

# PPHA.

Park Properties  
Housing Association



## FREQUENTLY ASKED QUESTIONS



# PPHA.



## What is Shared Ownership?

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Shared ownership is a housing scheme that allows individuals to part-buy and part-rent a property. Typically, buyers purchase a share (usually between 10% and 75%) of the property and pay rent on the remaining share to a Housing Association. Over time, buyers have the option to increase their ownership stake through a process called stair-casing.



## Who owns the other share?

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The share that you don't own, is owned by the building's Housing Association and you will pay rent on this part.



## How do I know what share I can purchase?

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You can purchase any share from 10% to 75% of the initial purchase price, but some properties may carry specific minimum share restrictions. You will be asked to speak to a financial advisor to assess what share you can buy, that is both affordable and sustainable.



## Will I need a deposit?

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Yes, you still need a deposit, but only on the percentage of the property you are buying. Mortgage deposits can often be from 5% of the share value.



## How easy is it to buy more shares?

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Buying a larger share of your home is called stair-casing. You will need to approach the Housing Association (in this case, PPHA) that owns the remaining share and provide proof that you can afford it, similar to the process of buying your initial share. It's important to remember that the value of the extra share you buy is based on a valuation in the current market and not when you originally bought the property.



## How is the rent calculated?

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On the share you don't own, PPHA usually charges a rent of 2.75% on Shared Ownership.

For example if you buy a 40% share of the home you pay 2.75% rent on 60%.

Our financial advisors can give you further details, based on your specific circumstances.



## How is rent increased?

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The rent increase depends on the type of lease. Please speak to your solicitor for further information.



## Can I have a pet?

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As most Shared Ownership properties are leasehold properties, there are usually lease restrictions around pet ownership. However, more homes are becoming pet friendly, which allows leaseholders to request the authorisation to have a pet from the Housing Association or the property management company.



## Does the service charge amount differ depending on what share I own?

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As the sole occupant of the property, you are responsible for paying 100% of the service charge, management and insurance payments.



## Can I buy a shared ownership property even though I currently own a home?

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Although the Shared Ownership scheme is targeted at first-time buyers, there are exceptions. If you already own a home you may be able to buy through the scheme, however you will have to sell that property before you can complete on your new home. Further to this you also can't own any other buy to let properties. Please contact us for more information on eligibility.



## What are my responsibilities as a shared owner?

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Your core responsibilities are to pay charges (rent, mortgage, insurance, management and service charge) on time. To take care of your property and repairs, outside of defect liability period, if you want to make any non-cosmetic changes to the property, to get permission from the Housing Association first. Your solicitor can give you further details, outlined in the lease.



## What are my Compliance responsibilities?

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As a leaseholder, you are responsible for the ongoing compliance and servicing within your property to ensure safety.

As a leaseholder, it is your responsibility to ensure that a gas safety check (if the property has a gas supply) is undertaken at the property every year. An annual gas safety check involves an inspection of all the gas appliances within your property to ensure their ongoing safety. It is essential that you use a qualified Gas Safe Registered engineer to conduct this inspection or when installing or repairing any of your gas appliances. On request, a copy of the Annual Gas Safety Check Certificate should be provided to your Landlord.

It is also best practice for all leaseholders and homeowners to have an electrical inspection completed on their home every 5-10 years. An EICR inspection must be conducted by a qualified electrician and will ensure the safety of the property against the UK standard for safety of electrical installations. The certificate identified any potential safety issues such as overloaded circuits, potential for electric shocks and any fire hazards due to defective electrics or outdated systems.



## What is my Defect Liability Period?

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The Defects Liability Period of 12 months begins from the date that the development/property is passed from the contractor to the developer. (Important note: it does not start on the day that you move in.)



## Can I rent out my spare room?

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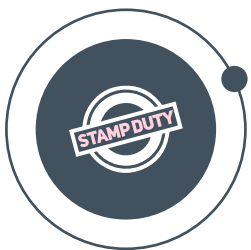
As a Shared Ownership buyer, you are not allowed to sub-let the property and should only be buying a property suitable for your own needs.



## What is the process for selling my shared ownership property?

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When selling the property you will need to approach the Housing Association (in this case, PPHA) first. They then usually have an exclusivity period to find a buyer for your share of the property. The property value is based on the current market values. If the Housing Association cannot find a buyer in those eight weeks, you are then allowed to sell your property via an agent on the open market – the property can be sold on Shared Ownership or full ownership.



## Will I have to pay Stamp Duty?

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If you (and anyone you are buying with) have never owned a property before, and the price is no more than £500,000, you will not pay any tax on the first £300,000 of the purchase price, and 5% on any portion from £300,000 to £500,000.

Each of the options of paying the SDLT could suit you, depending on your circumstances. It is up to you to decide. Your solicitor can give you further details on the calculations based on your specific requirements.



## Can I buy a property on my own?

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If you earn or have a household income up to a maximum of £80,000 (or £90,000 in London) per annum, you could be eligible. You can also use Shared Ownership to buy alone or with another person as long as your joint incomes don't exceed the maximum earnings bracket.



I have read the FAQ and am confident that I wish to proceed to reservation stage

**Customer Name:**

**Date:**

**Customer Signature:**

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