



Shared
Ownership:
Myth-busting
guide



Shared Ownership: It's come a long way

Shared Ownership is a popular scheme that helps first-time buyers get onto the property ladder.

The scheme allows you to purchase a percentage 'share' of a property and pay rent on the remaining portion. As buyers only need a mortgage on the share purchased, deposits are much lower than purchasing outright. It's also possible to buy more shares in the home, eventually owning the property outright, through a process called staircasing.

Introduced in the 1980s, Shared Ownership was established to help those who couldn't afford to buy a home on the open market, bridging the gap between renting and outright home ownership.

Fast-forward forty years and Shared Ownership is more popular than ever. Demonstrating this demand, 17,000 Shared Ownership homes were sold in the 2021-2022 financial year—an increase of 37% compared to the previous year.

Today, a diverse range of Shared Ownership homes are now available across the UK, making home ownership accessible to even more first-time buyers and home movers alike.

Despite its popularity and success, Shared Ownership continues to be accompanied by some misconceptions.

We know Shared Ownership might not be for everyone. This guide aims to address some common misconceptions around the scheme, providing a balanced view of Shared Ownership, to help potential buyers assess if the scheme is for them.

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Shared Ownership: Myths vs Reality

We've debunked some of the most common myths we often hear about Shared Ownership, to help you better understand the scheme and decide if it's for you.

Myth

I'll never be able to own my home outright with Shared Ownership.

Reality

Shared Ownership allows buyers to gradually buy more shares through a process called staircasing. This process will increase the share of the property you own until eventually you staircase to 100%, owning the home outright and paying no rent.

Myth

'Shared' Ownership - that means I have to share my home with a flatmate, right?

Reality

No, not at all! Shared Ownership relates to you purchasing a share of your home, rather than needing to share your property with anyone else. It's your home to live in as you wish.

Myth

You can't decorate a Shared Ownership home.

Reality

False. Whether you want to paint the walls, hang artwork or change the carpet, it's your home to decorate however you want. You can make the space yours.

Myth

I've owned a property before, so Shared Ownership isn't for me.

Reality

There's a common misconception that Shared Ownership is only for first-time buyers. In fact, the scheme is available to any eligible prospective buyer, over the age of 18, who can't buy a home on the open market. They must not currently own a home (this includes first-time buyers) or be in the process of selling their existing home.

Myth

Shared Ownership is only available on small flats.

Reality

Shared Ownership is available on a variety of property types, from studio and one-bedroom apartments, to five-bedroom three-storey houses.

Shared Ownership: Go ahead and take another look

Think Shared Ownership might be for you? The scheme can be a great option for eligible purchasers who meet the following criteria:

- | Have an annual household income under £100,000.
- | Don't own a property.
- | Are over 18 years old.
- | Have a cash deposit of at least 10% of your share value
- | Have a good credit history
- | Can't afford to buy 100% of the home they need
- | Be a British citizen or have the right to live in the UK

Buyers may need to meet additional eligibility criteria for specific developments.

5 Advantages of Shared Ownership

1

It's an affordable way to get onto the property ladder, with lower deposits and more accessible mortgages.

2

You pay a rent of 3.25% on the share you don't buy. With current mortgage rates typically higher than 3.25%, your total monthly cost (mortgage plus rent) could be lower than if you bought the home via the open market*.

3

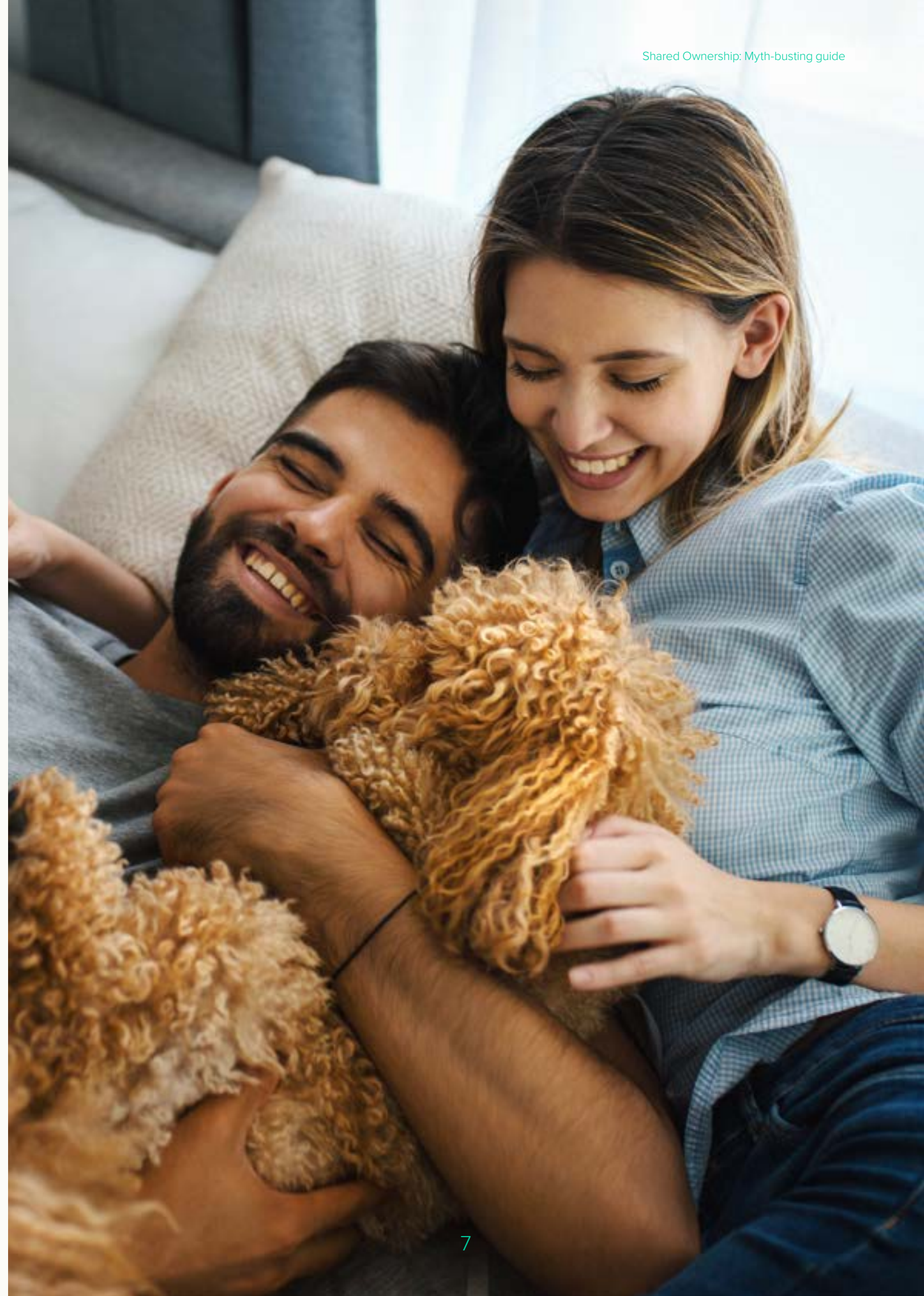
You have the option to purchase greater shares in your property through a process called staircasing, allowing you to staircase all the way up to 100%, at which point you own your home outright and no longer pay rent.

4

Your home is yours, just like buying on the open market. As long as you meet the conditions of your lease, there's no risk of being evicted by your landlord if they want to sell the home. It's your home to do with as you wish!

5

With Home Reach Flex you can sell your home at anytime and go straight on the open market subject to a RICS valuation.



If you have any questions
or want to find out more
about Shared Ownership
please get in touch:

Call
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Visit
www.homereachflex.com

