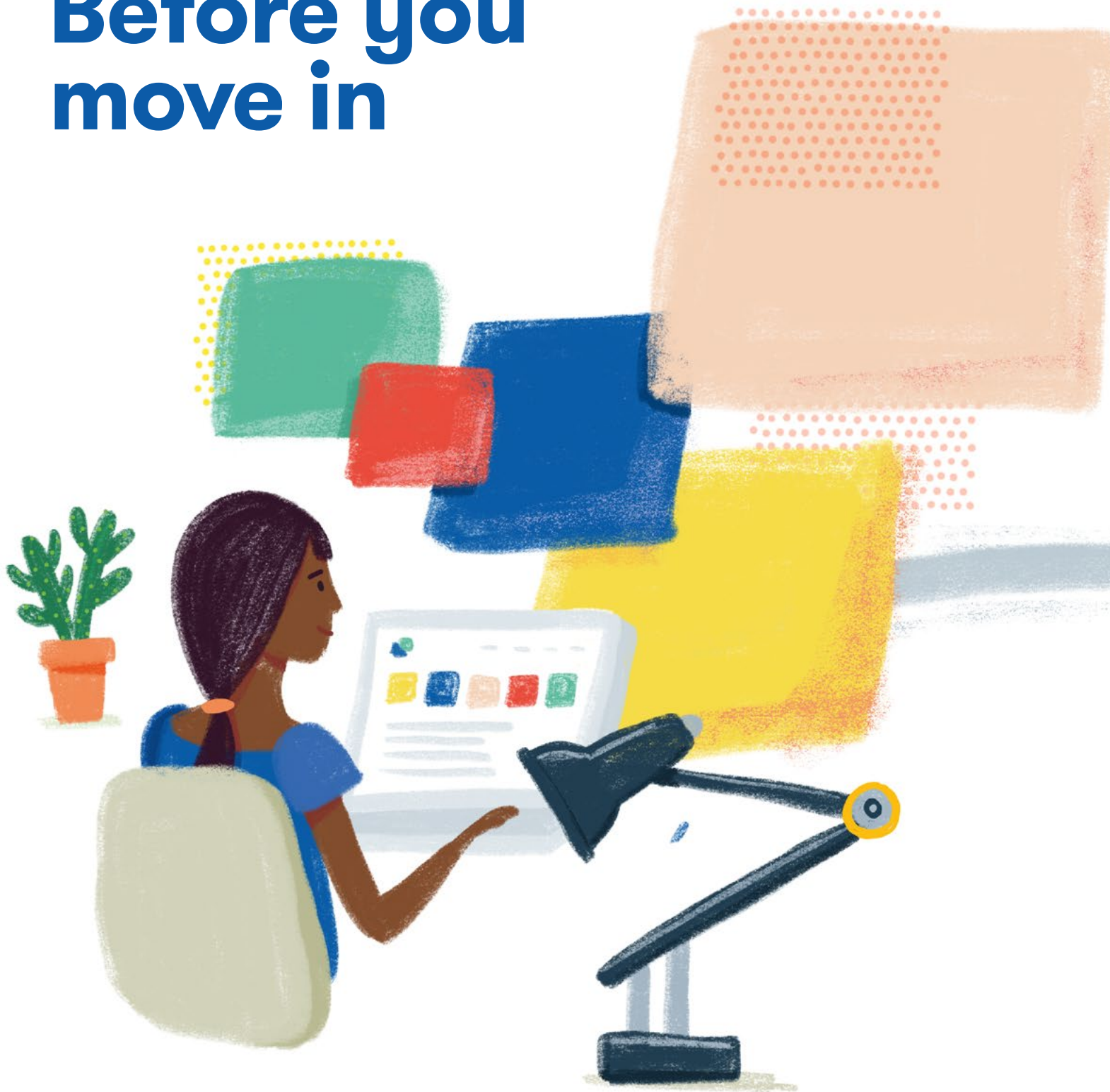


Low Cost Home Ownership



Before you move in



What is low cost home ownership?

Low cost home ownership (LCHO) is a scheme operated by Newydd Housing Association. It helps first time buyers who can't afford the full cost of buying a property but can buy their first home on a shared equity basis.

Buyers will need a mortgage of 70% of the property value to own the property outright. Newydd will hold a legal charge on the remaining 30% equity. No rent is payable on the 30% as the scheme is operated on a shared equity basis, rather than shared ownership.

Who Qualifies?

To be eligible for the scheme, applicants must be:

- Over 18 years of age
- A UK or EU / EEA passport holder or have 'Indefinite Leave to Remain' stamped in their passport
- A first-time buyer, although consideration will be given on a case by case basis
- Able to meet the long term financial commitment of home ownership

How do I apply?

Step 1 Application

You must contact your council and complete their LCHO registration form. Once the registration form has been completed and submitted to the council, they will then contact you for further details and to check eligibility.



Step 2 Application accepted

Once the council have done their initial checks, Newydd will receive your application from the council and will carry out further checks to see if we feel the property is affordable for you. We will contact you to confirm if you have been successful.



Step 3 Appoint a mortgage advisor

Once you have the confirmation from us, we advise that you appoint a mortgage advisor – this can be an independent or through your bank or building society – to help support you through the mortgage application process. They can also advise you on the best rates available.



Step 4 Appoint a solicitor

Once a mortgage in principle is in place, you will need to appoint a solicitor and let us know their name and contact details. Our legal officer will then liaise with them on our behalf to answer any queries, as well as agree the exchange and completion dates for the property.

Step 5 Valuations and buildings insurance

Your mortgage provider will undertake a valuation of the property and its market value. The final mortgage offer will be based on this valuation.

Before you exchange, you will need to have buildings insurance agreed and in place for date of exchange. Your solicitor will be able to advise you further.



Step 6 Exchange and completion

Once all the checks and your mortgage offer has been received, your solicitor and our legal officer will agree exchange and completion dates – usually they do not happen on the same day. You will need to transfer your deposit to your solicitor ahead of the exchange date. On day of completion you will be able to collect your keys to your new home.

Step 7 Welcome to your new home

You have completed your house purchase, welcome to the Newydd community and we hope you create some wonderful memories in your first home.



How much will it cost?

Buying a property through the scheme will incur the normal costs associated with buying a property on the open market. This includes valuation, mortgage and survey fees, solicitor and land registry costs, search fees and land transaction tax (or stamp duty). Properties valued below £180,000 will not be subject to land transaction tax.

The Deposit

You can provide between a 5% and 15% deposit for the LCHO property; this is for your 70% equity. For example, on a property valued at £127,400 a 5% deposit would be £6,370.

Buying Costs

Some of the costs involved with a house purchase are below:

- Total Solicitor fees: approx. £900
- Lender property valuation: approx. £250

Ongoing Costs

You will also be responsible for ongoing expenses such as:

- Monthly mortgage payments
- Council tax payments
- Utility bills
- Property maintenance and repairs
- Building & Contents Insurance
- As a home owner, you will not be entitled to housing benefit. It is the purchasers' responsibility to consider all possible costs associated with owning a property.

Once you're moved in



So, you are now an official homeowner, so what comes next?

After Care

Each scheme will have a different period where the developer will assist you after your purchase. They will deal with any issues you may experience. You will be notified of this period prior to your purchase.

Repairs and Maintenance

It is your responsibility to repair and maintain the property, as well as cover any repair expenses.

Alterations and Improvements

If you wish to make any structural changes to the property e.g. build an extension, you will need to seek Newydd's permission as the alterations will impact on the market value of the property. You can contact our legal officer for further information.

Increasing your share of the property

There's no legal obligation to purchase our 30% shared equity interest, but if you wish to do so, you can get in touch with our legal officer, to find out more about the process and how to go about purchasing the equity interest through staircasing.

Selling your property



How to sell

If you want to sell your property, you must contact your council and Newydd who retain the right to purchase the property back. If we choose not to purchase the property back, then we will endeavour to find a buyer. Timescales for this process will be set out in your legal documents.

If there are not any suitable purchasers for the property within the timescales, then you can sell your property unrestricted on the open market. The retained equity share will need to be re-paid to Newydd at the point of sale being 30% of the prevailing market valuation.

Get in touch

To register your interest in our low-cost home ownership scheme, and to see what properties are available for sale in your area:

Email

homesforsale@newydd.co.uk

Telephone

0303 040 1998

Write

Newydd Housing Association, Ty Cadarn
5 Village Way, Tongwynlais, CF15 7NE

For more information, please visit
www.newydd.co.uk/our-homes

   @NewyddHousing