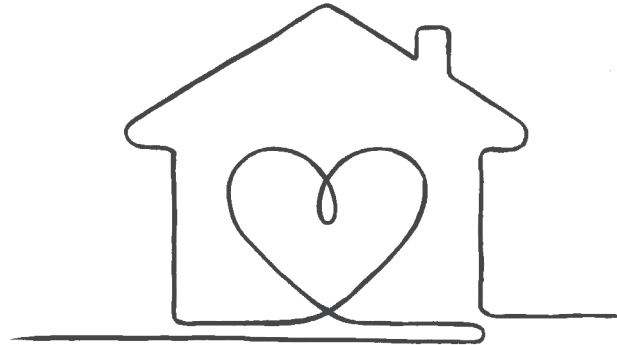


being a homeowner

Great benefits come with responsibilities



It's wonderful becoming a homeowner, but it's a big step. So you can be ready, it's good to know about the responsibilities that come with owning your home.

Keeping up with regular costs

You need to pay the costs on this page every month, or when they are due. If you do not pay them, you risk losing your home.

Mortgage

This is what you pay your mortgage lender every month. With a fixed rate mortgage the amount stays the same until the fixed rate ends.

Rent

This is the subsidised amount you pay by direct debit to the housing provider for the share of your home that you don't own. It will go up by a set amount each year, as set out in your lease. You will lose your home if you do not pay your rent as you will have broken the terms of your lease. The rent usually only rises by inflation/RPI – it does not rise with market rent values.

Service charges

These pay for communal costs – such as buildings insurance, cleaning, security and groundkeeping. The costs are divided between homeowners in the development. Service charges go up each year, as set out in your lease. Service charges usually also include a sinking fund, so that homeowners are protected from large communal bills for emergency or scheduled work on the building in the future. Service charges may decrease as well as increase – homeowners are sent an annual breakdown of expenditure and a revised figure for the next year is given.

being a leaseholder

What it means to you



When you buy a Shared Ownership home, you don't just become a homeowner – you also become a leaseholder.

A lease is a legal document that proves ownership of a property. A new-build lease commonly lasts for 125 years, but can be longer (up to 999 years) or shorter (for example if it's a resale).

Your lease will cover things like the property boundaries, buildings insurance, how to buy extra shares and how to sell in the future.

It will also set out things like:

- How often the rent and service charges go up
- How much they will go up by
- What the service charges cover
- What to expect from your landlord
- Your rights and responsibilities
- The fact that you are not allowed to sublet

Ask your solicitor to go through your lease in detail with you and make sure you understand it.

Fact check

The land that your home stands on will be owned by the freeholder, or landlord. For Shared Ownership homes, this is the housing provider.