



Purchasing a Shared Equity Home

When you buy a New Home from Heritage Homes as a Shared Equity Dwelling you will initially buy 100% of the Property, but you will pay for the property by way of a standard Shared Equity Mortgage of up to 60%, plus a Cash Deposit of at least 5% which you will need to contribute upon exchange of contracts. The remaining 35% of the Equity is paid for by way of a 20% interest free Shared Equity Loan provided by Heritage Homes on behalf of the Local Council Plus an additional 15% Shared Equity Loan from Heritage which is interest free for 5 years. You will owe the balance of the 20% Shared Equity Loan to the Local Council until it is repaid under the terms of the S106 Agreement and the 15% Equity Loan will be repayable to Heritage in accordance with the repayment terms* when either the house is sold or by the end of the 25 year loan period. **In order to benefit from this scheme you must be a Specified Eligible Person**

You can purchase the remaining Shared Equity in the property at any time until you own 100% of the equity outright but you must repay the Heritage Equity Loan first. The price you will pay for the balance of outstanding Shared Equity will be based on the percentage of Shared Equity that you owe when you choose to repay it and the Market Value of the property at that time. The Market Value may be higher or lower than the value at the time you initially purchased. The balance of the Shared Equity owed to the Council and to Heritage will be secured by a second charge on your property, subject to the approval of your lender.

Should you decide to move home you may sell at any time, and any outstanding portion of the Shared Equity that you have not acquired must be repaid to Heritage and the Local Council in full out of the sale proceeds. There is no interest charged on the 20% Shared Equity owed to the Local Council, nor is there any time limit for repayment of any outstanding sum until you sell the property. Once you have acquired 100% of the Equity in your home, the property will be free of all Affordable Housing restrictions.

Who is eligible?

- This scheme is available to ALL BUYERS (rather than just first time buyers)
- Your household income must be less than £80,000 p.a.
- You can obtain a capital repayment mortgage with a qualifying lender
- You must have access to a minimum 5% deposit and be able to cover your legal fees
- You are not a buy-to-let investor and the property must be your only property at the time of completion
- You must meet the sustainability requirements
- You must REGISTER on the Register of Applicants maintained by "Help to Buy SW" who will assess and agree your eligibility to buy an Intermediate Shared Equity Home. Go to: www.helptobuysw.org.uk
- You must also pass a Financial Assessment which must be undertaken by an Independent Financial Advisor (IFA) approved by "Help to Buy SW" for this scheme. Heritage will arrange an appointment for you with the IFA to carry out this assessment and arrange any Shared Equity Mortgage which you may require through an approved qualifying scheme with a mainstream mortgage lender.

This scheme is only available on specified homes within the Development

Note to Mortgagee in Possession: Restrictions on resale do not apply to "Mortgagees in Possession"

Restrictions On Resale

for Shared Equity Homes

The 20% Shared Equity portion of the property is subject to restrictions on resale of the property set out in Section 3(1) of the 2016 Housing and Planning Act and the "Regulations" made by the Secretary of State until you acquire 100% of the Equity in the property

Any outstanding portion of the Shared Equity must be repaid to the Local Council upon resale.