DEVELOPMENTS BY

Guide to Purchasing your Rent to Buy Home

GUIDE TO PURCHASING YOUR RENT TO BUY HOME

An Options Appraisal will be conducted for every customer nearing the expiry of their five-year fixed term. The 'Options Appraisal' will evaluate on a case-by-case basis the best option for continued management of the property and could include (as per policy):

1. Outright sale with first refusal given to the existing customer.

2. Conversion to a Shared Ownership product (whereby the customer purchases a percentage of the property and pays rent on the remainder, with the option to purchase an increased percentage over time, with outright purchase the eventual aim). This option would be available at any stage during the tenancy and is not restricted to the final six months of the initial five-year letting period.

3. A decision to bring the tenancy to an end (discussing with the customer housing options and assisting them to find alternative accommodation, which could include application for One Vision Housing owned, or other landlord owned, social rented housing)

4. A continuation of the Rent to Buy arrangement, extending the assured shorthold tenancy for an additional fixed-term (maximum 24-months) and subject to ongoing review.

NEXT STEPS

Step 1 - Once our Leasehold Team have confirmed a customer is interested in purchasing their property, they will request the Intention to Purchase form is completed and returned by email to **sales@ovh.org.uk**

Step 2 - For a comprehensive affordability assessment, customers are required to contact Metro or The Mortgage People (TMP) to ensure they qualify for a mortgage and the amount. This will help determine what purchase options are available.

Metro Finance: **metrofinance.co.uk**
Telephone number: **0800 3283 684**

TMP: **tmpmortgages.co.uk**
Telephone number: **08707 669 388**

Step 3 - For customers purchasing a share of their home through Shared Ownership, an application will need to be completed once mortgage confirmation has been received.

Step 4 - Whether purchasing through Shared Ownership or outright sale, customers are required to instruct and provide a written valuation by a RICS qualified surveyor, confirming the full current market valuation. Please contact **sales@ovh.org.uk** for support in sourcing a surveyor to carry out the valuation, or simply search online for "RICS qualified surveyors in my area".

Step 5 - Once we have confirmation of the value of the share a customer wishes to purchase, the request will be passed to **The Sovini Group's Executive Management Team** for review.

Step 6 - Once a request to purchase is approved, both parties are required to instruct solicitors to start customers on their journey to home ownership.

FREQUENTLY ASKED QUESTIONS

***Q:** Can an estate agent confirm the value of the property?*

A: Although an estate agent could provide a reasonable indication of value, a written valuation from a RICS qualified surveyor is required when looking to purchase your property.

***Q:** How long is a RICS valuation valid for?*

A: Usually, and unless stated, a RICS valuation would remain valid for three months.

***Q:** What should a customer do if they can't afford to buy their property or are refused a mortgage?*

A: The Leasehold Team will be able to confirm the options available to customers who cannot afford to buy their property or are refused a mortgage.

***Q:** Do customers have to use Metro or TMP for their mortgage?*

A: Customers are under no obligation to progress their mortgage through Metro or TMP, initially they are there to carry out an affordability assessment. These companies are recommended as they do specialise in Shared Ownership mortgages which could help the purchase process run more smoothly.

***Q:** Can customers buy a share of their property using cash?*

A: We can certainly consider cash purchases, in order for us to approve this we would need confirmation from a mortgage or financial advisor at assessment stage as to why a mortgage cannot be obtained.

***Q:** What is the initial minimum and maximum share a customer can buy of their property?*

A: Under the current model, lease shares are available from 10% to 75%, this would usually be confirmed at the affordability assessment stage.

***Q:** If buying a property as Shared Ownership can customers purchase future shares?*

A: Yes, Shared Ownership customers can buy additional shares at any point right up to 100% (full ownership) if finances permit, we refer to this process as "Staircasing". Under the current model lease customers can now staircase from as little as 1% at a time, but must bear in mind they may incur additional legal and broker fees every time.

***Q:** What rent do Shared Ownership customers pay?*

A: When purchasing a property for outright sale there will be no monthly rent charges. When purchasing as Shared Ownership, the higher the share, the less rent a customer will pay. This would normally be calculated and confirmed by the Sales Team once we are in receipt of the financial assessment and RICS valuation.

***Q:** What repairs responsibilities does a customer have once purchasing a property?*

A: The current model lease allows for an initial repairs period; however this would be the remainder of a 10 year period from the point the property was first handed to One Vision Housing. The Leasehold or Sales Teams can provide confirmation of this date and a Repairs Guide is available upon request.

Q: What other monthly costs could there be?

A: When purchasing as Shared Ownership, in addition to monthly rent customers will also incur a monthly service charge which includes building insurance cover (not contents). There could also be an estate management fee, whether purchasing as Shared Ownership or outright sale. The Leasehold or Sales Teams will be able to confirm this information.

Q: What other costs may customers incur when purchasing?

A: Whether purchasing as Shared Ownership or outright sale, customers will need to consider legal fees along with potential mortgage and broker fees.

Q: Can customers in rent arrears purchase their property?

A: A customer's Rent to Buy account must be up-to-date before they can consider purchasing under Shared Ownership or extending a tenancy.

USEFUL INFORMATION

We would suggest obtaining a conveyancing quote from Watson Ramsbottom as they specialise in Shared Ownership purchasers – however it is always wise to obtain several quotes for comparison.

Email: Enquries@ watsonramsbottom.com
Phone: 0151 525 5980

If you have any further questions, please contact One Vision Housing's Leasehold or Sales Teams on:

Leasehold Team
commericalhousing@ovh.org.uk
or **0151 365 1111**

Sales Team
sales@ovh.org.uk
or **0333 733 8888**

Your home may be repossessed if you do not keep up repayments on your mortgage. If you are ever worried about keep up with repayments you should contact your lender immediately who may be able to offer help and support.