



Our Complete Guide To Shared Ownership

L&Q



Introduction

At L&Q, we understand that buying your own home can feel exciting and daunting. **Can you afford it? Which is the best way to buy? And what do you need to know before you even begin?**

If you're wondering whether Shared Ownership might be the right choice for you, this guide is a good place to start. We'll explain every aspect of Shared Ownership, including the advantages and disadvantages of buying a home this way.

While Shared Ownership works brilliantly and has helped lots of people get on the property ladder, it may not be suitable for everyone. Reading this guide will support your journey in deciding if it's the right route for you to take.



L&Q
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Who is L&Q?

L&Q is one of the UK's leading housing associations and developers - we believe passionately that people's health, security and happiness depend on where they live. That's why we're more than a registered charitable housing association. We want to provide homes and neighbourhoods everyone can be proud of by delivering safe, high quality homes, services and support for all of our residents.

Social purpose is at the core of everything we do. As a not-for-profit organisation, we reinvest all the money we make to help house and support those in greatest need.

Our 250,000 residents are our priority, so the quality and sustainability of the places we manage and build, and the on-going involvement in these neighbourhoods is as important to us as it is to them. We've been a landlord and developer for

60 years, building homes for sale or rent across the country, so we're in it for the long term, providing support to our residents and their communities if they need us.





What is a housing association?

Housing associations are not-for-profit organisations set up to provide a wide range of housing products and services.

L&Q provide quality homes to suit a whole range of aspirations, incomes and stages of life, for Discounted Rent, Shared Ownership and Market Sale. We also focus on our existing social housing residents by investing in their homes, local communities and services.



Difference between L&Q and a private developer?

As a housing association, L&Q's social purpose is at the core of what we do and we reinvest all the money we make into our homes and services. Residents are at the heart of L&Q, and our governance structures ensure they have a powerful voice throughout the business. We're building relationships based on trust, transparency and fairness and we're making sure that we're there when we're needed – locally responsive and working hard to keep the communities we serve safe and vibrant. This is what drives our people and our culture.

Developers build and market new homes, and once each home is sold the relationship with the purchaser is usually complete. Profits are typically returned to directors and shareholders.



What is Shared Ownership?



Buying a Shared Ownership home with L&Q

With Shared Ownership you start by buying a share in your home and then progress to full ownership by buying more shares. Your deposit will be 5% to 10% of the share you are buying. You pay a mortgage on the share you own and a rent to L&Q on the share you don't own.

Are some applicants prioritised?

Some developments may initially be reserved for those who live or work locally, but in most cases the development is open to everyone so please register if you are interested. You can find out more about the development eligibility criteria on our [website](#) or by speaking to the Sales Team.

Is Shared Ownership really affordable?

If you are successfully allocated a home you will be required to meet with our appointed independent mortgage advisor to check the purchase is affordable for you. They will help you determine what is affordable and help you make the right decision. You will need a deposit and will also need to cover

the costs of buying a home. These costs include things like the reservation fee, mortgage valuation fee, removal costs and utility connection.

Can I buy more shares in my home?

Yes, this process is known as staircasing. You can also sell the share you own at any time, our dedicated resales team will be able to assist.

Am I eligible?

To buy a home under the Shared Ownership scheme you must meet these basic requirements:

- ▶ **have a combined annual household income under £80,000, or £90,000 in London**
- ▶ **not own a property, or part of a property, at the time of completing on your purchase**
- ▶ **be 18 years or older and be able to obtain a mortgage.**

Complete our Shared Ownership Application form to confirm your eligibility.



Why is Shared Ownership more affordable?

Because you only need a deposit and mortgage for the share that you purchase. You can usually buy between a 10-75% share.

What is the rent on unsold equity?

- ▶ You will only pay rent on the share that you do not own. When you staircase, the rent you pay will reduce
- ▶ The maximum rent that can be charged when the home is first sold is 3% of the unowned share
- ▶ The rent will increase to all shared ownership homes. The exact terms will be noted within your lease
- ▶ If you are purchasing a pre-owned home, the rent payable will be based on the current rent, however if you purchase a higher share this will differ
- ▶ It's important rent payments are made each month along with other payments such as your mortgage, service charges and utility bills.

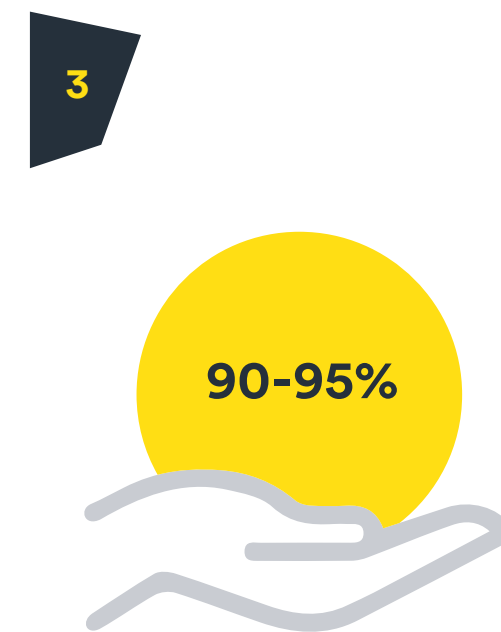
The example below is based on buying a 25% share*:



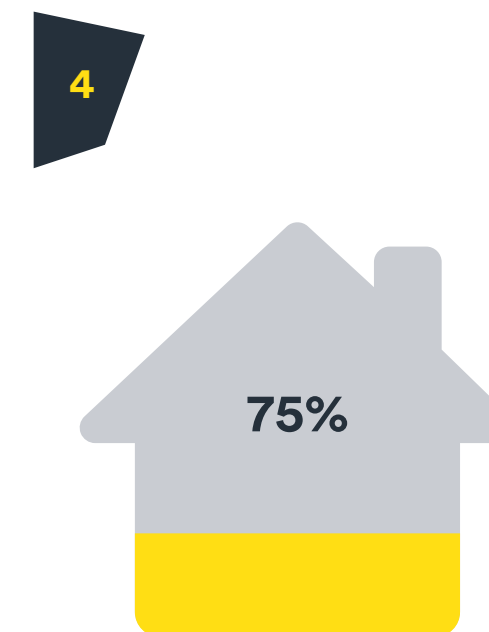
You can usually buy between a 10-75% share*



A deposit will be required, and this will be a minimum of 5% of the share you are buying



You will make mortgage payments on the share you own



You will pay a rent on the remaining unsold share

* Minimum share 10% or 25% depending on the development

The new Shared Ownership model

The new Shared Ownership model was introduced under the Affordable Homes Programme (2021-2026), bringing several changes designed to make Shared Ownership more flexible, affordable, and buyer-friendly. The new model applies to certain developments, please ask our Sales team for more information

Key features and changes from the current model to the new model

Reduced initial share

You can purchase a share as low as 10% (based on affordability) instead of 25%. This decrease will help to dramatically reduce deposit levels, making homeownership more accessible to many hopeful first-time buyers – particularly at developments in London where property values are highest and deposits have been pushed up over the past few years.

Increased lease

All new leases on new build Shared Ownership homes will have a minimum lease length term of 990 years instead of 99 years.



Staircasing

Residents will have the option to buy 1% each year for the first 15 years with heavily reduced fees. After that, staircasing tranches have reduced from a minimum of 10% to 5%.

Repairs allowance

The revamped Shared Ownership scheme will introduce a 10-year period for new Shared Owners whereby the landlord or housing association will cover the cost of repairs and maintenance in the home. Shared Owners will be able to claim up to £500 in repair costs per year, with any repair and maintenance costs in excess of this being the responsibility of the owner.

Shared Owners will also have the flexibility to roll over a maximum of one year's worth of unused repairs expenditure into the following year. It's worth noting that the 10-year repair cover will only apply to new build homes for the first decade of the property's life or until the Shared Ownership reaches 100% ownership – whichever comes first. If the home is resold through the Shared Ownership scheme within this 10-year period, the remaining years will be transferred over to the new Shared Owner.

A right to Shared Ownership

A Right to Shared Ownership will also be available on the vast majority of rental homes delivered through the new Affordable Homes Programme, providing tenants with a pathway into ownership by giving

them the right to purchase a stake in their home through the Shared Ownership scheme. The majority of rented homes built through the programme will have the Right to Shared Ownership attached, although there will be certain criteria that tenants need to meet to be eligible:

- ▶ **You'll need to be a social tenant for at least three years and have lived in the current property for at least 12 months**
- ▶ **You'll need to have a maximum household income of £80,000 or less – or £90,000 in London**
- ▶ **You'll need to demonstrate that you can afford and sustain homeownership; all prospective purchasers will be required to undertake an affordability assessment**
- ▶ **You must not be subject to bankruptcy proceedings.**

Eligibility explained

Whether or not you qualify for a Shared Ownership home – often called your ‘eligibility’ – is dependent on three separate factors. It’s important to understand the difference between them.

General eligibility

This is defined by the government. You need to meet the general eligibility criteria to be accepted for any Shared Ownership scheme. **Complete our Shared Ownership application form to confirm your eligibility.***

Affordability

Affordability is different for everyone, and depends on your income, financial commitments and the value of the home you want to buy. L&Q have an affordability assessment process for all customers to follow.

Before viewing the home, you’re interested in, we ask that you contact one of our Independent Mortgage Advisors. They will take a few basic details to assess your affordability and ensure you meet the initial criteria.

If you’re successful in being allocated the home following your viewing, you’ll proceed to

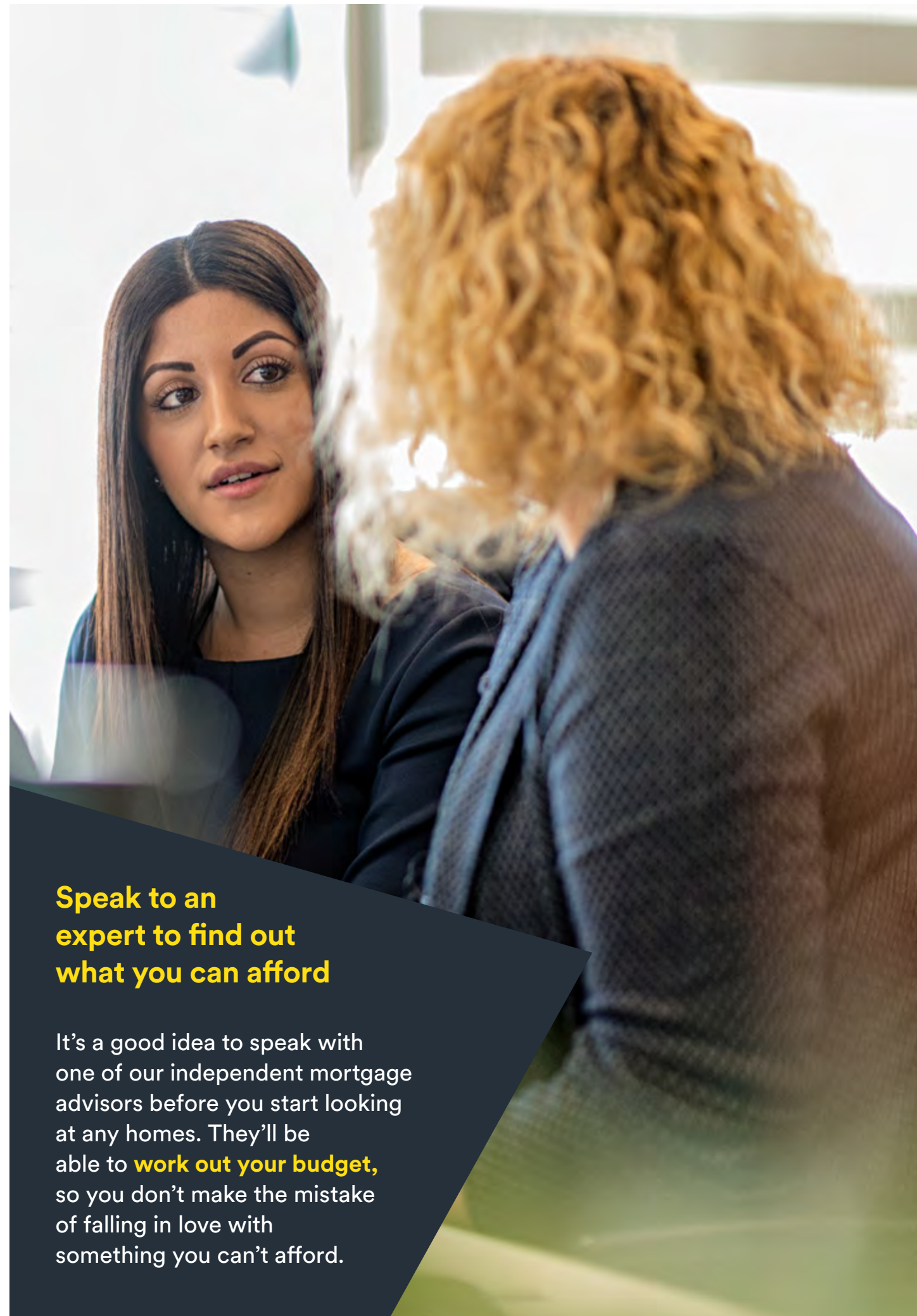
a full financial assessment. At this stage, the Independent Mortgage Advisor will request the required documentation and work with you to confirm that the rent, service charge, and mortgage payments are affordable based on your personal circumstances and financial documentation you have provided.

If you require additional assistance or have circumstances that may affect how you access our services, please tell us. Examples include large-print materials, translation, or accessible building entry.

Property eligibility

Local Authorities sometimes set their own rules in terms of allocating homes, prioritising people who, for example, already live or work in the area. This can affect whether or not we’re able to offer you a home.

You can find out all information on how we allocate our homes on our **website**.



Speak to an expert to find out what you can afford

It’s a good idea to speak with one of our independent mortgage advisors before you start looking at any homes. They’ll be able to **work out your budget**, so you don’t make the mistake of falling in love with something you can’t afford.

*Not applicable for North West developments

Eligibility Q&A

Is this just for first-time buyers?

Does it matter if I've bought a house before?

Shared Ownership is a little more flexible than many house-hunters realise. It's actually available to anyone that can't afford to buy a suitable home on the open market. The government breaks this down into three groups of people:

▶ **First-time buyers**

▶ **People who have previously owned a home but can't afford to buy one now***

▶ **Existing Shared Ownership homeowners who want to move.**

You don't have to be a key worker or have a family. As long as you're 18 or older and fit within one of these three groups, Shared Ownership could be a possibility.

This means Shared Ownership could potentially be right for:

▶ **Separated couples looking to buy a property each**

▶ **Families needing to move into larger homes**

▶ **Retirees and downsizers**

▶ **Friends looking to buy together.**

Can I make a joint application?

Yes, two of you can apply jointly for Shared Ownership using our online form, as long as you have a good credit history with no outstanding mortgage or rental payments, and no defaults or County Court Judgments.

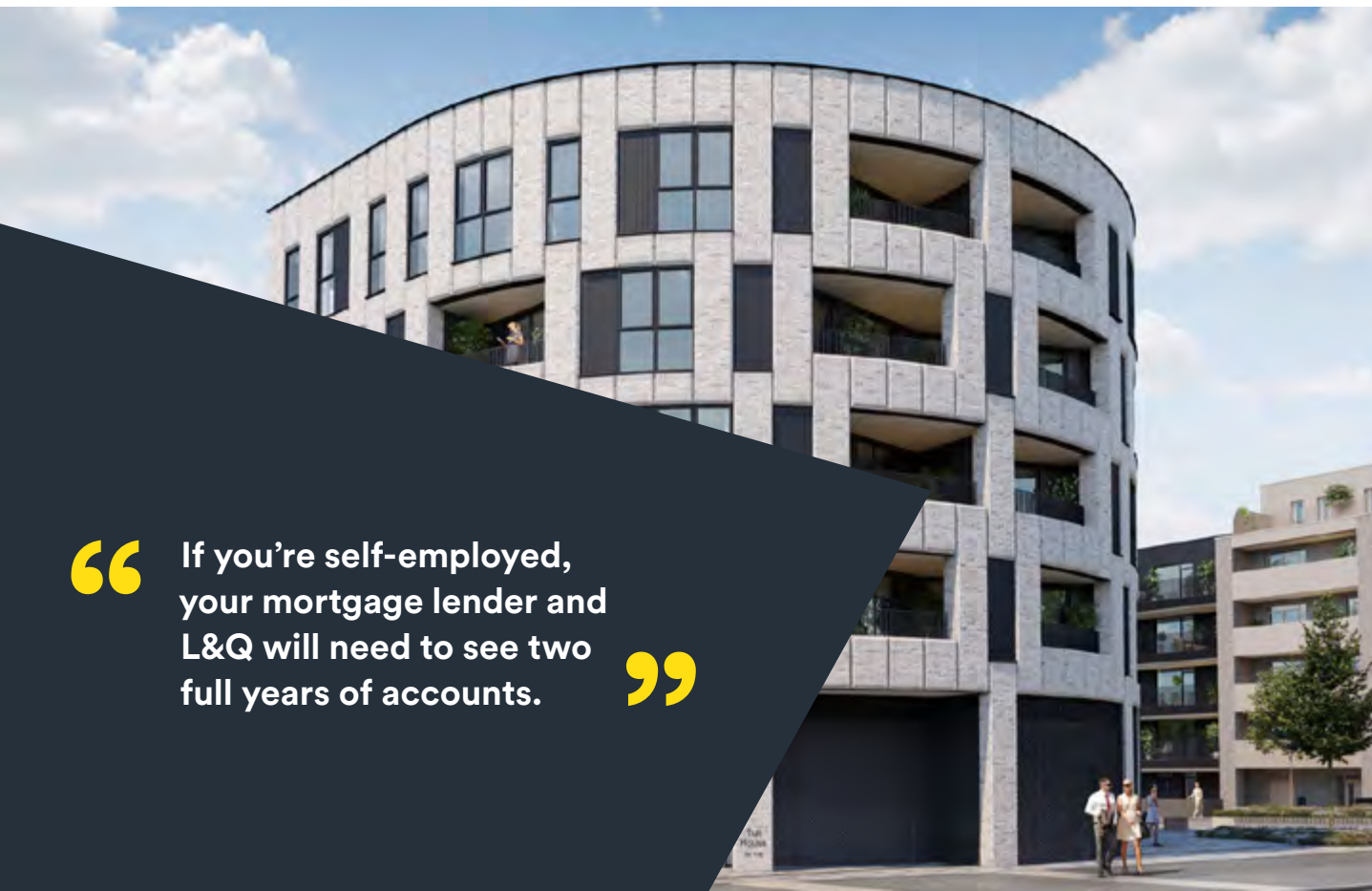


Affordability Q&A

The short answer is yes to all three, but the exact figures and details vary. We'll break it down into simple terms.

- ▶ **All of L&Q's properties require a minimum income.** There will be a guide minimum income for each of our homes for sale but often you can still proceed if you are below this minimum income if you have a higher deposit.
- ▶ **Local authorities sometimes set minimum and maximum incomes for certain developments.** Whichever home you choose you'll need to earn enough to qualify for a mortgage and afford your monthly rent and service charges. So you'll almost certainly need a salary or other form of regular income, for example, from established self-employment or pension payments.
- ▶ **You need to have a good credit history with no outstanding mortgage or rental payments, and no defaults or County Court Judgments.**

“ If you're self-employed, your mortgage lender and L&Q will need to see two full years of accounts. ”



I get a bonus. Do you count that as income?

Depending on the mortgage lender's criteria, if you receive a bonus, commission or overtime, we'll include 50% of that figure in your annual household income. For example, if you earn £45,000 a year and £10,000 a year in commission, your total annual income will be recorded as £50,000.

Can I pay for my share in cash, with no mortgage?

In exceptional circumstances, it may be possible to purchase your share in cash if you are unable to obtain a mortgage. Adverse credit is not accepted as a reason for doing so. Our Sales Associates can provide more information upon request. Further information can be found in our **Eligibility and Allocation policy**.

I receive benefits. Does that rule me out?

Not necessarily. It depends what sort of benefits, how long you'll be receiving them and whether you'll need to borrow money to pay for your share of the house. If you're eligible for Shared Ownership and certain benefits, you may be able to get support with your rent payments.

Can I afford an L&Q home?

This is something to think carefully about before going ahead, to avoid disappointment later down the line. When you apply for L&Q Shared Ownership, we will ask for details about your income and financial commitments. This helps us understand whether you can afford the costs of buying and maintaining a new home. As well as earning enough to pay your mortgage and rent, it's important to understand the key points:

- ▶ **You will need around £5,000 to buy a home.** This covers things like the reservation fee, mortgage arrangement fees, solicitor's fees, removal costs, first month's rent and utility connection charges. On completion, you will also have to pay the rent and service charges for the remainder of the month you complete in and then the next full month.
- ▶ **You will also need money for your deposit** (usually 5%-10% of the share you are buying).

How do we allocate homes?

This depends on the development and area you're buying in. There may be specific criteria set by the local authority as part of the planning permission.

For example

Some councils prioritise healthcare professionals if the development is close to a hospital. Each development will advertise if there are any specific allocation criteria. Often this can be for an initial period before being opened up to others.

For homes within London

If the local authority does not set any specific allocation criteria, the below factors will be considered when allocating.

- ▶ **Already live or work in the same borough as the home you want to buy**
- ▶ **Are a first-time buyer**
- ▶ **Are an existing local authority or housing association tenant**
- ▶ **Would be living in the home with children**
- ▶ **Work for the Ministry of Defence.**

If we receive multiple reservations for the same property, then L&Q will review the circumstances of the applicants who have applied and assess who should be prioritised.

For homes outside of London

If the local authority does not set any specific allocation criteria L&Q will aim to offer their Shared Ownership homes on a first come, first served basis to support applicants in selecting their preferred shared ownership unit.

The exception to this is for qualifying Armed Forces personnel, key workers and living within certain rural locations and sites (As defined within the relevant Capital Funding Guide).

Further information can be found in our **Eligibility and Allocation Guidance**.



What are the costs of Shared Ownership?

Initial buying costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Reservation fee	An initial payment to secure your interest in the property, subject to eligibility and contract.	At point of reservation. For new build sales, this will be deducted from completion monies, for resales, it will be refunded upon completion.	Standard Fee is £500.	N/A
Buying costs inc. solicitor's fees, mortgage costs and moving costs	All third party costs in relation to progressing the purchase of your property.	During purchase process.	Approx. £3,500 - £5,000.	N/A
Deposit	Your contribution towards the purchase of your property.	When contracts are exchanged.	10% of the share you are purchasing (5% if purchasing with a 95% Loan to Value mortgage). Although 10% is due upon exchange, you may require a higher deposit to obtain a mortgage subject to your individual circumstances.	N/A
Stamp duty	A government tax payable to purchasing property.	At completion. There are two options for paying this, it can either be paid based on the share being purchased, with further stamp duty payable upon future staircasing or it can be paid in full based on the full market value at the time of purchase.		Additional stamp duty may be payable subject to initial stamp duty payment option. Also subject to government legislation.
Notice of Transfer and Charge fees	Notification that ownership of the home has been transferred to you. And, that your mortgage lender has a legal charge.	On completion.	Approx. £125 per notice.	Benchmarked regularly with other organisations.

Ongoing costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Mortgage	Money loaned to a purchaser from a financial institution (bank/building society) to part fund the purchase.	Monthly.	Subject to property value and mortgage product (fixed or variable rate).	Subject to change depending on the mortgage product, future borrowing, overpayments or staircasing.
Rent	Money that is paid to the landlord each month. The rent is paid on the unowned share of the property.	Monthly.	Subject to property value and % of ownership. Reviewed annually.	Yes, increases each year by 0.5% above RPI or CPI. N.B Historic leases may vary. Rent will reduce upon staircasing.
Service charges	Costs in relation to services that are provided by the landlord to cover different elements in the communal/shared areas within the building and wider estate. For example grass cutting/communal cleaning.	Monthly.	Reviewed annually.	Yes (reviewed annually, based on expenditure of the previous year). Usually service charges increase each year in line with inflation/cost of works.
Ground rent (if applicable)	An amount payable under the terms of the lease to the landlord.	Annually.	Fixed every 12 months (scheme specific).	Yes (reviewed annually in line with lease).
Utility bills, Council Tax and Content's Insurance*	Household bills to cover items not provided by the landlord, e.g. personal electricity and water.	Monthly or quarterly.	Subject to each household.	Subject to change depending on utility tariff and council rates.

02. What is Shared Ownership

*General wear and tear should be budgeted for. Charges are correct at time of going to print in March 2022.

Further costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Staircasing costs inc. solicitor's fees, mortgage costs & admin fee	The cost payable by the shared owner to purchase further shares in their property.	During staircasing process.	Approx. £1,000 - £3,500 N.B Excludes Stamp Duty that may be payable.	Costs will be payable on future staircasing transactions. Staircasing costs are subject to change given third parties involved.
Home improvements – survey, legal and admin fees	The cost payable by the shared owner in order for home improvements to be carried out.	At start of home improvement project.	Minor Home Improvements Approx. £150.00 - £270.00, Major Home Improvements Approx. £1275.00 - £1375.00.	N/A
Lease Extensions inc. premium, solicitor's fee, valuation and admin fee	The costs payable by the shared owner to extend their lease term.	During lease extension process.	Extension premium subject to each property value. Solicitor/Valuation/Admin fees Approx. £2,500.	Subject to any future lease extensions and length remaining on lease.
Selling costs	Our fees payable for marketing your home and securing a buyer.	Payable upon completion if L&Q secure the buyer.	Standard fee is 1.25% exc VAT of the full market value N.B Historic leases may vary.*	N/A
Management Enquiry Pack Costs	Our fees payable to provide your buyer, and their solicitors with leasehold information related to your home.	Payable once a buyer has been found.	£280 inc. VAT.	Only in line with any government recommendations.

02. What is Shared Ownership

*Unless otherwise stated within the lease document. Charges are correct at time of going to print in March 2022.

Buying
Process

03. Buying Process



Getting started with L&Q Shared Ownership

Your first steps to finding your home.



Step 1: Confirm your eligibility

Complete the online L&Q Shared Ownership Application form at lqhomes.com/apply.
If you're purchasing a home with a friend or partner, remember to complete the Joint Application section of the form.



Step 2: Reserve your home

Browse our website and find a home that's right for you. Book a viewing and visit the show home, once you've chosen your home reserve it with a payment of £500. Homes within London will be allocated based on priority whereas homes outside of London will be allocated on a first come, first served basis.



Step 3: We make you an offer

Once you have paid your reservation fee, we will verify your identity. If the result of this check is satisfactory, we'll contact you to make an offer of a home.

03. Buying Process

Buying a Shared Ownership home

After we have made you an offer.



Step 1: Meet a mortgage advisor

When you accept the offer, it will be subject to a financial assessment with an independent mortgage advisor (IMA). They will assess what share you can afford to purchase and can arrange your mortgage application for you.



Step 2: You appoint a solicitor

Everyone who buys a home needs to appoint a conveyancing solicitor to work on their behalf. We can provide details of solicitors who specialise in Shared Ownership.



Step 3: We exchange contracts

The Memorandum of Sale (MOS) will give a date by which to exchange contracts. This makes your intention to buy a home through L&Q a legally binding agreement.



Step 4: Completion day arrives!

Your mortgage lender will give your solicitor the money to buy your home and complete the sale. Congratulations on purchasing your new home!



Step 5: Time to collect your keys

We will make arrangements to meet you at your home and hand over your keys. We will also walk you through your new home and talk you through your Home User Guide (New build homes only).

Initial buying costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Reservation fee	An initial payment to secure your interest in the property, subject to eligibility and contract.	At point of reservation. For new build sales, this will be deducted from completion monies, for resales, it will be refunded upon completion.	Standard Fee is £500.	N/A
Buying costs inc. solicitor's fees, mortgage costs and moving costs	All third party costs in relation to progressing the purchase of your property.	During purchase process.	Approx. £3,500 - £5,000.	N/A
Deposit	Your contribution towards the purchase of your property.	When contracts are exchanged.	10% of the share you are purchasing (5% if purchasing with a 95% Loan to Value mortgage). Although 10% is due upon exchange, you may require a higher deposit to obtain a mortgage subject to your individual circumstances.	N/A
Stamp duty	A government tax payable to purchasing property.	At completion. There are two options for paying this, it can either be paid based on the share being purchased, with further stamp duty payable upon future staircasing or it can be paid in full based on the full market value at the time of purchase.		Additional stamp duty may be payable subject to initial stamp duty payment option. Also subject to government legislation.
Notice of Transfer and Charge fees	Notification that ownership of the home has been transferred to you. And, that your mortgage lender has a legal charge.	On completion.	Approx. £125 per notice.	Benchmarked regularly with other organisations.

03. Buying Process

Legal Interest and Responsibilities

04. Legal Interest & Responsibilities



Leasehold and freehold explained

Leasehold

House – Full rights to owners

Land – Restricted rights to owner



Leasehold is a long-term tenancy where someone buys the right to live in a property for a set period of time (anywhere from 99 to 990 years). Unless arrangements are made to extend the lease before it expires, ownership of the property returns to the freeholder. As a leaseholder, if you own a property in an apartment block, you won't own the land the property sits on, this will be owned by the Freeholder.

Freehold

House – Full rights to owners

Land – Full rights to owners



As a freeholder of a property you own it outright, including the land it's built on. If you buy a freehold, you're responsible for maintaining your property and the land. If you're part of a development estate, then you will need to contribute toward the upkeep and maintenance of the communal grounds via an estate charge in addition to any maintenance and insurance costs specific to your home. Most houses are freehold but some might be leasehold, especially through Shared Ownership.

Shared Ownership flats and houses are sold on a leasehold term initially.

Upon final staircasing of houses, the leaseholder will usually obtain the freehold. On some developments this may not be possible, details will be provided by the sales representative at the time of sale.



Our Standard Lease Terms

- ▶ If we are the freeholder or if we own a long leasehold interest, we will grant a lease term of 990 years
- ▶ If we are not the freeholder or have a shorter headlease than 990 years, then we will grant the maximum term that we possibly can
- ▶ All of our homes will be marketed clearly with the lease term available.





Ground rent

As a leaseholder, you may be required to pay an annual ground rent. The amount payable may vary and is subject to each development. The amount will be specified within your lease and will be outlined at the time of purchase.

Ground rent is usually an annual fee and specified within your lease. Most ground rents are payable in April, unless your lease states otherwise. We'll send you a letter a month before to remind you it's coming.

You will pay 100% of your ground rent and service charge, whatever percentage share of your home you own. This is because you are an owner-occupier, not a tenant.

Shared Ownership leasehold

When you buy a Shared Ownership home with L&Q, we enter into an agreement. You'll sign a lease, which outlines your rights and responsibilities as a leaseholder, and our responsibilities. Our responsibilities include things such as making sure your home (the building) is insured, keeping the outside of apartment blocks in good repair and consulting you about repairs to any shared areas over a certain amount.



Your legally binding responsibilities

- ▶ **Keep your home in good condition and carry out any maintenance required.** If you own a house, you are responsible for all repairs and maintenance inside and outside your home. If you own an apartment or a maisonette, you are responsible for maintaining the inside only
- ▶ **Pay all service charges, rent and ground rent payments on time.** Failure to pay could result in repossession of your home
- ▶ **Respect your neighbours and do not cause a nuisance.** Everyone has a right to quiet enjoyment of their home
- ▶ **Keep us up to date with who is living in your property.** Sub-letting is not permitted but may be considered in extreme circumstances
- ▶ **Request permission from us before making any alterations to your home.**

Note

The above gives a snapshot of some of the key points, your lease will set out all the conditions which will need to be adhered to. It is important you have read and understood your lease before proceeding with your purchase.

Our legally binding responsibilities

- ▶ **To enforce leaseholders' covenants in the lease**
- ▶ **To ensure all of the leases are substantially the same**
- ▶ **To ensure leaseholders have quiet enjoyment of their property**
- ▶ **To keep the common parts in a good state of repair and redecoration**
- ▶ **To provide services that are specified in the lease, such as cleaning and gardening**
- ▶ **To provide buildings, public liability and staff insurance**
- ▶ **To ensure all service charges are properly demanded and paid.**



Life as a
Shared
Owner



05. Life as a Shared Owner



Service charges

What are service charges?

Service charges cover the cost of any communal services, such as grounds maintenance, a caretaker and cleaning shared areas.

The charges also cover the cost of maintaining and repairing equipment within shared areas, such as lifts, communal TV aerials, CCTV, electronic gates, door entry systems and fire safety equipment. Whilst you're a shared owner your service charges also include the cost of your buildings insurance.

How do you work out service charges?

At the beginning of each financial year, we estimate the cost of communal services and charge you your share of that estimate. These estimates are worked out using information from our contractors and by analysing past costs. For example, we estimate communal electricity consumption based on bills from the supplier over previous years. When the service is provided under a regular contract, such as

grounds maintenance or cleaning shared areas, we know the annual cost of the contract in advance.

We divide the estimated charge into equal regular payments, so you don't have to pay the whole amount in one lump sum.

After the end of each financial year, usually around September, the accounts of expenditure will be completed. We will contact you should there be an overspend or underspend and advise if any additional monies are due or if any monies are due to be refunded to you.

Service Charges Charter

L&Q have signed up to the Mayor of London's Service Charge Charter to demonstrate our commitment to transparency, affordability, design, scrutiny and redress. The charter can be found here:

Sinking funds

A sinking fund is a long-term savings plan that leaseholders contribute to every month through service charges. This is used to pay for major work that are required, such as replacing a roof.

We will always consult with you for any single item of works that will cost you more than £250 via a Section 20 notice. All sinking fund contributions are held by us and accounted for separately from other service charges. Interest is earned on the money and is added to the sinking fund balance every year.

More information can be found here:

Did you know...

Sinking funds can be desirable to future buyers should you decide to sell as monies have been put aside for future major works.



Staircasing

The process of purchasing additional shares and increasing your ownership (equity) is called 'staircasing'.

- ▶ There is no timescale or requirement to staircase, it's up to each individual leaseholder whether they wish to staircase and when
- ▶ You will have three opportunities to staircase to 100% ownership
- ▶ The minimum share you can staircase by is 1%. This may differ depending on home you are buying. Our sales team can provide further information.
- ▶ Dependant on your lease terms, you may be able to staircase 1% each year for the first 15 years. However some leases the minimum share increase is 5% multiples.
- ▶ In some leases the third and final transaction must take you to 100% ownership
- ▶ Staircasing transactions will be based on the value of your home at the time of the transaction, not the original purchase price. An independent RICS valuation will be required
- ▶ With Shared Ownership houses, upon final staircasing you will usually receive the transfer of the freehold.

Did you know?

When you apply to increase your shares, your rent account must be up to date and must remain so throughout the process. You also need to consider the costs of legal fees and any additional mortgage fees you will incur.

Your lease will contain information that explains how to staircase.



Re-mortgaging

As a shared owner, you will have options to re-mortgage from time to time. Before doing so you should seek financial advice.

As L&Q have an interest in your home whilst you are a shared owner, you will also need to gain consent from us before proceeding to re-finance.



Extending your lease

L&Q allow shared owners to extend their lease via an 'informal' process.

During the lease extension process, your original lease would be surrendered and a new one granted for the extended term.

Wherever possible we will look to extend to the maximum term available.

This will be dependent on whether we are the freeholder of your home. Where we are not the freeholder, we will offer you

the maximum term that we can, within the limitations of our own headlease.

There are costs associated with extending your lease, **for example**, for the valuation itself, the administration of the case, legal costs and the premium to grant the new lease.

Did you know...

You should consider extending your lease before the remaining term is 85 years or less in order to not adversely affect the properties value, or your ability to sell or remortgage.



05. Life as a Shared Owner

Home improvements

You can make improvements and alterations to your home. Depending on the nature of the improvement(s) you may need to seek approval from us. This will ensure the works will not affect your home's structural integrity.

We advise against making any improvements during the initial two years of living in your home as you may void your L&Q warranty.

If you buy more shares in your home and the Surveyor determines these have added value to the property, the amount of the home improvements will be deducted from the full open market value of your home.

The staircasing premium will then be calculated based on the remaining value.

As a shared owner, we will only approve major alterations if you own 50% of your home or more.

Selling your home

You can sell your home at any time. Under the terms of your lease, we usually have four to eight weeks depending on the terms of your lease. to find a buyer for your home so your property can remain as a Shared Ownership property. Our standard fee if we find a buyer is 1.25% + VAT of the full market value. This fee may vary depending on the terms of your individual lease.

If we are unable to find a buyer for your home, then you can instruct an estate agent and sell on the open market. A selling fee would not be due to us in this situation, however our solicitor's costs would still be payable.

Like staircasing, the price you sell your home for will be based on a RICS valuation which will determine the market

value at the time. Like any home, the value can rise and fall along with the housing market.

If you are looking to sell your home we will be happy to help answer any queries. The full selling process can be found on our website.



Ongoing costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Mortgage	Money loaned to a purchaser from a financial institution (bank/building society) to part fund the purchase.	Monthly.	Subject to property value and mortgage product (fixed or variable rate).	Subject to change depending on the mortgage product, future borrowing, overpayments or staircasing.
Rent	Money that is paid to the landlord each month. The rent is paid on the unowned share of the property.	Monthly.	Subject to property value and % of ownership. Reviewed annually.	Yes, increases each year by 0.5% above RPI or CPI. N.B Historic leases may vary. Rent will reduce upon staircasing.
Service charges	Costs in relation to services that are provided by the landlord to cover different elements in the communal/shared areas within the building and wider estate. For example grass cutting/communal cleaning.	Monthly.	Reviewed annually.	Yes (reviewed annually, based on expenditure of the previous year). Usually service charges increase each year in line with inflation/cost of works.
Ground rent (if applicable)	An amount payable under the terms of the lease to the landlord.	Annually.	Fixed every 12 months (scheme specific).	Yes (reviewed annually in line with lease).
Utility bills, Council Tax and Content's Insurance*	Household bills to cover items not provided by the landlord, e.g. personal electricity and water.	Monthly or quarterly.	Subject to each household.	Subject to change depending on utility tariff and council rates.

*General wear and tear should be budgeted for. Charges are correct at time of going to print in March 2022.

Further costs that may apply

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Staircasing costs inc. solicitor's fees, mortgage costs & admin fee (if applicable)	The cost payable by the shared owner to purchase further shares in their property.	During staircasing process.	Approx. £1,000 - £3,500 N.B Excludes Stamp Duty that may be payable.	Costs will be payable on future staircasing transactions. Staircasing costs are subject to change given third parties involved.
Home improvements – survey, legal and admin fees	The cost payable by the shared owner in order for home improvements to be carried out.	At start of home improvement project.	Minor Home Improvements Approx. £150.00 - £270.00, Major Home Improvements Approx. £1275.00 - £1375.00.	N/A
Lease Extensions inc. premium, solicitor's fee, valuation and admin fee	The costs payable by the shared owner to extend their lease term.	During lease extension process.	Extension premium subject to each property value. Solicitor/Valuation/Admin fees Approx. £2,500.	Subject to any future lease extensions and length remaining on lease.
Selling costs	Our fees payable for marketing your home and securing a buyer.	Payable upon completion if L&Q secure the buyer.	Standard fee is 1.25% exc VAT of the full market value N.B Historic leases may vary.*	N/A
Management Enquiry Pack Costs	Our fees payable to provide your buyer, and their solicitors with leasehold information related to your home.	Payable once a buyer has been found.	£280 inc. VAT.	Only in line with any government recommendations.

A man and a woman are standing in a modern kitchen. The woman, on the left, is wearing a pink sweater and light blue jeans, leaning against a white wall with her arms crossed. The man, on the right, is wearing a dark green button-down shirt and blue jeans, holding a smartphone and looking at it. They are both smiling. In the foreground, there is a dark wooden dining table with two teal chairs. On the table, there is a white pitcher, a basket of vegetables, and a small white tray with four orange eggs. The kitchen background features light-colored cabinets, a countertop with a potted plant, and a stainless steel refrigerator.

All about **your new home**

06. All about your new home

L&Q New Home Warranty

We build to extremely high standards in line with NHBC recommendations so that you can have peace of mind from the first day you live in your new home.

Thanks to the L&Q New Home Warranty which lasts for two years from the date of legal completion we cover any defects that may be picked up during this period.

Alterations to your home

Any alteration or extension you make to your home after purchase may adversely affect all, or part, of your warranty. Please contact the L&Q Aftercare Team if you plan to alter your home. They will then liaise with other L&Q departments if necessary.

Change of ownership

The New Home Warranty should stay with the legal owner. It is not affected if you sell your home. It would help if you could pass on the details about the guarantee to subsequent buyers. If you sell your home, the cover automatically transfers to the new owner.

Your rights

The New Home Warranty does not affect your statutory rights. Some manufacturers also offer warranties over and above the initial two-year New Home Warranty.

Please contact the manufacturer's own customer services department for further information. We do not protect against every problem that may occur and you are obliged to maintain your home.

Further information can be found within our **New home warranty booklet**

New Shared Ownership Model (Specific leases only)

The revamped Shared Ownership scheme will introduce a 10-year period for new Shared Owners whereby the landlord or housing association will cover the cost of repairs and maintenance in the home. Shared Owners will be able to claim up to £500 in repair costs per year, with any repair and maintenance costs in excess of this being the responsibility of the owner.

Shared Owners will also have the flexibility to roll over a maximum of one year's worth of unused repairs expenditure into the following year. It's worth noting that the 10-year repair cover will only apply to new build homes for the first decade of the property's life or until the Shared Ownership reaches 100% ownership – whichever comes first. If the home is resold through the Shared Ownership scheme within this 10-year period, the remaining years will be transferred over to the new Shared Owner.





The L&Q new home warranty does not cover

- ▶ Problems with any workmanship, materials or appliances that you have bought or added to your property.
- ▶ Damage caused by storms or accidentally, by negligence, abuse or poor maintenance of the property or appliances. This includes blockages caused by inappropriate waste disposal.
- ▶ L&Q will not cover cosmetic damage to the following items: oven, hob, hood and sink; white goods; kitchen units and worktops; sanitaryware; shower tray and cubicle; carpets and flooring; curtains, blinds and soft furnishings; decoration and tiling; furniture e.g. fitted wardrobes; doors; sockets and switches; glass - unless it is identified during the home welcome that you will be invited to attend along with L&Q's Quality Customer Care Co-coordinator. Cosmetic damage that is within the tolerances set out in the latest NHBC standards will not be covered under this warranty.
- ▶ Any problems caused by natural shrinkage or condensation

Aftercare - reporting issues

In non-emergency situations we will respond as quickly as possible, usually within five working days. However, our response times will depend on the severity of the problem and the availability of parts. We expect the majority of problems to be resolved within 20 working days. We will keep you informed if a longer time becomes necessary.

An emergency is defined as a matter that presents an immediate danger to the occupant or members of the public or where further damage will result if the repair is delayed beyond 24 hours and/or it presents a health hazard.

If you have an **emergency** outside of office hours, please contact our call centre on: **0300 456 9998** or **0300 456 9996**. For developments in the North West of England, please call: **0161 968 0107**



NHBC warranty or equivalent

All of our homes come with a ten year warranty.
These will be provided by NHBC or an equivalent provider.

Your solicitors will give you a copy
of any associated documents when
you exchange.

The insurance certificate, which will be
sent separately, will show the date that
the insurance cover begins.

The warranty cover has two parts:

- ▶ **Initial two years** – problems in your home caused by faulty workmanship or materials. Please contact L&Q about these issues.
- ▶ **Years three to ten** – insurance for the cost of putting right and damage caused by a structural defect. Contact the relevant warranty claims team to discuss this sort of problem.



Our **promise to you**



07. Our promise to you

Customer Charter

Here at L&Q we aim to make your move as seamless as possible and provide you with a home of the highest quality, which you can be proud of.

The level of service and the standards that you can expect from L&Q are set out in our customer charter:

- ▶ At all stages of your home purchase we invite you to advise us if you require any additional assistance or have circumstances that may effect how you access our services. e.g, large print materials, translation or accessible building access
- ▶ Before reserving your new home we will provide you with all the essential information you need to make an informed decision. This includes the layout and specification of your home, in addition to any development specific information.
- ▶ We will offer a welcoming environment within our marketing suites, providing an informative sales process with support and guidance throughout.
- ▶ We will endeavour to provide you with the opportunity to

view your new home at the earliest convenience, health and safety permitting.

- ▶ We will provide you with regular and clear communication regarding the progress of your new home and your completion date. The timeframes below give an indication of the frequency in which we will contact you. In some instances, there may be reasons beyond our control where these timeframes may vary.

Within two months of estimated handover - every two weeks

More than three months prior to estimated handover - every three weeks

It is important to remember that whilst homes are under construction any dates provided are estimated and subject to change as building work progresses.

Once your home is ready and we agree a completion date with you, we will issue you with a formal notice to complete.

- ▶ Prior to completing your purchase, we will contact you to arrange a demonstration of your new home's many features, including the heating system and appliances.

We will also offer you advice on how to maintain your new home and information on how L&Q's Aftercare Service works.

The appointment will take approximately one hour and will include an induction on how to use your heating system, consumer unit and location of the stopcock.

- ▶ We will provide you with a Home User Guide to help you get acquainted with your home. The Guide will identify useful information, any contact details you may need and how to maintain your home.

- ▶ Shortly after you have moved in, we will make courtesy calls/visits to ensure you are happy with your new home.

- ▶ We will ensure your new home is covered by an NHBC or similar industry regulated 10 year insurance scheme, which covers the structural integrity of your new home.

L&Q also offer an initial two year warranty for any items that do not meet the NHBC requirements.

- ▶ We will provide you with health and safety advice where appropriate. Your health and safety is extremely important to us and in return we ask you that you comply with any instructions given when visiting our developments or moving into your new home.
- ▶ We will provide you with an out-of-hours service in case of emergency for the duration of your two year warranty.

What the Shared Ownership Code means for you

L&Q is signed up to The Shared Ownership Code (the Code). It is a voluntary code of practice that housing providers can choose to adopt. It sets clear standards for how providers should treat shared ownership customers – covering every stage, from your first enquiry to living in the home, buying additional shares, or moving out.

Who does the Code apply to?

The Code applies to any housing provider that chooses to adopt it. To check whether your provider has signed up, visit the **Shared Ownership Code website**. Once signed up, housing providers must comply with all requirements. This includes monitoring their own compliance, participating in annual reviews, and accepting decisions made by the independent Code Operator.

Which homes does the Code cover?

The Code applies to all shared-ownership homes. It does not matter if the home is brand new or being sold again for the second, third, or fourth time – what matters is that it is bought through shared-ownership. The home is covered as long as the housing provider has agreed to follow the Code.

How does the Code help me?

The Shared Ownership Code sets out clear expectations across five stages of the shared ownership journey:

- ▶ **Accessibility – Helping you understand shared ownership and ensuring you are treated fairly.**
- ▶ **Exploring shared ownership – Knowing what to expect when searching for homes, during viewings, and before you buy. You should receive clear information about the property, costs, and what shared ownership means in practice, so you can make informed decisions with confidence.**
- ▶ **Living in your home – Clear guidance on your responsibilities such as paying, service charges, and your rights as a shared owner.**

- ▶ **Buying a bigger share or selling your share of the home – Fair and simple processes for selling your share or buying a bigger share of your home (which is referred to as staircasing).**
- ▶ **Complaints and monitoring – If an issue arises, you can rely on a transparent and efficient complaints process, backed by provider accountability to ensure resolution.**

What to expect – your rights and protections

Buying a home through a housing provider who has committed to the Shared Ownership Code (known as a Code Adopter) means that you have:

A 14-day cooling-off period: When you reserve a home, you will have 14 days to change your mind and receive a full refund of your reservation fee if you choose to cancel.

Transparency over fees: Housing providers must give you a clear breakdown of any additional costs you may face, such as staircasing fees, resale charges, or lease extension costs alongside disclosure of any referral fees. This information must be provided before you buy. Service charges are not included in this list but are covered separately.

Information about service charges: You will receive a Service Charge Information Document (SCID) before you buy, whether it is a new-build or a resale property. The SCID must explain what is included in your service charge, how it is calculated, and provide scenarios showing how charges could change over time.

Housing providers must also provide you with annual updates. If charges increase by more than 10% above the original estimate, they must explain why.

A defects period: All new-build shared ownership homes must include a minimum 12-month defect liability period from the date you move into your new home. Providers must explain what is covered, how to report defects, and how long repairs should take. L&Q offer 24 months as standard on all new-build homes

Trained staff who understand the importance of the requirements of the Code: Anyone involved in selling or managing shared ownership homes must be trained in the Code's standards and understand your rights.

Lease extensions: If your lease drops below 90 years, the provider must inform you. They should explain why this matters, when to act, and what the process and likely costs will be.

What happens if I want to buy a larger share or sell?

Staircasing: If you choose to buy a larger share in your home (known as staircasing), the provider must follow clear, fair processes. They must provide accurate pricing and guidance, and any lease extension information must be shared.

Selling your home: If you decide to sell your share, the provider must offer clear resale support, including valuations and information to pass on to buyers.

What happens if I need to complain? Where should I go?

All housing providers must have a clear and accessible complaints process. As a shared owner, you should raise any issues through this process first. If your complaint is not resolved, you can escalate it to the **Housing Ombudsman** for independent review.

Please note: the Code Operator does not handle complaints directly.

You can read or download the full Shared Ownership Code **here**.

You can find independent advice and more information here:





Consumer code

What is the Code and why is it important to me?

- ▶ **If you are planning to buy a new home, the Consumer Code for Home Builders is there to support you.**
- ▶ **The Consumer Code for Home Builders ('the Code') was developed by the home-building industry to make the home buying process fairer and more transparent for purchasers.**
- ▶ **Buying a brand new home is an exciting time. But with a new home being one of the largest investments you're likely to make, it's important that you understand the process, what you're buying and what help is available should problems arise.**

Complaints policy/procedure

If you need to complain, the person you contact will take responsibility for trying to resolve your complaint there and then.

If they can't help – perhaps because it doesn't relate to their part of the business – they'll pass it to the right team immediately to resolve.

This is stage one of our complaints process. If you're not happy with the resolution we offer you at this stage, you have the right to ask us to escalate your complaint to stage two.

You'll need to explain why you don't agree with our decision and what you want us to do to put it right.

How to make a complaint

Get in touch

If you need help you with your complaint, please contact us:

complaints@lqgroup.org.uk
0300 456 9996

Taking your complaint further

If we still haven't resolved the complaint to your satisfaction, you can contact a designated person – an MP, a local councillor or a Tenant Panel – to help find a solution. Please note that at L&Q we do not operate a Tenant Panel.

Their role is to help resolve disputes between tenants and their landlords, which they can do in whatever way they think is most likely to work.

The designated person can also refer your complaint to the Housing Ombudsman Service. If you decide not to contact a designated person, you can go directly to the Ombudsman eight weeks after we have given you our final response to your complaint.

You can access the Housing Ombudsman at any time:



Case studies



Trevor and Emma Webb

Occupation Operational Supervisor
at Tilbury Docks and Lear

Share Purchased £135,000 – a 30% share
of a three bedroom house

Full Market Value £450,000

**Total Monthly
Outgoings** £1,420

“ We wanted to build a new family home to make new memories in, but we just never thought it'd be possible for us to buy anywhere. I grew up in Barking and we never had loads of money, so I just didn't think it was something that would ever happen in my life.

He explains: One day, we got a leaflet through the door for new Shared Ownership homes from L&Q at The Arbour, Beaulieu. We'd never heard of Shared Ownership before, so we visited L&Q's website and uploaded all our financial details and got passed on to a mortgage advisor. My mum had also just passed away, and so with my inheritance as a deposit, we were able to afford a three-bedroom house.

”





Rhianna Hetherington

Occupation	Data Analyst
Share Purchased	£170,000 – 40% share of a one-bedroom apartment
Full Market Value	£445,000
Total Monthly Outgoings	£1,458

“ I was renting in Acton for three years – I was actually living with a couple who owned the property, and renting a room from them. At this point, I hadn’t heard anything about Shared Ownership, and I assumed I’d be renting for the foreseeable. London is mega expensive anyway, and I’m single so there’s only one salary – I thought there was no way I’d ever be able to save up for a deposit.

I spent a few months looking at different developments, but they were all in locations I knew I didn’t want to live in. I really like west London and there wasn’t a huge amount of choice in this area. One day, I came across L&Q’s Shared Ownership homes at Kew Bridge Rise and it looked amazing. I had my eye on it for a while, but there were minimum income requirements, and I wasn’t quite earning enough yet, so I kept it on my favourites and used the salary requirement as a goal to work towards. As soon as I got my promotion at work, I called L&Q and got going!

”

Michael Coulson

Occupation	IT Manager
Share Purchased	£70,000 – a 25% share of one-bedroom apartment
Full Market Value	£280,000
Total Monthly Outgoings	£966.88

“

Shared Ownership gave me a chance I otherwise wouldn't have had. It's allowed me to live somewhere I'm proud to call home – something I never thought I could do. I knew I couldn't afford a place outright, so Shared Ownership was always something I was considering, he says. I did my research online, spoke with a few developers and kept coming back to L&Q.

Michael took a methodical approach. I made a full spreadsheet comparing every development I looked at – the pros and cons, monthly outgoings, mortgage products, service charges, you name it, he explains. I wanted to really understand what I was getting for my money. I built up all the costs side by side, and L&Q consistently came out on top – both in terms of quality and long-term value.

At first, Michael had hoped for a two-bedroom home, but affordability meant reassessing his priorities. Once I saw the one-bed at Barking Riverside, I knew that I'd be making the right decision moving here. The finish, the design, the appliances – everything felt so well done. I decided that I'd rather have a beautifully built home I can grow into than something bigger but lower quality.

”





Remya Ryall

Occupation Fraud Prevention Specialist

Share Purchased £110,625 – a 25% share
of a two-bedroom apartment

Full Market Value £442,500

**Total Monthly
Outgoings** £1,416.71

“ Turning 40, stepping onto the property ladder was a milestone I really wanted to achieve. I’d been renting in Croydon, for over ten years when my landlord decided to sell the property. This got the ball rolling, really, and I started looking into buying a property in and around Croydon.

I saw the flat and fell in love. It’s spacious, the balcony is perfect and the overall finish of the development and the homes here is very high. It was the kind of place I assumed would be out of my budget, to be honest!

I’d always heard good things about L&Q, so was confident they’d be good to deal with. They are very responsive and were always on hand to help me through the buying process.

”

Jovita and Aaron

Occupation Accountant and Student

Share Purchased £138,750 – a 50% share of a one-bedroom apartment

Full Market Value £290,000

Total Monthly Outgoings £1,215

“

I spoke to my sister about her experience of buying through Shared Ownership, and from then I knew it was the way to go for us. She made me feel confident that this was the only way we could afford to step onto the property ladder, so that's when we began looking at Shared Ownership homes.

I went along to the first viewing alone - Aaron was away. When I was shown around the homes and the wider development, I just knew it was the one. It was levels above the home we were renting at the time, and Michelle from L&Q was honestly the loveliest person on the planet. She answered all my questions and was extremely helpful. I immediately called Aaron and just said this is the one!

When asked how they managed to save up for their deposit, Jovita explains, I'm a good saver! We also had a little help from family. Otherwise, buying through Shared Ownership meant that we had to put down a far smaller amount compared to if we bought on the open market. We really couldn't have afforded a larger deposit!

”





Josh and Becky

Occupation	Occupational Health Trainer and Support Worker
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Share Purchased	£109,000 – 50% share of a two-bedroom house
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Full Market Value	£218,000
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Total Monthly Outgoings	£800
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“

We didn't have a large enough deposit to buy a home on the open market, but didn't want to put our money into a rental home that we couldn't call our own so we felt quite stuck. After looking into Shared Ownership some more, we couldn't believe what the scheme had to offer - having the flexibility to put down a lower deposit and purchase a share of our home really was a no brainer for us and we haven't looked back since.

Josh recalls, When we looked around the homes at Hazelmere, we couldn't believe we'd actually be able to afford a home like this – it's honestly a dream come true and we knew this was where we wanted to live. From our private driveway and garden to our spacious bedrooms and modern kitchen, Becky and I feel really grateful to live here.

Everything just feels like it's falling into place. We've already discussed with my cousin about the possibility of staircasing, so we're really excited to begin this process in the near future. We're just so happy to be living at Hazelmere and would recommend L&Q to anyone looking for their new home.

”

L&Q