

Useful Information for Shared Ownership Buyer



Over years of dealing with shared ownership purchases, below are a few of the questions we have found clients ask on a regular basis. This information sheet is aimed at helping answer these questions for you however, if you have any other points you would like to talk through, we are happy to discuss these with you either on the phone or via email.

Will I need to attend your offices during the purchase?

Whilst we enjoy meeting our clients we appreciate that many people do not have time to attend our offices. As such, we can deal with all matters via post, email and telephone calls. If you would like to attend our offices to discuss any points there is no additional charge for one-to-one meetings and we are happy to do this, you will not need to attend the offices unless you wish to.

How long does a typical property transaction take?

Unfortunately, this is a question that no one can answer. A standard shared ownership purchase usually takes between 6-10 weeks from us receiving the contract papers. However, please note that this is a very general timescale and every transaction is individual, some are quicker and some are slower. We can assure you that our team at Attwaters Jameson Hill will be doing everything they can to make the transaction complete as soon as possible.

The process is generally a little longer if you are buying from a private seller and not directly from the housing association.

How much deposit will I have to pay and when?

The deposit will be agreed with the Housing Association when you reserve the property. Normally, a 10% deposit is required, however often housing associations will reduce this.

We will require these funds are cleared in our bank account prior to exchange of contracts. Prior to receiving these funds we must receive a copy of your bank statement confirming the location of these monies in a UK bank account. When returning the signed paperwork kindly also forward a copy of your bank statement. We can then release our bank details to you for the transfer of the deposit monies.

I currently live in a rental property, when should I give notice to my Landlord?

Until contracts have been exchanged, your purchase and completion date are not legally binding. As such, we strongly advise you not to give notice on your current rental property until contracts have been exchanged for your purchase. We understand that you will want to avoid an overlap of paying both rent and mortgage and we also understand that you will want to complete your purchase as soon as

you can, however, if you give notice to your Landlord prior to exchange there is a realistic possibility that your purchase may not complete on the date you had in mind and you could then find yourself having to move out of your rental property before you can move into your purchase property.

What if I change my mind and no longer want to buy?

You can withdraw from the purchase of the property at any time before exchange of contracts. You will lose any money spent on surveys and searches. After exchange of contracts both parties are legally obligated to complete the sale/purchase. If you are unable or unwilling to complete your purchase you will be liable to the seller for payments of interest in accordance with the contract for the delay, you will also forfeit your deposit and may also be liable to a claim from the seller for any financial losses they may have suffered as a result of your failure to complete the contract. Please also note that if you paid less than 10% of the full purchase price at exchange as a deposit you are liable to pay the seller the difference between the deposit paid and 10% of the purchase price immediately. It is therefore essential that you ensure you are able to proceed to completion of your purchase before instructing us to proceed to exchange of contracts.

How do you receive our mortgage monies?

We always request, directly from your lender, the release of the mortgage funds for the day prior to completion to ensure the money is in our account for the morning of completion. We submit our request to the lender prior to exchange to ensure that the lender will release funds to us for completion. Once we submit our request, your lender undertakes their final checks and will confirm to us if the mortgage advance will be available for completion.

When do I pay you the balance of money to complete my purchase?

We will forward you a draft completion statement at exchange of Contracts. We will require all monies from you in our account the day prior to completion. Most clients use a bank transfer to our bank account to pay these monies however we can accept a cheque. Please note, that a personal cheque takes 10 working days to clear into our account and we cannot use these monies until the cheque has cleared. We are unable to accept this payment by card.

What happens on completion day?

On the day of completion, we transfer the purchase monies to the sellers solicitors bank account using a same day transfer. The sellers solicitors will not release the keys to you until they have received the money. Most sales complete between 12 and 2, however this is completely dependent upon the bank system. Once we have asked our bank to send the money to your sellers solicitors, we have no control over how long the money takes to be received at their bank.

Do I have to pay Stamp Duty Land Tax?

Depending on your purchase price, there are two options which are available in respect of SDLT for shared ownership leases.

Option 1

You can opt to pay SDLT at the time of your purchase for the full value of the property.

Option 2

You can opt to pay SDLT on the share of the property you are buying. If you, at a later date, decide to purchase more of the property SDLT will become payable on any payment on the premium paid at completion.

SDLT may also be payable in respect of the rental element payable to the housing association.

Once we have the details of the Lease we can check the amount of SDLT payable and also apply any exemptions which may be applicable at the time.

What happens after completion?

Once we have completed on your purchase we will make the payment for Stamp Duty Land Tax on your behalf and register the property into your name(s) together with your lenders legal charge over the property. Once this has been done we will inform you and your mortgage company and the registration is complete.

Please note the original land certificate will be retained by the Land Registry but we will forward a copy of the same to you for your records. Please also note that the registration can take some months to complete and you will be unable to sell or remortgage the property until registration has been completed.

Sheri-Anne Mizon, a partner in our Loughton conveyancing department has over 10 years' experience of acting for clients in the purchase of shared ownership properties.

For further information, call Sheri-Anne on 0203 871 0007 or email sheri-anne.mizon@attwaters.co.uk.