

Guidance for shared ownership providers when completing 'Summary of costs'

This document is intended for initial sales and resales.

It's for prospective homebuyers:

- after they have gone through a financial assessment
- before they pay the reservation fee to secure a shared ownership home

Use it to give the homebuyer a personalised summary of all the costs involved in buying, owning and selling a shared ownership home. Providers may brand the document but must not alter the content or order of information.

The document should be explained to the customer and they should be given the opportunity to ask questions.

This document should be provided to the homebuyer at the same time as the 'Key information about shared ownership'.

To complete the document:

1. Follow the instructions highlighted in yellow.
2. Enter the costs and fees in the highlighted fields.
3. Delete the statements that do not apply to the home.
4. Delete the instructions about how to complete the document.

Feedback

If you have any feedback about this document, contact:

Affordable Housing Products team

Homes England

Email: sharedownership@homesengland.gov.uk

Summary of costs

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 summary of costs 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.

It 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.

Purchase costs

Full market value	£365,00
Share purchase price and percentage share offered	£146,000 (40% share) The share purchase price is calculated using the full market value and the percentage share purchased.
Deposit	 The deposit is payable when you exchange contracts to buy the home. It will be taken off of the final amount you pay on completion. For more information, speak to your legal adviser.
Reservation fee	£0.00
Your legal adviser's fees	Legal adviser's fees can vary. You can expect to pay fees including: <ul style="list-style-type: none">• legal services fee• search costs• banking charges• Land Registry fee• document pack fee• management agent consent fee - subject to development and terms of the management company You'll need to ask your legal adviser what the fees cover and the cost for your purchase.
Stamp Duty Land Tax (SDLT)	You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your legal adviser. There is more guidance on the GOV.UK website: <ul style="list-style-type: none">• Stamp Duty Land Tax: shared ownership property• Calculate Stamp Duty Land Tax (SDLT)

Your monthly payments to the landlord

Rent	If you buy a 40% share, the rent will be £580.01 a month.
Service charge	£11.49 a month The service charge is for Grounds Maintenance and Management charge
Estate charge	There is no estate charge to pay.
Buildings insurance	£13.51 a month
Management fee	There is no management fee to pay.
Reserve (sinking) fund payment	There is no reserve fund payment.
Total monthly payment to the landlord	Your total monthly payment for the rent and other charges described above will be: £605.13 a month You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.

Rent review

Rent review period	Your rent will be reviewed every year on 1 April Review Date commencing from 1 April 2026
Rent review	The maximum amount your rent can go up by is determined in your lease. Please refer to your lease to find the rent review mechanism relevant to your lease.

	<p>Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.</p> <p>You should expect your rent to go up by the maximum amount possible each year when it is reviewed.</p>
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Future costs if you buy more shares

Home valuation	<p>If you want to buy more shares, the minimum amount you can buy is determined in your lease. When you do this, you'll need to pay for a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). The estimated current cost is approx. £250.</p> <p>You will need to arrange the valuation.</p> <p>If you need to arrange the valuation, you can find a registered surveyor on the RICS website.</p> <p>For more information, see section 6, 'Buying more shares', in the 'Key information about shared ownership' document.</p>
Share purchase administration fees	The administration fee for buying more shares will be £240.
Your legal adviser's fees	<p>If you require legal advice when buying more shares, you are responsible for paying your own legal fees.</p> <p>Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares.</p> <p>The landlord is responsible for paying their own legal fees related to share purchase transactions.</p>

Future costs if you sell your home

Landlord's current selling fee	£1500 This will be subject to change in the future.
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	Your landlord may charge a fee for marketing and finding a buyer for your home when you sell. If they do not find a buyer, this will not apply.
Estate agent's fee	You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.
Your legal adviser's fees	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
Home valuation	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

Lease term	121 years
Maximum share you can own	You can buy up to 100% of your home
Transfer of freehold	At 100% ownership, the freehold will transfer to you

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the 'Key information about shared ownership' document.

Other potential costs from the landlord

Please visit our website for a full list of our Homeownership Fees – www.stonewater.org/customers/manage-your-home/i-own-all-or-part-of-my-home/

Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

Mortgage repayment	£____ a month
Contents insurance	£____ a month
Council Tax	£____ a month
Gas and electricity	£____
Water	£____
Annual boiler service	£____ a year
Other payments	