

NottinghamHousing

**LiveLife**

Your step-by-step guide to  
**New Build HomeBuy**



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# Introduction

At Notting Hill Housing we want to provide homes people love, not homes they have to put up with. We feel if people own a stake in their home, they own a stake in their future. From our own research, almost 70% of people would love to own their own home, but London property prices mean it is very difficult for people to get onto the property ladder.

Notting Hill Home Ownership have sold over 3,500 affordable homes. We aim to provide homes of the highest quality. We have properties in and around the London boroughs, from Camden to Wandsworth, Lambeth to Richmond.



## What is New Build HomeBuy?

New Build HomeBuy, which used to be known as shared ownership, is a government-funded scheme designed to help you get on the property ladder. Basically you buy a share of the property that you can afford – usually between 25% and 75% – and pay us below market rent on the rest.

We help you work out what share you can afford to buy so that you won't be stretched financially and you can usually buy further shares of your home as and when you can afford to.

## What sort of home can I buy?

We offer everything from studio flats to four-bedroom houses. There's a good choice because we're constantly building or renovating homes. Plus we sell around 150 resales each year. These are homes currently owned by existing shared owners who want to move on.

Generally we set aside the larger properties for people with children or those with other dependants, although this isn't always the case. Your salary will generally be the deciding factor in the size of the property you can buy.

We set prices according to open market valuations – so you can be confident you're getting a fair deal.

In your application form you'll be able to say what you would prefer in terms of the property size and borough. And we can help you set your budget. In most New Build HomeBuy flats, there are restrictions on keeping pets, having satellite dishes or laying wooden floors.

# Who can apply?

## Who qualifies for New Build HomeBuy?

New Build HomeBuy is mainly aimed at first-time buyers, and other priority groups including council or housing association tenants and key workers (police, nurses, teachers and so on). However, anyone who meets the basic conditions (see page 3) may have the chance to buy a home. Each development will have its own conditions for eligibility and priority groups. Don't worry, we will tell you what these are when you book a viewing.

## Priority groups

We usually give priority to people who live or work in the borough where the property is. As a result, you will have a greater chance of buying a home in the borough where you live or work.

## Council and housing association tenants

If you're a council or housing association tenant, you must agree to leave your current home when the sale is complete to get high-priority status on our list. We'll also need a landlord's reference.

## Key workers

We may give priority to key workers (please see the definitions in the key worker insert). And, your chances will improve still further if you apply for a home in the borough where you're living or working now.

It's worth pointing out though that we consider all applications on merit. So, if you feel you have a good case, it's well worth applying. We sell a good number of homes to people who are not high-priority cases.



## Basic conditions

- You must not be able to afford to buy a home suitable for your housing needs.
- You must be a British or EU or EEA citizen or have indefinite leave to remain in the UK (you can stay without restrictions). If you do not have indefinite leave to remain and are interested in buying a home with us, you must be able to prove that you can raise a mortgage with an acceptable lender and that you can afford to keep your home in the longer term. We will assess these cases based on individual circumstances.
- You must be able to afford New Build HomeBuy. As a rough guide this means a household income of at least:
  - £18,000 a year if you're single;
  - £20,000 a year if you're applying as a couple; and
  - an extra £2,000 for each child or dependant living with you.

These examples may help.

- If you're a single parent with one child, you will need a minimum income of £20,000 – in other words £18,000 plus £2,000 for the child.
- If you're a couple with two children you'll need a minimum income of £24,000 – in other words £20,000 plus £2,000 for each child.

The minimum incomes shown would be suitable to buy a 25% share in one of our less expensive homes. For most homes you will need a higher income.

You'll also need a higher income if you pay loans, childcare and so on. If you have savings to put towards the price of the home, you may be able to apply with a lower income. We'll work this out when you apply.



- You must have savings of at least £3,000 to cover legal costs, survey fees, mortgage arrangements and stamp duty (see the note below). However, people often need more than this. If you can't get a mortgage, you'll need savings to buy at least a 25% share of the full value of a home.
- You must be employed on a permanent contract, unless you have savings to buy at least a 25% share of a home.

If you are a key worker, we can consider you if you are employed on a temporary contract as long as:

- there are at least six months left on the contract;
- the contract was issued for at least 12 months; and
- there is a reasonable chance of the contract being extended.

Stamp duty (also known as stamp duty land tax/SDLT) is a government tax which you pay when you buy property or shares in a property. As the rules regularly change we strongly suggest that you speak to your solicitor for the most up-to-date information, details of how this will affect you and the amount you may have to pay.

# Who doesn't qualify for New Build HomeBuy?

Sorry, but you don't qualify for New Build HomeBuy if the following apply.

- You are not a British, EU or EEA citizen, or your passport is not stamped with 'Indefinite leave to remain' or you are not entitled to use public funds.
- You cannot prove that you can raise a mortgage with an acceptable lender and afford to keep a home in the longer term.
- You have a county court judgement (CCJ) registered against you unless this has been satisfied (paid back). If so, we'll need to see the certificate of satisfaction from the court.
- You have a household income of more than £60,000 a year (this does not apply to resales).
- You have had a home repossessed in the past five years.
- You have negative equity which you can't sort out with your lender (negative equity is where you owe more money to a mortgage lender than your property is actually worth).
- You already own a home you can't or won't sell (you don't have to sell the home until you accept the offer of a home with us).
- You have been made bankrupt in the last six years.
- You are self-employed and don't have audited accounts for the last two full years plus an estimate for the current year, or copies of your last three years' tax returns.







# What do you do next?

## Step 1: Apply now

You can apply by filling in the form with this guide or online at:  
[www.nottinghillhousing.org.uk/salesapplication](http://www.nottinghillhousing.org.uk/salesapplication)

Once we have received the form, we will assess it and get back to you within two weeks.

## Step 2: Finding a new home

Once we have accepted you, we'll send you details of homes that match your needs and invite you to see the homes. In the meantime, you can also view the current properties we have available online at  
<http://www.nottinghillhousing.org.uk/properties> or call 020 8357 4444.

At this stage we would advise you to contact an independent financial advisor (IFA) to find out about the type of mortgage you can get. You should not be spending any money at this stage. You can find a list of IFAs who are familiar with New Build HomeBuy on our website.

## Step 3: Viewing

The type of viewing will depend on whether it is a new property or a resale property. For a new property, we will invite you to see a show home to get an idea of the type of finish and the style of the property. You will then have the chance to make your choice based on plans and other information. When you go to a resale viewing, you will be seeing the actual property.

## Step 4: Expressing an interest

At a New Build HomeBuy viewing you will have to fill in a preference form to tell us which are your preferred properties. After having been to a resale viewing, you will need to call our offices, during normal opening hours, to say if you are interested in the property.

## Step 5: Allocation

As there are usually more interested buyers than there are homes available, we will prioritise you in line with an allocations policy. The allocations policy will depend on where the development or resale is. The local authority will usually decide who has priority.

## Step 6: Offer

If you are successful at the allocations stage, we will call you to offer the home. You will need to confirm, within three working days, whether you want to accept this.

## Step 7: Interview

Once you have accepted the offer, we will arrange a buyer's interview with you, usually by phone. This will help to assess what you can afford to buy. This is also an opportunity for you to ask questions and discuss all the estimated costs involved in buying your new home.







# One step at a time

At the interview we'll take you through the buying process step by step, giving you as much detail as you need.

Before the interview you must give us:

- three months' payslips;
- proof of your savings;
- photo ID;
- two documents proving your current address; and
- latest bank statements from your current account.

If you are self-employed, you will need to provide:

- two years' audited accounts plus an estimate for the year ahead; or
- three years' tax returns.

At the interview we will decide on the share that you can afford to buy.





# What will you pay for your home?

This will depend on the market value and the share you can afford to buy. Here are a few examples based on 25%, 50% and 75% shares. Other shares are available (please see page 14 for a detailed explanation of the figures).

## Monthly outgoings

Example 1. Home worth £250,000

Equity share	Price	Estimated mortgage	Rent	Service charge	Council tax	Total
25%	£62,500	£447	£430	£125	£92	£1,094
50%	£125,000	£894	£286	£125	£92	£1,397
75%	£187,500	£1,341	£143	£125	£92	£1,701
100%	£250,000	£1,788	£0	£125	£92	£2,005

Example 2. Home worth £350,000

Equity share	Price	Estimated mortgage	Rent	Service charge	Council tax	Total
25%	£87,500	£626	£602	£150	£104	£1,482
50%	£175,000	£1,251	£401	£150	£104	£1,906
75%	£262,500	£1,877	£201	£150	£104	£2,332
100%	£350,000	£2,503	£0	£150	£104	£2,757

## Other costs

Don't forget to add in the extra costs of buying your home. You should budget at least £3,000 to cover the legal costs, survey fees, mortgage arrangements and stamp duty. Please speak to a solicitor about stamp duty.

There will also be running costs, over and above your mortgage, rent and council tax, such as:

- service charge to the freeholder for the upkeep of the building and common parts;
- repairs and maintenance to your home; and
- household bills such as gas, electricity, water and phone.

# Once you've bought your home

## Buying more shares

You can usually buy extra shares after you move in – we call this 'staircasing'. This increases the share you own and reduces the rent. You can buy further shares in blocks of 10% or more until you own the whole property (in most cases).

Obviously, the value of your home will have changed – it can go down as well as up. To set a fair price, you will need to pay for an independent valuation from one of the valuers on our panel. This cannot be an estate agent's valuation.

## Staircasing restrictions

On a small number of homes, 'staircasing' is limited or not allowed at all. But don't worry, this is rare – and we'll tell you about any restrictions before you buy. Your lease includes information about staircasing restrictions which may apply.

For more information on buying more shares, please call our Customer Sales Team on 020 8357 4444.

## What if I want to sell my home?

You can sell your home at any time. If you haven't bought all of your home, we'll try to sell to someone on our database. You need to pay for an independent valuation from one of the valuers on our list. This cannot be an estate agent's valuation. If we can't find a buyer within a certain time (usually two months), you can sell it privately.

For more information on selling your home, please call 020 8357 4444.

## Key worker homes

Some of our homes are provided to help key workers. Again, details are in your lease if appropriate. When you want to sell, we have to find a key worker to buy your share. We realise that this may make it harder for you to sell. Because of this, if we have not successfully found a key worker within two months to buy your home, we will review your options to find a buyer.

## Having your say

Once you buy a home with Notting Hill Home Ownership, you will become a leaseholder. We consult all leaseholders on matters such as planned maintenance and changes to contractors. You'll also receive the results of consultation programmes and satisfaction surveys so you can see how we're performing.









# What you can expect from us

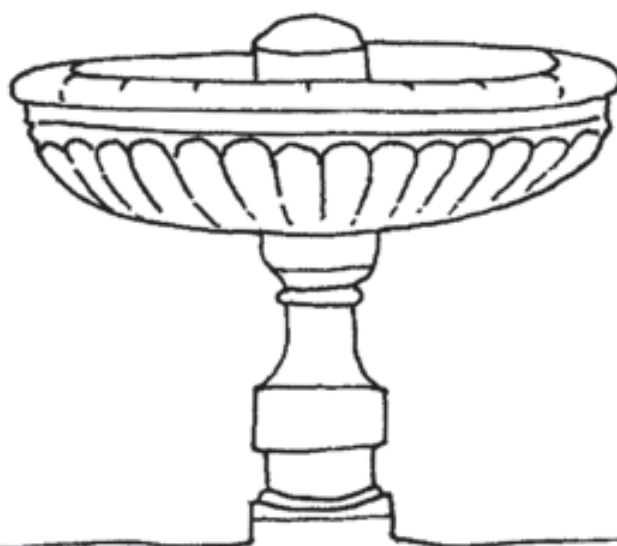
We value quality customer care as highly as you do. Here are some of the goals we set ourselves when working with you.

## Customer care

- We'll be polite and treat you with respect.
- We'll give you our name when we speak to you or see you.
- We'll be helpful and deal with your enquiries efficiently.
- We will answer your calls quickly and put you in touch with the right person if we can't help you.
- We'll return phone messages within one working day.
- We'll respond to all letters and e-mails within five working days of receiving them.
- We'll write all publications and letters in plain English.
- We'll see you within 10 minutes of your appointment time.

## Equal opportunities

We have a formal equal opportunities policy and work hard to treat all of our customers fairly, no matter what their race, sex, age, sexuality, religion, appearance or disability.



A woman with long brown hair, wearing a red button-down shirt, is sitting on a light-colored sofa. She is holding a silver smartphone in both hands and looking down at the screen. The background is a blurred green landscape, suggesting an outdoor setting. A semi-transparent dark grey box covers the bottom half of the image, containing white text.

# What we expect from you

Your relationship with us is defined by the terms of your lease. When we grant you a lease, you accept these terms, so it is important that you understand them. The lease will say exactly what we will do for you (nothing more, nothing less), and exactly what you promise to do. Please make sure that your solicitor explains the lease to you. Essentially, you are promising us that you will live in the property, under a number of conditions, and will pay on time a percentage of all costs in relation to the building or estate. We are promising that we will carry out a certain number of responsibilities to the building or estate if you pay us the service charge.

# Detailed explanations

This explains the figures we've used to work out the examples of monthly outgoings on page 9.

## Mortgage example

The examples are based on a capital and interest mortgage for 100% of the price over a term of 25 years without tax relief. The interest rate for the mortgage examples is 7% and the annual percentage rate (APR) will depend on the amount of the loan and the costs linked to it. The interest rate is based on the approximate level when the leaflet was written – October 2008 – and interest rates may go up or down. When you contact a building society, bank or insurance company for a mortgage, you should always ask for a written quotation. Also make sure you understand the type of mortgage you're being offered and the interest rate, the APR and details of any other associated costs and fees. Remember the total cost of borrowing a mortgage. If you stay in the home for the full term of the mortgage you'll make 300 payments on a 25-year mortgage. For example, if you have a mortgage of £100,000, you'll make 300 repayments of £715 (at the interest rate shown above) and your total cost of borrowing will be £214,500.

## Rent example

The rent is based on a percentage of the property we own – the examples use 2.75% a year.

## Service charge example

The examples assume you're buying a flat and so include an estimated service charge of £1,500 a year. This would include your buildings insurance and maintenance costs. Service charges can be higher or lower than this amount. If you buy a house, there is not normally a service charge although you would pay for buildings insurance and other maintenance costs.

## Council tax example

The examples assume you pay council tax of £1,100 a year on a property value of £250,000, and £1,250 a year on a property value of £350,000. The actual figure will depend on where you buy and may be higher or lower than this amount.











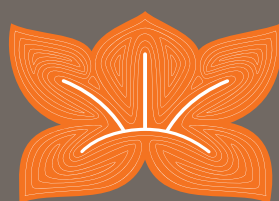
# About us

Notting Hill Home Ownership is a part of the Commercial Services Directorate of Notting Hill Housing.

We provide high-quality homes for people who can't afford to buy outright. We've been in business for over 20 years and are committed to providing a friendly, efficient service when you buy a home with our help.

The income we earn means that we can deliver on our 'profit with purpose' commitment. This means we put all the money we make back into the business to provide homes and services for people who need some help to get on in life.

We're registered with the Homes and Communities Agency (formerly known as the Housing Corporation). This is a government organisation which oversees the work we do and provides funding so we can help more people buy homes.



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**Notting Hill Home Ownership**

1 Butterwick, Rear of Metro Building, Hammersmith, London W6 8DL

Phone: 020 8357 4444 | E-mail: [sales@nhhg.org.uk](mailto:sales@nhhg.org.uk) | Website: [www.nottinghillhousing.org.uk](http://www.nottinghillhousing.org.uk)

