# Guidance for shared ownership HOLD providers when completing 'Key information about the home'

The information in this document relates to the **HOLD (home ownership for people with long-term disabilities)** on the **new shared ownership model**. These homes will conform to the requirements of the Affordable Homes Programme (AHP) 2021 to 2026.

This document is intended for use with:

* initial sales of new build and second-hand homes

Use it to give homebuyers standardised information about the home when:

* before the homebuyer has completed a financial assessment

Providers may brand the document but must not alter the content or order of information.

## To complete the document:

1. Follow the instructions highlighted in yellow.
2. Enter the specific information about the home in the highlighted fields.
3. Delete the statements that do not apply to the home.
4. Delete the instructions.

## Feedback

If you have any feedback about this document, contact:

Affordable Housing Products team
Homes England
Email: sharedownership@homesengland.gov.uk

# Key information about the home

There are variations of shared ownership models which have different features. The model of shared ownership may vary depending on:

* what rules were in place at the time the home was funded or planning permission granted
* where the home is located
* whether the home is for a specific group of people

The table below highlights the key features of common shared ownership schemes. The information in this document is for the **new model shared ownership.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Shared ownership model** | **Older model shared ownership** | **Standard model shared ownership** | **New model shared ownership** |
| **Minimum initial share** | 25%  | 25% | 10%  |
| **Lease length** | Typically, leases were issued for 99 years from new | Leases are for a minimum of 99 years from new but typically at least 125 years | Leases will be for a minimum of 990 years from new |
| **Initial repair period** | No | No | Yes |
| **Buying more shares - minimum purchase** | 10% or 25% | 10% | 5% |
| **1% share purchase** | No | No | Yes |
| **Landlord’s nomination period** | 8 weeks or 12 weeks | 8 weeks | 4 weeks |

Additional features of HOLD (home ownership for people with long-term disabilities) homes:

|  |  |
| --- | --- |
| **Scheme Lease Type**  | Home ownership for people with long-term disabilities (HOLD) |
| **Feature**  | HOLD allows people with long term disabilities to identify a suitable home on the open market which meets their needs (if these needs cannot be met by other shared ownership homes). The home is then purchased by the landlord and sold on shared ownership terms. In exceptional circumstances, this may mean that the lease term is below 990 years, but at least 125 years. |
| **Maximum % share you can own in future**  | 100%  |
| **Additional restrictions**  | For those with long term disabilities who cannot find a shared ownership home which meets their needs  |

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the ‘leaseholder’) and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should take independent legal and financial advice.

This key information document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. This document ‘Key information about the home’ is a summary and you should consider the information in ‘Summary of costs’ and ‘Guide to shared ownership’ before making a decision.

This does not form part of the lease. You should carefully consider the information and the accompanying lease and discuss any issues with your legal adviser before signing the lease.

|  |
| --- |
| Failure to pay your rent, service charge, or mortgage could mean your home is at risk of repossession.The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.  |

|  |  |
| --- | --- |
| **Scheme** | Home ownership for people with long-term disabilities (HOLD) |
| **Share purchase price and rent examples** | The share purchase price is calculated using the full market value and the percentage share purchased. *Enter an example percentage share, share purchase price and the monthly rent amount.*  If you buy a \_\_% share, the share purchase price will be £\_\_\_ and the rent will be £\_\_\_ a month.   If you buy a larger share, you'll pay less rent. The table below shows further examples.  *Complete the table below.*

|  |  |  |
| --- | --- | --- |
| **Share**   | **Share Purchase Price**   | **Monthly rent**   |
| 10%  | £\_\_\_    | £\_\_\_    |
| 25%   | £\_\_\_    | £\_\_\_    |
| 30%   | £\_\_\_    | £\_\_\_    |
| 40%   | £\_\_\_    | £\_\_\_    |
| 50%   | £\_\_\_    | £\_\_\_    |
| 60%   | £\_\_\_    | £\_\_\_    |
| 70%   | £\_\_\_    | £\_\_\_    |
| 75%   | £\_\_\_    | £\_\_\_    |

The percentage share and rent amount will change depending on the amount you can afford. You'll receive a worked example after a financial assessment.  *Enter the percentage used for the rent calculation (for example, 2.75% of the unsold equity).*  Your annual rent is calculated as \_\_\_% of the remaining share of the full market value owned by the landlord.  |
| **Eligibility** | *Edit the eligibility criteria for this home. Delete any criteria that do not apply.*You can apply to buy the home if: * you have a long-term disability [(as defined by the Equality Act 2010)](https://www.gov.uk/definition-of-disability-under-equality-act-2010)
* you cannot find a suitable shared ownership existing home for your needs (either newbuild home or resale).
* your household income is £80,000/£90,000 or less
* you cannot afford all of the deposit and mortgage payments to buy a home that meets your needs

 One of the following must also be true:* you're a first-time buyer
* you used to own a home but cannot afford to buy one now
* you're forming a new household - for example, after a relationship breakdown
* you're an existing shared owner, and you want to move
* you own a home and want to move but cannot afford a new home for your needs

If you own a home, you must have completed the sale of the home on or before the date you complete your shared ownership purchase.You must have a good credit record. Your application will involve an assessment of your finances.**If you are applying for someone who does not have the mental capacity to act on their own behalf, you will need to be legally appointed by the courts to act with regards to their property and finance.**  |
| **Tenure** | Leasehold |
| **Rent review** | Your rent will be reviewed each year by a set formula using the [*Delete the index that does not apply* Retail Prices Index (RPI) / Consumer Price Index (CPI)] for the previous 12 months [plus [0.5%/1]%].For more information, see the Rent Review section in the 'Summary of Costs' document which includes an example of how rent could increase over a 5 year period. A worked example demonstrating how the rent is calculated at review is also set out in Appendix 2 of the lease. |
| **Maximum share you can own** | You can buy up to 100% of your home. |
| **Transfer of freehold** | *Use one of the following statements to state what will happen to the freehold after the leaseholder staircases to 100%. Delete all the other statements that do not apply.*At 100% ownership, the freehold will transfer to you.*or*At 100% ownership, the freehold will not transfer to you because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*or (for flats)*At 100% ownership, the leasehold title remains in your name but your shared ownership obligations fall away.*or*At 100% ownership, the leasehold title will be transferred to you. |
| **Landlord** | *Enter your organisation's name and full address.*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Under a shared ownership lease, you pay for a percentage share of the market value of a home. You enter into a lease agreement with the landlord, and agree to pay rent to the landlord on the remaining share. |
| **Initial repair period** | If you buy a home which is less than 10 years old, you will have up to £500 a year to help with essential repairs. For more information, see section 5, 'Maintaining and living in the home', in the 'Key information about shared ownership' document.Please note that the 10 year period starts from the point of build completion of the property. Therefore, with a second hand home purchase you would only benefit from a part of the initial repair period.For more information, see section 5, 'Maintaining and living in the home', in the 'Key information about shared ownership' document. |
| **Landlord’s nomination period** | When you give the landlord notice that you intend to sell your share in your home, the landlord has 4 weeks to find a buyer. The landlord may offer to buy back your share, but only in exceptional circumstances and if they have funds available. If they do not find a buyer within 4 weeks, you can sell your share yourself on the open market. For example, through an estate agent. |
| **Pets** | *Enter your policy on keeping pets at the home. If you have a policy or certain conditions, tell the homebuyer what these are.*You can/cannot keep pets at the home. \_\_\_\_\_\_\_\_\_\_ |
| **Subletting** | You can rent out a room in the home, but you must live there at the same time.You cannot sublet (rent out) your entire home unless you either:* own a 100% share; or
* have your landlord's permission which they will only give in exceptional circumstances (see section 1.5 in ‘Key information about shared ownership’ document)

and * have your mortgage lender’s permission if you have a mortgage

If you are relying on state benefits to fund your HOLD mortgage you should seek financial advice before you sublet a room to anyone. Receiving income from subletting could affect your eligibility for state benefits.  |