

Shared Equity & Shared Ownership Conveyancing

A first time buyer guide

In the current economic climate, Shared Equity and Shared Ownership schemes have become increasingly popular as first time buyers find it even more difficult to get on the property ladder. They offer a realistic way for many people, who might otherwise struggle, to own their own home.

Shared Ownership or Shared Equity schemes are generally run by Housing Associations and Registered Social Landlords and there are a number of schemes in existence.

The benefits of shared ownership/equity purchases, apart from getting onto the property ladder, are that the schemes are generally run on new or refurbished developments and in some cases the areas they are built in mean that stamp duty is waived.

What is the difference between shared equity & shared ownership?

Under Shared Ownership, home buyers can purchase a percentage of the property (normally between 25% and 75%) with the aid of a mortgage, and then pay rent on the remaining part to the Housing Association or Registered Social Landlord. As time goes by, you could increase your share, sometimes to 100%.

Shared Equity is on the increase and more and more new build developers are offering this type of purchase solution as way to help first time buyers secure their first home. With Shared Equity, the buyer does not 'share' the ownership with another person. Instead they purchase the whole of the property with the aid of a mortgage from their lender and the Housing Association and builder participating in the scheme assist by funding a percentage of the purchase price by way of an equity loan to each of them which are secured against the property as mortgages. When you sell the property all the mortgages are repaid and the amount that will be repaid to the Housing Association and builder will be the amount of their percentage share in the property based on the market value of the property at the time of the sale/repayment of the equity loans. If the property increases in price so will the amount of their equity share as this is a percentage share and not a fixed amount.

How can Stephenson's help first time buyers?

Shared equity and shared ownership schemes have quite complicated terms and conditions and it is therefore imperative that anyone buying a property in this way seeks advice from a solicitor who is experienced in these types of transactions.

At Stephenson's, we have experience over a number of years of dealing with a wide range of shared ownership and shared equity purchases and can advise home buyers on the implications and intricacies.

First time buyers will benefit from personal expert legal advice and the assistance of one of the UK's leading law firms. Our property solicitors are recommended in the latest edition of the Legal 500, the leading independent guide to the legal profession.

Contact us

Please feel free to contact us if you would like further information on any aspect of our work:

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About Stephenson's

Stephenson's provides legal advice for all aspects of your personal or business life. By understanding your circumstances and keeping the red-tape to ourselves, we focus on efficiently delivering what you need, when you need it. Operating from a number of regional locations, we rank among the top 100 UK law firms and are one of the fastest growing practices in the north west. With over 300 staff, you can trust our specialists to take care of things on your behalf, always putting your best interests first. So, for legal advice and action the way you want it, just turn to Stephenson's.