move.

4-6 weeks to go

- ☐ Organise how you will move your belongings and arrange a removal firm if needed
- ☐ If you rent your current home, give notice to your landlord
- ☐ Find a new dentist, doctor and optician if you're moving to a new area

3 weeks to go

- ☐ Arrange contents insurance for your new home
- ☐ Plan your packing, throw away or donate to charity anything you no longer want
- ☐ Start collecting packing boxes – ask family and friends!
- ☐ Contact your solicitor for an update

2 weeks to go

- ☐ Arrange for your post to be re-directed
- ☐ Make a list of everyone you need to tell about your change of address. Here's a start:

Friends and family

Bank and credit or store card companies

Utility providers

Car insurance and finance companies

DVLA

Your employer

TV licensing

Benefits agencies

Telephone, mobile phone and internet providers

- ☐ Contact your solicitor for an update



1 week to go

- ☐ Confirm moving arrangements with your removal firm
- ☐ Pack your non-essential items
- ☐ Cancel any deliveries – milk, newspapers etc.
- ☐ Make up a tool kit with screwdrivers, pliers, a hammer, light bulbs etc. and keep it handy for the move
- ☐ Put aside essentials to be packed last such as bedding, night clothes, toiletries, tea and coffee, toilet rolls and cash
- ☐ Make any arrangements for children and pets
- ☐ Contact your solicitor for an update

The day before

- ☐ Make sure Riverside Home Ownership have your contact mobile number
- ☐ Confirm everything is set for tomorrow with your solicitor
- ☐ Check on final arrangements for leaving your old home such as returning your keys or collecting your rental deposit

Moving day

- ☐ Check with your solicitor that completion is set and your monies are all in order
- ☐ Confirm everything with your removal firm
- ☐ Check that you have left nothing behind as you leave your old home
- ☐ Collect your new keys and begin moving in!

A little extra help

To help you along the way, we've put together this list of places where you can find even more information.

www.riversideho.org.uk

The Riverside Home Ownership website explains all of the different affordable housing options and properties that we have available, and how the schemes work.

www.homesandcommunities.co.uk

The Homes and Communities Agency is the government body which oversees providers of social housing and housing associations. The HCA website gives detailed information on the Shared Ownership scheme and eligibility.

www.lease-advice.org

The Leasehold Advisory Service is a government funded source of free information for leaseholders, landlords and professional advisors covering a range of leasehold related matters.

www.arma.org.uk

The Association of Residential Managing Agents is the trade body for residential leasehold management organisations. Their website has lots of useful information on the management of leasehold homes for residents.

www.moneyadviceservice.org.uk

Set up by government, the Money Advice Service offers free, impartial advice and help planning your finances.

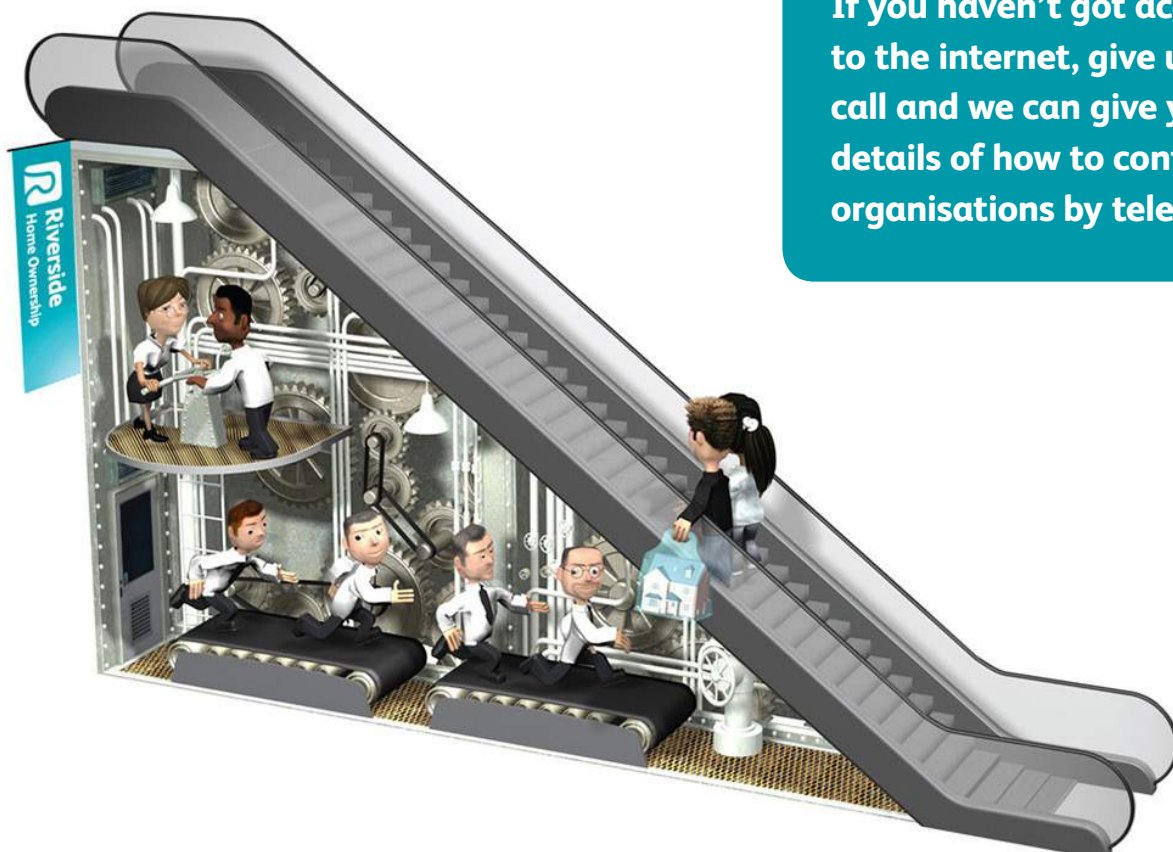
www.lawsociety.org.uk

The Law Society is the independent professional body for solicitors. Their website can help you find a suitably qualified solicitor near you as well as give some general advice on buying property.

www.gov.uk

Gov.uk is the one stop website for public and government services. Find information on a vast range of issues including housing options, benefit entitlement and more.

If you haven't got access to the internet, give us a call and we can give you details of how to contact organisations by telephone.





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Riverside Home Ownership is a trading name of **The Riverside Group Limited**.

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