

Co-Own



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org

Co%ownership

October 2019





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**So it's time to get
own and you're u
you can afford a f**

**Just get in touch
if we can make y
move a reality.**

**a home of your
insure if
ull mortgage?**

**and let's see
our dream**







Welcome to Co-Ownership

We're the not-for-profit organisation that can give you a helping hand onto the property ladder.

With our team of experts in support, you could complete the dream move that you thought was just out of reach.

Co-Ownership has helped over 28,000 people into home ownership in Northern Ireland since we began back in 1978. This guide will show you just how easy it is for you to do the same.

Co-Own

Our shared ownership plan.

What's a shared ownership plan?

In a nutshell, we buy a place together. You buy the share that you can afford and we cover the rest.

You pay the mortgage on your bit and pay us rent on our bit (did we mention that you don't always need a deposit with Co-Own?). Because the rent we set is lower than the market rate and the mortgage you need is smaller, your monthly repayments could be less than they would be if you'd bought it outright.

When you're able to, you can increase your share in your home bit-by-bit until you own it all.

And don't worry; just because we've bought a place together doesn't mean we're moving in! **It's 100% your home.**

How does it work?

You buy whatever share of the house or apartment you choose, depending on how much of a mortgage you can afford. This will be between 50% and 90% of the purchase price. Co-Own will buy the remaining share. Over time you can increase your share until you own it outright.

If you are unable to save for a deposit within a reasonable time, Co-Own may be for you. Some lenders take our share instead of a deposit. Check out our FAQs online for a current list of Co-Own lenders.

If you decide to sell your home and move on, we will value your home. You will get the benefit of any increase in the value of your home due to improvements you have made and then the remaining value will be split between you and us, depending on the share that you own. We go into more detail about buying out or selling on page 20.







Why choose Co-Own?

Many people aspire to home ownership, but believe they can't due to obstacles like a lack of deposit or affordability issues. They mistakenly think their only option is to rent for longer.

What you may not be aware of is that buying a home through Co-Own can make more financial sense than renting (see our handy infographic overleaf).

Buying a home, of course, gives you the security, long-term peace of mind and sense of ownership that private renting just cannot provide.

With Co-Own you also have the freedom to choose the home you want to buy anywhere in Northern Ireland, up to a value of £165,000.

And with our highly experienced and friendly team making the whole process as easy as possible, Co-Own just makes sense.

Weighing up your options

Here's how Co-Own stacks up against the alternatives of buying and renting.

Any questions? We can help.

Buying a home is a serious business; don't forget there will be additional costs to buying and running your own home compared to renting a property.

That's why we're always here to help and answer your questions.

Visit co-ownership.org for more information

Renting



VALUE
£130,000

Co-Own



FOR SALE
£130,000

Buying



FOR SALE
£130,000

**Mortgage
£0**

**Deposit
£600**

**Total Monthly
Rent
£600**

**Mortgage on
50% share
£65,000**



**Deposit
£0**

**Total Monthly
Mortgage £310
+ Rent £135
£445**

**Mortgage
£117,000**

**Deposit
£13,000**

**Total Monthly
Mortgage
£559**

Co-Own and Buying examples shown are based on 4% interest rate, repayment mortgage over 30 years. Example based on an average house price in NI of £130k. Figures are for illustration purposes only. The cost of buying your home will depend on your circumstances, property price and the mortgage product you choose.

How do I get started?

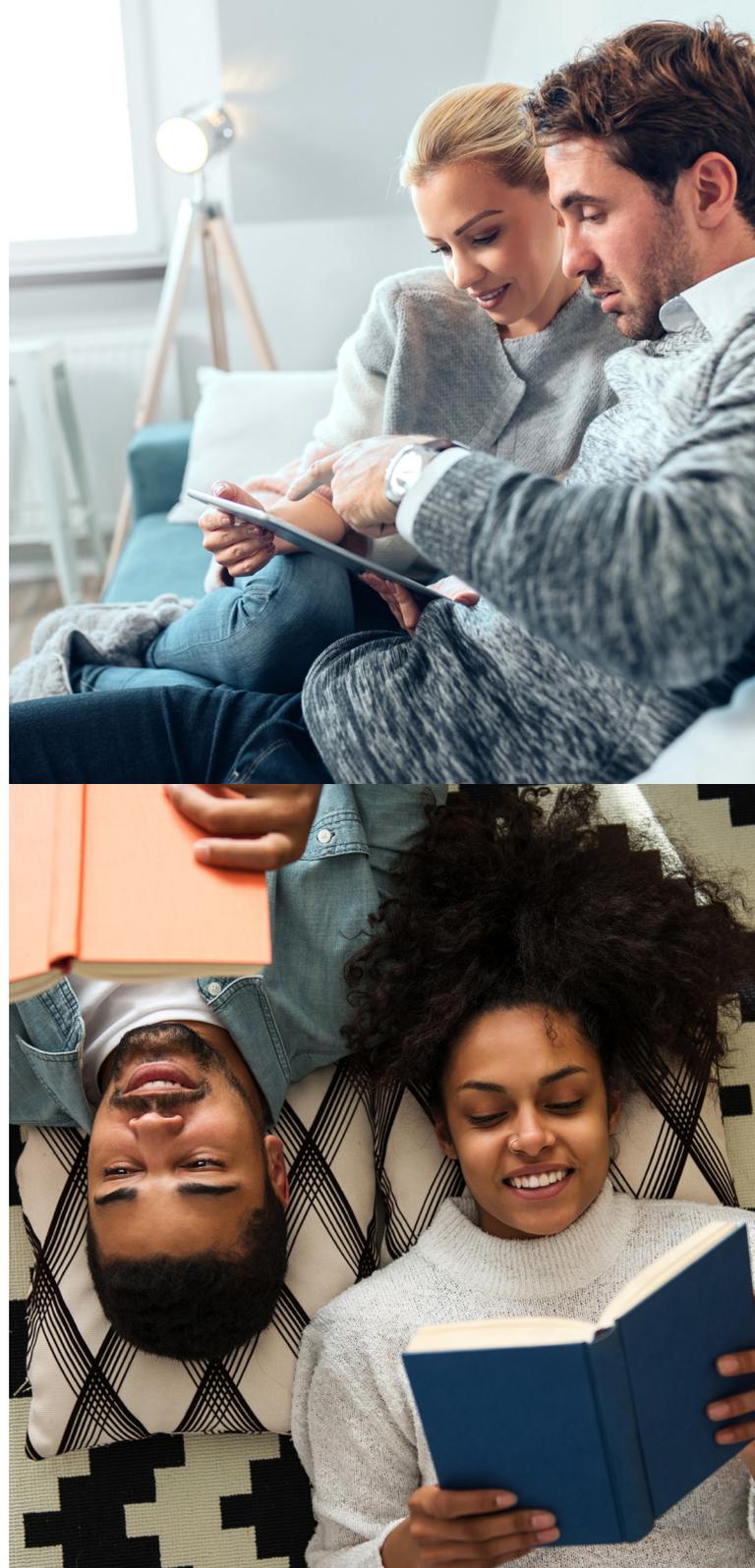
If you think Co-Own might be for you, go to co-ownership.org to find out more and use our handy tools.

There are two stages to a Co-Own application. Once you apply our team completes an assessment of your financial position to make sure you're eligible – don't worry, nothing painful! This will include a credit check with Experian.

Once you're approved, the next stage will be the assessment of your chosen property. If our team are happy that the house or apartment meets all our requirements then, happy days; you'll be well on your way to owning your own home!

Tip:

We recommend you check your credit report before applying to make sure there are no surprises.



Step by step

8 steps to home owning

Tip:

Remember to keep whoever is arranging your mortgage up to date.

Info:

Find out more about our legal package at co-ownership.org

1

Apply!

Apply online at co-ownership.org and we'll assess your financial circumstances (£100 non-refundable assessment fee).

2

Get approved

If successful, you'll receive an Approval in Principle that you can share with your bank, estate agent and seller. Your Approval in Principle is valid for 3 months.

3

Your mortgage

Have an initial chat with your bank or mortgage adviser to see how much of a mortgage you would be able to get. They will advise when to apply for your mortgage.

4

Find a home

Find your perfect home up to the amount in your Approval in Principle and upload the details to your application. (There'll be a £450 property fee which covers your survey and most of your legal fees).

5

Get your home approved

We'll check it meets our requirements, carry out a survey and if all is in order we'll agree the share we can purchase.

6

The offer

If all is okay, you'll receive a formal offer for us to purchase a share of your new home.

7

The Legal bit

Your solicitors will complete their bit and make sure all the paperwork is in order.

8

Move in!

What type of property can I look at?

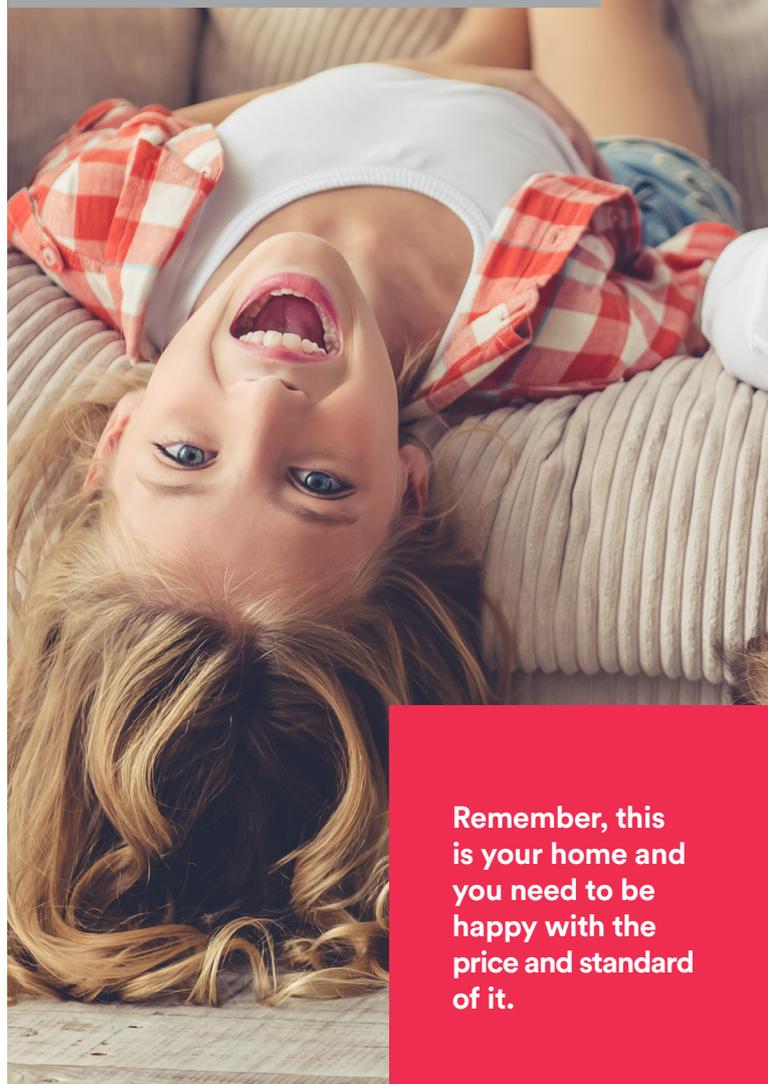
We want to make sure your new home is a sound investment, so we have some requirements we need to follow.

- You can choose a property up to £165,000 depending on your affordability
- The property can be anywhere in NI
- It can be a new build or an existing property
- If new build, it must have a suitable 10-year structural warranty
- You must live in the property
- You can't run a business from it
- Sorry, but we cannot buy one bedroom properties
- We can only buy properties in generally good condition.

Check out [co-ownership.org](https://www.co-ownership.org) for further details

Important!

It's really important that you review our property requirements on page 26 before you start house hunting so that you don't choose a property we cannot buy, e.g. a one bed property, properties with non-traditional or unconventional construction, or generally properties that need significant work done.



Remember, this is your home and you need to be happy with the price and standard of it.



The really, really important things to remember:

Co-Ownership buys a share of your chosen property which you pay rent on. You pay your mortgage lender a monthly repayment for your share of the property. If you miss payments on either your rent or your mortgage your home could be at risk of repossession.

Our shared ownership arrangement means that when you sell or buy a greater share of your home we both benefit from the value going up or share in the loss if the value goes down. We share the risk.

We expect you to maintain your home to at least the standard that it was when you bought it. When you buy a bigger share of your home it will be valued based on it being maintained to this standard.

It's your home so put your own stamp on it. You only need to contact us if you are thinking of making a structural change such as building a garage or an extension.

If you are changing your lender or are making changes to your mortgage, please let us know.

We hope you will be able to buy more of your home as soon as possible. We can talk you through this.

Co-Ownership is a charity which means that any money we make from the sale of your home goes back into the pot to help more people start their home ownership story.



The rent side of things

Here's a little info about the rent you'll be paying on your Co-Own home.

- The yearly rent is set at 2.5% of the value of the Co-Own share. That's £25 for every £1,000 we own.
- Rent is charged from the day of completion in the month that you join Co-Own. When you leave, rent is charged for the number of days you are a customer in that month.
- Rent is set and reviewed annually by the Department for Communities. Current rent is increased in line with the Retail Price Index.
- Rent is due at the start of each month, payable in advance by Direct Debit, and includes any ground rent due.
- Through Experian's Rental Exchange, making your payment on time will show on your credit report and could help demonstrate your ability to pay a higher mortgage if you wish to buy more of your home in the future. Equally, if you do not make your payments on time, this could negatively impact your credit report.

This table shows examples of how much monthly rent you could expect to pay depending on the price of the property and the share you hope to buy:

Property Value	Your Share								
	50%	55%	60%	65%	70%	75%	80%	85%	90%
£85,000	£88.54	£79.69	£70.83	£61.98	£53.13	£44.27	£35.42	£26.56	£17.71
£100,000	£104.17	£93.75	£83.33	£72.92	£62.50	£52.08	£41.67	£31.25	£20.83
£130,000	£135.42	£121.88	£108.33	£94.79	£81.25	£67.71	£54.17	£40.63	£27.08
£165,000	£171.88	£154.69	£137.50	£120.31	£103.13	£85.94	£68.75	£51.56	£34.38



If you have any questions our team will be happy to help.

How do I increase my share?

So you've finally got the keys to your own place thanks to Co-Ownership. What's next?

You may be only through the door but we'd still encourage you to have a think about the future. If it's your plan to eventually own 100% of your home, it's best to start as soon as you're financially able to.

Although the majority of Co-Owners buy us out fully or sell on their property, there is no requirement for you to increase your share at all.

And if you do decide to move on, it's nice to know that any money that Co-Ownership makes from the sale of the property goes back into the pot to help more people start their home ownership story.



Buying out or selling on? Here are your three options:

1. Buy out in steps

You can increase your share to 100% in little 5% steps or higher percentage blocks that suit your budget. Simply request a valuation online (£50 fee) which will be valid for 3 months. With this valuation we'll send you a form for you to return detailing how much you'd like to buy.

2. Buy out in one go

The process is very similar to buying a larger share above, however as you are buying the whole of the Co-Ownership share, you need to appoint a solicitor to take care of the legal work that needs to be carried out to remove Co-Ownership's name from the documentation relating to your home.

A man and a woman are shown in a room, moving a large cardboard box. The woman is on the left, looking up at the box, and the man is on the right, smiling and holding the box. The room has a white wall with framed pictures, a large pendant light, and a wooden cabinet in the background.

3. Sell the property

If you have decided to sell your home, choose an estate agent and put it on the market. You should also appoint a solicitor at this stage.

You can request a valuation online (£50 fee) at any time but it is better to ask for this when your home is sale agreed as this is usually the truest test of the market value of your home. We'll provide you with a buy-out amount. Also remember that the valuation is valid for 3 months so it's important that you complete your sale within this timeframe or you'll have to pay for another valuation and the value of your property may change. We'll send you the valuation with a form to return advising us of your decision to sell.

Remember:

Be sure in all cases when requesting your valuation to tell us about any improvements you have carried out as you will get credit for the value that has been added to your home as a result.

More detail on each of these options, plus a Buying out calculator, can be found at co-ownership.org

Criteria

It's really important to make sure that both you and the home you're after are suitable for Co-Own. Take the time to read through our person and property criteria carefully before you apply.

Whilst we assess you separately from the property, we make sure to only charge you the right fee at the right time. Bear in mind that the £100 assessment fee is non-refundable, however the £450 property fee may be partly refundable depending on how far along the process you have travelled.

Visit our website to find out more about fees and refunds. If you would like further financial, taxation or legal advice, please consult a professional adviser as we cannot provide this service.

Our criteria can change from time to time, please check our website for the most up to date version.

If you have any queries please contact our team on 028 9032 7276 who will be happy to help. Further details of what you need to apply can be found at co-ownership.org

What we expect of you:

Age

You must be over 18 to apply.

Residency status

You must live in the UK. You may be asked to provide evidence that you have adequate right to reside in Northern Ireland. You have to live in the property as your only residence.

Income multipliers

For us to work out how much you can afford we multiply your income by 3. If you're applying with another person we multiply your joint income by 3. These multiples are based on total income, before tax. We take a final decision after looking at all the evidence and assessing whether you can afford the purchase in the long term, based on your disposable income.

We cannot support applications from people who can afford to buy the property without our help.

Home owner	You can't apply for Co-Own if you currently own property which includes owning property or land, including commercial, or being named on any property, in Northern Ireland or elsewhere.
Joint Applicants	If you are married, civil partners, or couples living together or intending to live together in your new home, then we will normally expect you to apply together.
Deposit	If we think you may be able to save for a deposit, you may not be suitable for Co-Own.
Outstanding property debt	You must not have any debt to any third party which was secured on a previous home.
Previous relationships	You must have concluded any settlement arrangements from all previous relationships.
Credit Assessment	<p>We use Experian to review your credit history and to help us make the decision on the credit worthiness of your application. We will look at your debt levels and how you are managing your debt.</p> <p>Your credit report is a record of your financial history and will include records of payments on loans and credit cards and any other financial commitments. You should get a copy of your credit report before applying and check it.</p> <p>Things that will affect your credit assessment include, but are not limited to:</p> <ul style="list-style-type: none">– The level of credit commitments that you have– Any late/missed payments– Any defaults– Court judgements, bankruptcies, individual voluntary arrangements (IVAs)

Debt management

Before making an application to Co-Own, any of the following arrangements must have been settled for the stated period:

- **Debt Relief Orders** – 6 years
- **Bankruptcy** – 6 years
- **Individual Voluntary Arrangement** – 6 years
- **Payday Loans & Home Credit** – 12 months

The following arrangements also need to have been settled and will affect your credit score:

- **Debt Management Plans**
- **Money Judgements**
- **Defaults**

Just remember that you can have no adverse credit at the time of making a Co-Own application.

Employment

The following types of employment are acceptable and you must be with your current employer for at least the following period before you apply as indicated below:

- **Permanent** – normally 6 months plus
- **Fixed Term** – 12 months plus
- **Temporary** – 12 months plus
- **Zero Hours Contract** – 12 months plus
- **Self Employed** – 3 years plus

If your position has changed from e.g. fixed term or temporary to permanent we may take this into account.

Income

- You must declare all income for the household at the time of application. We require evidence of the amount and nature of all income.
- We require payslips for at least the last 3 months of employment.
- If you're self-employed you'll need to provide SA302 summaries for the last 3 years. In addition company directors must provide 3 months' payslips.
- We may accept income from more than one employment. Our general criteria applies to all jobs.
- We accept income earned from overtime, bonuses, commission and allowances up to 50% where regular.

Other income

We will consider the following other income:

- **Pension** – both private and state pensions
- **Working Tax Credit** – If there is more than one applicant, we'll need to know whether the award is made jointly or to one person.
- **Child Tax Credit** – For up to 2 children in the household if they are aged 14 and under at the time of application. If there is more than one applicant, we will need to know whether the award is made jointly or to one person.
- **Pension Credit**
- **Employment And Support Allowance (ESA)**
- **Disability Living Allowance (DLA)**
- **Personal Independence Payment (PIP)**
- **Incapacity Benefit**
- **Child Benefit** – For up to 2 children in the household if they are aged 14 or under at the time of application.
- **Universal Credit** – can consider child and disability elements (if available).
- **Maintenance** – we may accept maintenance payments from a former partner for up to 2 children in the household aged 14 or under at the time of application. This may be a private arrangement or court approved. You must provide evidence of the amount and payment history.
- **Foster Income**
- **Housing Benefit** – sorry but we do not accept Housing Benefit as other income.

Savings

Any savings over £10,000 must be put towards a deposit.

Previous applicants

Previously declined applicants can't apply until 3 months have passed from the date they were told of an unsuccessful application. Please remember that you will be charged for a new assessment when you apply again, so be sure to check that you meet all the criteria before submitting a new application.

Change in circumstances

If your circumstances change during an application you must let us know about this. We will review your circumstances. This may result in your application being revised.

What we expect of your property:

Property price	Maximum property value of £165,000
Location	We will purchase existing and new build properties anywhere in Northern Ireland.
New builds	<ul style="list-style-type: none">– Basic ‘turnkey’ packages are acceptable. You must declare any incentives you are offered. We may not agree to them.– We will generally not pay for extras in new build property, or for furnishings/moveable fittings in existing property.– New properties must have a suitable 10-year structural warranty.
Warranties	Properties under 10 years old must have the balance of their original 10-year structural warranty
Deposits	<ul style="list-style-type: none">– We do not require a deposit, but some lenders take the Co-Own share instead of a deposit; Check out our FAQs on co-ownership.org for a current list of Co-Own lenders.– If all or any part of the property deposit comes as a gift from a friend or relative, we can count it towards your starter share. With your application, you must provide confirmation from the person making the gift, stating the amount and purpose.
Types of property	<p>Sorry, but we don’t accept:</p> <ul style="list-style-type: none">– One-bedroom apartments or houses or;– Architect certified properties. <p>However please visit our website for more guidance if you’re looking at a more unusual property.</p>

Please visit our website for further information and guidance on our property criteria to help you choose the right home!



**If you think Co-Own
could be for you,
apply online at
co-ownership.org**

For more information
or to apply for Co-Own
please visit our website:

co- owner ship. org

Terms & Conditions and criteria apply.

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