



Shared Ownership factsheet

Background information

This factsheet explains what Shared Ownership is and confirms the costs (illustrative sales price and rent charges payable).

Capture Housing Limited is a private provider of Affordable Housing set up to meet the needs of Island residents. As part of gaining planning consent for this development the Isle of Wight Council required some homes on this development to be sold as Affordable Housing.

Affordable Housing has to be sold or rented at prices below open market value.

Capture Housing Limited is purchasing these homes from the developer Captiva Homes Limited so that they can be sold to you on a Shared Ownership basis.

How it works?

If you purchase a Shared Ownership home you will own an initial share of between 60% and 75% of the property and Capture Housing Limited will own the remaining share.

You will be required to pay rent to Capture Housing on its share of ownership. Capture Housing will charge this rent at 2.25% of the value of their share to keep the rental payments "Affordable". There is an example in Appendix A.

Stamp Duty will be payable at the prevailing rate when you purchase the property.

As these units are Shared Ownership you may wish to buy additional shares in your home and "staircase up" to full ownership, but you do not have to. Purchasers can staircase in minimum increments of 5%.

Capture Housing is looking to ensure that these properties remain Affordable for you and future occupiers.

Standard Lease Obligations

The property is your own home – Capture Housing (even though it owns a share) cannot occupy your home or share it with you.

You will own the property on a leasehold basis and Capture Housing will use a standard Homes England lease.

Homes England is the government's housing delivery body.

As you will own the property you will be responsible for all outgoings such as the shared ownership rent, service charge, council tax and electric and the normal costs of maintaining your home.

Rent and Rent Review

The rent that you pay will be calculated on the basis of the share that Capture owns. At the end of this factsheet we have provided an illustration of how the share works and how the rent payments are calculated.

The rent you pay will be reviewed annually and will only increase in line with any changes in the retail price index (RPI). The retail price index shows the changes in the cost of living. It reflects the movement of prices in a range of goods and services used regularly, such as food, heating, housing, household goods, bus fares and petrol.

The rent will be reviewed on an 'upwards only' basis. This means that the level of rent will not go down when it is reviewed. However, any increase in the rent will be capped at a figure representing the RPI increase plus 0.5%. This means that where the RPI is zero or negative the most the rent can increase by is 0.5%.

SELLING THE PROPERTY

If you wish to sell your property in the future Capture Housing will take you through the process. We will provide you with a 'guide to selling your Shared Ownership Home' and provide a dedicated person for you to speak to.

In order that the properties remain as 'Affordable Housing' Capture Housing will either ask you to sell the property back to them or sell it to someone else whose need requires Affordable Housing.

We will be there to guide you through the process.

When you do sell, you will receive your share of the open market value less any fees that you need to pay (including obtaining a RICS valuation). This means that if the property increases in value then you will receive an increase based on the share that you own.

You are not permitted to sub-let or part with possession of the property in any other way until you own 100% of the property.

Important Notice Regarding Payment of the Rent and Lease Obligations

You need to be aware that if you fail to pay the rent reserved by the Lease and/or fail to observe and perform your obligations in the Lease then Capture may be entitled to terminate the lease (subject to Capture obtaining any necessary court order).

If the lease is terminated you will lose (and will not be entitled to any compensation for), any shares in the property which you have acquired.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP WITH REPAYMENTS
ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.**

Appendix A

Example of Share price

Please note that this is an illustration, and the actual figures will be dependent on the share that you purchase and the mortgage you take out.

Beds	Open Market Sales Value	60% share price	Illustrative Mortgage per month	Rent to pay (per month)
2	£195,000	£117,000	£471.00	£146.25

Please refer to the general sales brochure for estate service charge and what is included in your service charge.

Mortgage Advice - Affordability Assessment

All applicants must, in line with government guidelines, undertake an affordability assessment. This assessment must be carried out by a Capture Housing panel mortgage advisor. The assessment takes into account gross income, bonus and overtime amounts, working tax credits, disability allowance and guaranteed maintenance.

Capture Housing's panel mortgage advisor is New Home specialist London and Country (L&C) and they will take you through each stage of the process.

You can make contact with L&C via <https://www.landc.co.uk/partners/capturehousing/>

Or call them on 0800 953 6018

We have preselected L&C as they offer a multitude of benefits. From helplines available 7 days a week to their overwhelming levels of experience in government new build schemes.

Solicitors Advice

We recommend that you obtain legal advice before reserving a property.

It is important that you choose a solicitor who is experienced in Shared Ownership legal agreements as these agreements are slightly different from normal.

Capture Housing's panel legal advisor is Setfords and they will take you through each stage of the process.

You can make contact with Setfords via Guy Horsey GHorsey@setfords.co.uk

Or Phone: 01962 589192 or call 0330 058 4012 then dial ext.2110

Although you are welcome to make contact with a number of solicitors, there is a large number of benefits to using a panel solicitor. Setfords have previous experience in an array of new-build home schemes and have already visited and conveyed the development ensuring they are ahead of the game.

Customer Declaration

I have read this explanation sheet and have fully understood its contents and I have registered with Help to Buy **or** Island Homefinder.

Name:.....

Help to Buy Registration Number:

Island Homefinder Registration Number:

Date:

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