

SHARED OWNERSHIP WEEK 2023

On the ladder:
Ana Fernandes and Diogo Daniel bought a 25 per cent share of a flat at Faber Green in Northolt



How we bought with shared ownership

SHARED OWNERSHIP WEEK
It's the last remaining lifeline for first-time buyers with low budgets — here's everything you need to know about how it works now

RICHARD EATON



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The rise and rise of shared ownership

Plenty of Londoners are struggling to buy on the open market, but there is another option. **Charlotte Duck** explores the ins and outs

Shared ownership has been around since the Seventies but, with a frenetic rental market, rising house prices and lenders tightening their affordability criteria, it's becoming an increasingly popular option.

How does it work?

Shared ownership involves buying a share in a property, usually 25 per cent, although the minimum share was reduced to 10 per cent in 2021, so the share you buy might now be lower. You then pay rent to a housing association or organisation on the remaining value of the property, as well as 100 per cent of the service charge. Instead of having to find a deposit for its full value, you only need to find a deposit for your share. For example, if you want to buy 25 per cent of a £400,000 flat, you would typically need a £5,000 deposit – five per cent of £100,000 – instead of the £20,000 minimum which would be required to buy the property at full price.

You can also choose to pay only stamp duty on the percentage you purchase. Over time you can buy a larger share, known as "staircasing", and work towards owning the property outright. Most shared owners plan to stay for the medium term to allow house prices to increase before selling. They then use this equity to buy a property via the traditional route.

Who's eligible?

In London, there is a household income cap of £90,000 and you can't already own a property. You don't have to be a first-time buyer, though most are. "It appeals to a range of people, from those in their early twenties through to their sixties," says Denise



FABER GREEN

Stewart, sales and marketing director at Legal & General, one of England's major shared-ownership providers.

"We also have people coming out of a relationship who can't buy on the open market on their own," she adds.

Mark Humphrey, of MHC Mortgage & Protection Ltd, says: "Shared ownership [suits] employees on a career pathway who expect a rise in income in the future, which could enable them to buy further shares."

What are the advantages?

Shared ownership is especially useful for those who "don't have the deposit or income to buy a property the traditional way," says Mark.

Denise adds: "The advantages are security and stability over renting. Rents have significantly increased, and many people have been asked to move out by their landlords in the past year."

Shared-ownership properties include everything from family homes in seaside resorts to townhouses in commuter hotspots and Zone 1 flats.



FABER GREEN

It offers security and stability over renting. Many people have been asked to move out by landlords

Take it easy: Faber Green in Northolt, inset left, has a laid-back, suburban feel

What do you need to be aware of?

"Understand the lease and what the maintenance will be; understand what you are paying and why," says Denise. "When you look at bad press [about shared ownership], a lot of it is around leasehold and block management. Ensure you understand who looks after what," she adds.

Ask your solicitors and financial adviser about any queries. The mix of mortgage, rent and service charge can also mean your outgoings are higher than paying a mortgage alone, so do the sums. You also aren't allowed to rent out a shared-ownership property unless there are very exceptional circumstances. "[This] can restrict your options," says Mark.

How do you sell your shared-ownership property?

Initially, the housing organisation will market the property on its portals after it has been valued. It will be able to exclusively market the property during the "nomination period", which tends to be eight or 12 weeks.

"If the housing organisation can't find a buyer, there is usually a provision in the lease that means the property can go on the open market. You need to put extra time for that in your plans as a contingency," says Denise. Once a home is sold, any profit will be split proportionally between the shared owner and the housing organisation.

CASE STUDY

'A new-build is an exciting blank canvas waiting for us to make it our own'

MORTGAGE team leader Ana Fernandes, 27, and estate manager Diogo Daniel, 30, had been saving for three years and were living with family when they decided to take the plunge and move in together. They stepped into Network Homes' Faber Green development in Northolt and knew it was for them.

"It was the first home we had viewed in person, and it happened to be exactly what we were looking for and more, so we reserved it that very same day," says Ana. They bought a 25 per cent share of the £485,000 two-bedroom property, paying just a £6,000 deposit between them.

In December 2022 they moved in, and they haven't looked back. "A new-build home feels like an exciting blank canvas, just waiting for us to make it our own," says Ana.

They have an office space that can be converted into a bedroom if they have guests, and the open-plan living and dining area opens out onto a tranquil rear garden. "I've never been particularly interested in gardening, but now I have outdoor space of my own, I feel inspired to make it as nice as it can be," says Ana.

Faber Green has a laid-back,



Home comfort: Ana and Diogo bought a share of a home at Faber Green, inset

suburban feel, while central London is still easily accessible. "Our new home is ideally located for us in terms of our work commutes, and the wider development has such a relaxed vibe that we absolutely love, especially

when we compare it to the hectic hubbub of central London," says Ana. Northolt Underground Station is a 10-minute walk away, and then it takes just 30 minutes on the Central line to get to Oxford Circus.

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*Based on a 2-bed home at Southmere. See website for more details. Details correct as of 13 Sept 2023.

More than just a place to live



Priced out of your dream location? Pop to these under-the-radar alternatives

If you've been priced out of your dream location, you might well discover an alternative neighbourhood nearby with many of the same attributes — but without as painful a price tag. Whether you want to live in north, south, east or west London, here are some great "next best" options...

If you love Richmond try... Brentford
If you love the idea of living beside the River Thames, roaming in nature and hanging out at waterfront pubs but can't afford affluent Richmond, consider Brentford, which also has river frontages and top-notch open space at Syon Park. Trains from Brentford to Waterloo take just over half an hour.

Admittedly, Brentford's high street is a shabbier proposition than upscale Richmond's, but it does have plenty of useful shops and good restaurants. Lots of new venues are opening along the River Brent too.

Daisy Smith, a marketing manager, used shared ownership to buy her first London home at **The Moorings**, Brentford, after falling for its waterside location. The one-bedroom flat cost £96,250 for a 25 per cent share, and her monthly costs include rent at around £650pcm and a service charge of just over £200pcm, plus mortgage repayments. She picked the location

As the city's hotspots get increasingly costly, **Ruth Bloomfield** suggests nearby neighbourhoods that have just as much to offer — but a far nicer price tag

for its access to open space and commuter links, and has found the area friendly. "In Brentford, you just feel like you're so welcomed by the local people here," says Daisy, 35, who moved into her flat in June 2022. Homes at **The Moorings** (landgah.com/scheme/the-moorings) are now priced from £131,250 for a 25 per cent share of a two-bedroom flat.

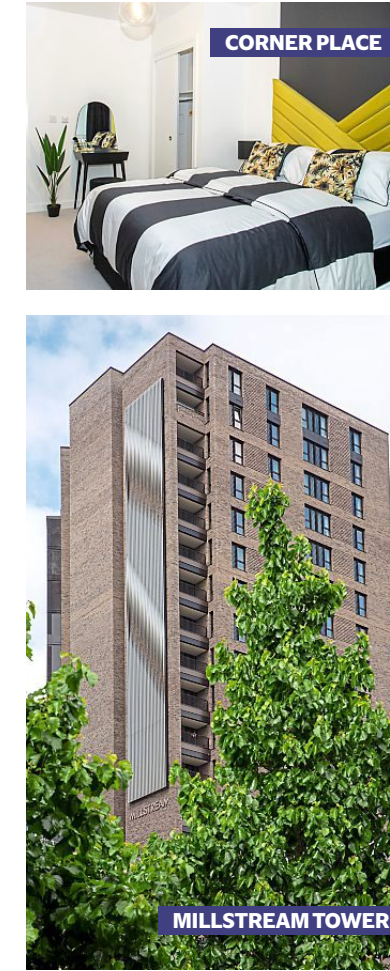
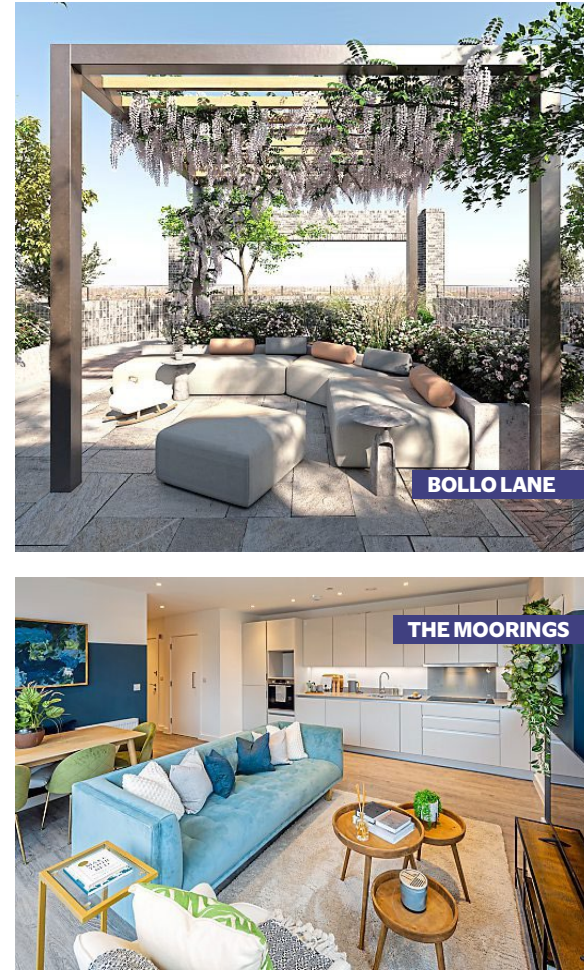
If you love Victoria Park Village try... Bethnal Green
Lazy weekend picnics, brunching in cute cafés by the park, browsing at Broadway Market and nights out in Hackney. Little wonder that Victoria Park Village has become a magnet for twenty and thirty-somethings.

Bethnal Green might not have quite the same hipster vibe, but this swathe of old-school east London is set just west of Victoria Park. This cosmopolitan neighbourhood is only four miles from the West End and less than three miles from the City, and its main streets are full of new cafés, restaurants and independent shops. First-time buyers can move into the

area for less than £120,000 at **Corner Place**, a development by Southern Housing (shnewhomes.co.uk/properties/corner-place). Prices start at £116,250 for a 25 per cent share of a one-bedroom flat.

If you love Walthamstow try... Tottenham Hale
Walthamstow, in the Olympic borough of Waltham Forest, enjoyed an ugly-duckling transformation in the decade following the 2012 games, evolving into a bona fide urban village.

If E17's prices are now beyond your reach, then you could focus your house hunt in N17, which is a pleasant walk away across the Walthamstow Wetlands. Tottenham Hale has long been trailed as one of London's up-and-coming neighbourhoods, and now Related Argent, the developer which transformed King's Cross, has started work on a £500 million scheme to create a new town centre for the area with shops, a cinema, offices and public spaces. It is a commuter-friendly option too, with train journeys from



Northumberland Park to Liverpool Street taking 20 minutes. Tottenham Hale is also on the Victoria line. At **Millstream Tower** (newlonliving.co.uk/properties/millstream-tower) first-time buyers can buy a 25 per cent share of a one-bedroom flat for £87,500.

If you love Earlsfield try... Wimbledon Park
Earlsfield was one of the busiest London property markets during the pandemic-fuelled race for space. Buyers couldn't get enough of its leafy streets, comparatively affordable period homes, green space, transport links and a high street full of bakeries, delis, wine bars and restaurants.

Less than a mile south, there is the option of Wimbledon Park. Although it lacks a real heart, it is close enough to Earlsfield to be able to call that area's amenities its own. It is also up the road from its eponymous park, with its lake and tennis courts, while in nearby Tooting there is a lido and a vibrant street market.

Transport options include Wimbledon Park station, on the District line, and Tooting Broadway station, on the Northern line. Homes at **The Switch** (peabodynewhomes.co.uk/developments/the-switch) have sold well, but there is still a two-bedroom shared-ownership flat available, priced at £141,250 for a 25 per cent share.

If you love Brixton and Peckham try... Loughborough Junction
Loughborough Junction's location halfway between these two south London stars makes it a real contender for first-time buyers who love their nightlife, coffee culture and fast links into central London. Trains from Loughborough Junction to Blackfriars take around 10 minutes.

The reason you might not know this neighbourhood is that it has been so overshadowed by its two neighbours

The Victorian suburb has enjoyed a real renaissance since the Elizabeth line reduced journey times

to the extent that there's not a huge amount there. This shortcoming is counterbalanced by the fact that Brixton is only half a mile to the west, and Peckham is less than two miles to the east. Loughborough Junction also has a more peaceful, residential vibe than its neighbours, which might be welcome after a big night out.

This autumn, first-time buyers will get the chance to buy a shared-ownership home at the soon-to-be-launched **Higgs Yard**

development, which features 106 one, two and three-bedroom flats, an on-site café and a concierge service. Registrations of interest are being taken now (peabodynewhomes.co.uk/developments/higgs-yard).

If you love Brook Green try... Acton
Brook Green is a Londoners' village — a leafy, residential neighbourhood with a great range of shops, restaurants and cafés. And three miles west is Acton, a Victorian suburb which has enjoyed a real renaissance since the Elizabeth line reduced journey times to central London to 15 minutes.

Churchfield Road is the beating heart of Acton, with its gallery, delis and wonderful restaurants. Investment is flooding into the area too — work is well underway at the Acton Gardens development, which will have 3,400 new homes once complete, while the Friary Park estate is also being redeveloped.

Transport for London has permission to build 852 homes close to Acton Town station too. If you want to live in one of the grand Victorian villas in Acton's Poets Corner you would need a budget of well over £1 million. But at Be West's **Bollo Lane** site (bevest.co.uk), which features two landscaped roof terraces, you could pick up a 25 per cent share of a one-bedroom flat from £105,625.






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Shared Ownership eligibility criteria applies. Speak to a member of the sales team for more details. Show home photography taken from Grand Avenue, Hove, is indicative only. Information correct at time of print.

Staircase to heaven: get planning to own your home outright

An early adopter of shared ownership, community driver Robert Smith, 63, has reaped the benefits of buying a 60 per cent share in a two-bedroom terrace house in North Woolwich in 1999.

"There wasn't much in the area at that time — no DLR and little development. It was very much still Docklands. But he was thrilled to be able to get onto the property ladder in London," says his wife, school librarian Elizabeth, also 63.

Robert bought his share for £37,000 more than 20 years ago but, when he met Elizabeth, they decided to increase their share, with the intention of one day selling up and moving out of London.

"We met and moved in together in 2016, and in 2018 I took early retirement — my first thought was to put the money towards buying more shares in the house," says Elizabeth.

"We had in mind that we'd be downsizing and taking a step back

With the potential to increase your share, you could pay less rent and take advantage of rising prices, as **Charlotte Duck** reveals

from London eventually, so thought the more shares we've got the better."

The couple bought an additional 20 per cent share in the house in 2018 for £68,000. This meant they owned 80 per cent of their home and paid rent to L&Q on the remaining 20 per cent.

"It was all very easy. We contacted L&Q's staircasing team, and they sent out a pack of what you needed to do. The surveyor we chose completed the survey within a week and gave us the new value of the

Wise: Robert and Elizabeth owned 100 per cent of their North Woolwich home by 2022



house, so we knew how many more shares we could afford to buy. Then it's just a case of filling in the paperwork and sending it all in," says Elizabeth.

In 2022, the couple decided that they wanted to buy the remaining 20 per cent of their property, meaning they'd own the house outright, including the freehold. They wanted to follow this up with a move to the seaside.

"We had always planned to move to the east coast, so it made sense to us to try to staircase all the way up before putting the home on the market. There's a huge amount of development in the area we live in but it's all flats, so we knew the house would be in high demand.

"That, coupled with the way the local area has changed in the past 20 years, meant that Robert's decision to buy through shared ownership in the Nineties was a fantastic one — both personally and financially," adds Elizabeth.

The couple have now sold their house and are just waiting for the last bits of paperwork to be completed before they can move into their new home by the sea.

"I would recommend shared ownership for those starting out on their property journey. There is now so much variety available, and when you look at privately renting the costs are very comparable," says Elizabeth.

"My daughter is even considering buying a shared-ownership property based on our really positive experience."

CASE STUDY

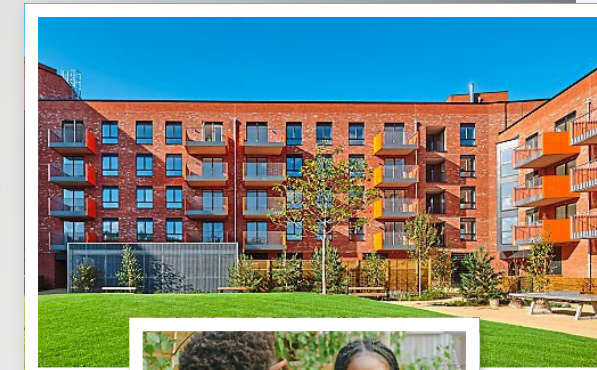
'I am more independent'

Mary Cobbina, 33, is also hoping to increase her share by staircasing. The marketing manager bought a 25 per cent share of a two-bedroom property at Peabody's **The Reach** development in Thamesmead in 2020.

Mary has set herself some ambitious financial targets. "My aim is to staircase to 70 per cent next year but, ultimately, I want to own 100 per cent of my property and I have a plan in place to do that," she says.

"Life has changed for me. I am more independent, more mature. I am more appreciative of life and being a homeowner has made me financially disciplined.

"[Shared ownership] offers great potential and I think more people should know about it. Set up a financial plan, including an exit plan — look at all the different scenarios and think about what you might want to do in five years' time."



Disciplined: Mary Cobbina bought 25 per cent of a home at The Reach in Thamesmead but plans to own it outright

THE NITTY-GRITTY HOW DO YOU STAIRCASE?

ONCE you've owned your property for a certain length of time, as outlined in your lease, you become eligible to buy additional shares in it, in a process called staircasing. Some properties have restrictions when it comes to staircasing, including caps on the maximum share you can own, the number of times you can staircase or the minimum share you can add each time. Familiarise yourself with the rules before you buy.

What you need to do

If you decide you want to staircase, start by contacting your housing organisation and notifying them of your intention. Arrange and pay for an independent RICS-approved surveyor to visit the property and work out its value. You will receive a copy of the valuation and can then decide whether you want to proceed.

Most staircasing involves increasing a share by a minimum of 25 per cent, but some new shared-ownership properties give buyers the option to staircase by as little as five per cent. This will be outlined in your lease.

Staircasing pros:

- You'll reduce the amount of rent you pay to the housing organisation.
- The bigger your share, the more you'll benefit from increased house prices.
- If you staircase up to 100 per cent,



you will own the property outright and can sell it on the open market, free of restrictions. You will also have access to a wider range of mortgage products.

Staircasing cons:

- As well as the price of buying a share, there are other associated costs. You need to factor in fees for surveys and solicitors, plus the housing organisation's fee for arranging the staircasing.
- Depending on the value of the share you're buying, you may also need to pay stamp duty.
- Your service charge will stay the same, no matter the size of the share you own.
- The initial survey is only valid for three months and, if the process takes longer than this, you'll need to pay for a new one.



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From coastal escapes to countryside idylls, meet the commuter homes to shout about

Shared ownership has something for everyone, including pretty places within reach of the city, says **Charlotte Duck**

FROM seaside towns to quintessential English villages, there are now plenty of commuter hotspots with shared-ownership homes, all within easy reach of London.

WHITSTABLE, KENT

The seaside town of Whitstable is less than an hour and a half from London Victoria and boasts a beautiful beach, bustling harbour and popular annual oyster festival. Its picturesque high street is a mix of old and new, with independent shops, cafés and restaurants sitting alongside recognisable names. There are pretty cycle paths to Faversham and Herne Bay and there's no shortage of schools, including secondary The Whitstable School, rated "Good" by Ofsted. **What to buy: Whitstable Heights** is just a mile from the station and part of the new "garden city". There are two, three and four-bedroom homes available, and prices start from £102,500 for a 25 per cent share based on a full market value of £410,000. ● hydenewhomes.co.uk/whitstable-heights



RIVERSIDE SQUARE

PORTSLADE, EAST SUSSEX

While Brighton has long been a top destination for London leavers, its neighbour, Portslade, is still little-known. That's all about to change, as buyers priced out of Brighton & Hove are starting to realise its charms. Portslade Village still has its green, parish church and original flint buildings, not to mention a Norman manor house.

The shopping street on Station Road is busy and eclectic, while the nearby pebble beach is mostly enjoyed only by locals. The train to London Victoria takes just over an hour, and Eastbrook Primary Academy and West Hove



MEADOW BROOK



WHITSTABLE HEIGHTS

Infant School are among the area's "Outstanding" state schools.

What to buy: St James Square is in a former industrial area that has been rejuvenated with spacious, contemporary apartments, many of which have views of the Baltic Wharf and south-facing balconies. They can be purchased for as little as £79,500 for a 30 per cent share, based on a full market value of £265,000. ● hydenewhomes.co.uk/st-james-square

FINCHINGFIELD, ESSEX

With picturesque views, charming pubs, 14th-century architecture and rolling countryside, it's no wonder that Finchingfield is one of the most photographed villages in England. Shopaholics will love the Braintree

Hot spots: shared-ownership homes in Chalgrove, above left; Whitstable, above right; Canterbury, below left; and Portslade, right

Village outlet, which is a short drive away. Finchingfield St John the Baptist CofE Primary Academy is in the centre of the village, and the nearby secondary, Hedingham School, has been rated "Good" by Ofsted. Braintree station can be reached in 20 minutes by car, and trains get you to London Liverpool Street in just over an hour.

What to buy: Bardfield Meadows is set to launch in October and features six shared-ownership properties that have been designed to complement their rural surroundings, using local materials and building techniques.



ST JAMES SQUARE

CASE STUDY

'I worked 60-hour weeks for this dream'

Uta Boellinger and her son Pablo, 18, moved to a three-bedroom home at the **St James Square** development in Portslade in June. "I had two jobs, worked 60-hour weeks and didn't have my own bedroom for eight years to achieve this dream. The day we got the keys and I walked into my own home for the first time, I cried," says

Uta, 38, who runs a nutrition clinic alongside her full-time job at a London-based travel and concierge company.

"I'm very active. I like to cycle to Brighton along the seafront and my gym is a 10-minute walk away," she says. "There's a bus stop just outside the development, which Pablo uses to commute to work in Brighton. Portslade station is 10 minutes away, so travelling further afield into London or to Gatwick is easy too."

Uta had previously been renting a one-bedroom flat but found that the

Brighton & Hove area was becoming increasingly unaffordable, and she wanted more space. She managed to save up a deposit of £20,000 and bought a 45 per cent share in her home, which even has a sea view.

Uta, left, has found her monthly outgoings are £400 more than when she was renting, but she expects this to reduce in the winter due to her property's efficient insulation. "It's such a relief to have invested in my own home. I plan to staircase when I can and eventually own 100 per cent of the apartment," she says.

They feature contemporary kitchens, hi-tech lighting and landscaped private gardens, too. Pricing is yet to be confirmed. ● peabodynewhomes.co.uk/developments/bardfield-meadows

CHALGROVE, OXFORDSHIRE

Chalgrove's quaint high street has a pharmacy and a GP, while there are three pubs to choose from. Just a short drive away are the rolling hills of the Chilterns, as well as Oxford's museums, theatres and shops. Chalgrove Community Primary School is well-regarded. London can be reached by car in just over an hour,

or you can drive 20 minutes and get the train to Paddington from Culham.

What to buy: Meadow Brook is a collection of homes designed with modern living in mind. They come with a private garden and allocated parking. The two and three-bedroom homes are priced from £372,500 at full market value, with 25 per cent minimum shares available to buy. ● homestobuy.placesforpeople.co.uk/find-a-home/meadow-brook-chalgrove

CANTERBURY, KENT

Canterbury is renowned for its pretty riverside setting, three universities and, of course, its cathedral, which is a UNESCO World Heritage Site. The

high-speed Javelin train travels from Canterbury West to London St Pancras in 55 minutes. Many relocators are families, keen to take advantage of the area's excellent schools, including The King's School and the Simon Langton grammars. **What to buy: Riverside Square** is just a five-minute walk from the city centre and sits next to the River Stour in a new neighbourhood packed with cafés, restaurants and a five-screen cinema. You can purchase a 30 per cent share of a three-bedroom house for £145,500, based on an overall sale price of £485,000. ● hydenewhomes.co.uk/riverside-square

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