



What is...

## Shared Ownership?

Shared Ownership allows potential home owners to purchase a share of a property and pay rent on the remainder. This means smaller mortgages and smaller cash deposits are needed!

**Shared Ownership is a fantastic affordable alternative to purchasing on the open market and can benefit many including first time buyers, down sizers and growing families.**

**Cobalt**  
■■■ Housing

## What Percentage (%) of the Property Can I Purchase?

Depending on your affordability, you can purchase anywhere from a 10% - 75% share of a property and pay rent on the remainder. The larger percentage share you buy, the less rent you will pay.

## How Much Will My Rent Be?

The table below shows examples of percentage (%) shares of a property with an open market value of £180,000. The purchase price reflects the mortgage amount or cash deposit needed for each % share. The rent amount is the approximate rent to be paid to Cobalt for the percentage (%) share.

If you obtain a mortgage, your mortgage repayments will vary depending on the lender and are separate from your rent amount.

	Purchase Price <sup>1</sup> (Mortgage Amount)	Rent Amount <sup>2</sup> (approx. approx. Per Calendar Month)
10% of £180,000	£18,000	£371.25
40% of £180,000	£72,000	£247.50
75% of £180,000	£135,000	£103.13

The initial percentage of share you are able to purchase will depend on your circumstances; with the idea of maximising assets, you will be encouraged to buy what you can afford rather than what you would prefer to buy.

Upon application, you will be required to complete a [Homes England Calculator](#)<sup>3</sup> with one of our financial advisors, this will help determine what percentage share you can afford to purchase.

## Can I Own 100% of My Home?

Once you are in your new Shared Ownership home, you can [staircase](#)<sup>4</sup> anytime. You can purchase shares from as little as 1% at a time, potentially resulting in 100% ownership of your home. If you staircase to 100% ownership you will no longer pay rent.

## What if I Decide to Sell My Home?

If you would like to sell your Shared Ownership home before staircasing to 100% ownership we ask that the property is marketed as a Shared Ownership home for at least 4 weeks, this gives other potential homeowners who would benefit from Shared Ownership the opportunity to get onto the property ladder. If after 4 weeks you haven't found a buyer you are able to market your home at the full Open Market Value, you would then receive funds from the sale that are equal to your % share owned.

## Eligibility

To be eligible for Shared Ownership, your annual household income must be less than £80,000, and you must not currently own a home. First-time buyers, those looking to get back onto the property ladder, individuals needing to move due to relationship breakdown, and those unable to purchase a home without assistance are some examples of people who may benefit from purchasing through Shared Ownership.

## Who Will Be Responsible for Repairs in My Home?

The homeowner will be responsible for any repairs to the property. However, Shared Owners are eligible for an annual £500 repairs allowance. This can be claimed by the Shared Owner from Cobalt to cover the cost of essential repairs to the home. If the [annual repairs allowance](#)<sup>5</sup> is not claimed, the amount can be rolled over to the following year.

For more information on Shared Ownership, contact us at [sales@cobalthousing.org.uk](mailto:sales@cobalthousing.org.uk)

<sup>1</sup>**Purchase Price** – The purchase price reflects the percentage (%) share you are to purchase, not the home's total value. This would be the open market value.

<sup>2</sup>**Rental Amount** – The rental amount is the rent you will pay to Cobalt for the remainder of the property you haven't purchased. This does not include any mortgage repayments you may need to pay. The rent is calculated by multiplying the value of the property you don't own by 2.75%

<sup>3</sup>**Staircase** – Staircasing is the term used when a Shared Owner wishes to purchase more shares of their home. For example, if you own a 25% share and want to purchase 25% more so you own 50%, this would be called staircasing.

<sup>4</sup>**Homes England Calculator (HEC)** – This document is essential for all potential Shared Owners to complete. It is to be completed by a suitably qualified and regulated mortgage advisor or financial advisor.

<sup>5</sup>**Repairs Allowance** – Shared Owners are entitled to £500 repairs allowance per year. If the Shared Owner does not claim the £500 allowance for one year, this can be rolled over to the following year. This can only be done once, meaning the maximum claim/balance to be claimed is £1000. It is the choice of the Shared Owner if they wish to claim or not.