

Selling your Shared Ownership home

What are the steps to selling your Shared Ownership home?

As a Shared Owner you can sell your home at any time. Under the terms of your lease, Newlon has a nomination period, usually between 6 or 8 weeks, to find a suitable buyer for your property. The nomination period starts from the date we receive your 'notice to proceed form' confirming you are happy with the valuation and wish to proceed with selling your equity.

If Newlon is successful in finding a buyer you will pay 0.75% of the open market valuation or as stated within your lease. You will also be responsible for providing an Energy Performance Certificate (EPC). This must be obtained before we commence marketing of your home.

Step 1 – Contact Newlon and request an 'intention to sell' form. If your home is jointly owned, both of you must sign this form.

The sale process starts once we have received your 'intention to sell' form and you have chosen an independent qualified surveyor from the list provided.

Step 2 – We will instruct the surveyor to contact you to arrange for a valuation within three working days of receiving your completed application form. The valuation determines the sale price of the equity owned by you.

Step 3 – A copy of the valuation report will be sent to you within two working days of receipt together with a 'notice to proceed form'. If you would like to go ahead with the sale of your equity you must return this form within 14 working days. You must also include a copy of your EPC and photos of your home for marketing purposes.

Step 4 – On receipt of your 'notice to proceed' form, Newlon will produce sales particulars and add your property details to the Newlon Homeownership and 'Share to Buy' websites. Details will also be sent to potential buyers on our waiting list. The nomination period of 6 or 8 weeks starts from the date we receive your 'notice to proceed form'.

Step 5 – Any interested buyer will contact you directly to arrange a viewing. If anyone is interested in proceeding further, you will need to refer them to our Resident Sales Officer who will take them through the next stage.

Our nomination period

Your lease will state the nomination period we have to market and find a buyer for your property. This will usually be 6 or 8 weeks. You will conduct viewings during this period as your preferred contact details will be provided to interested applicants who will contact you directly to arrange a mutual appointment. If you will be going away during the nomination period and you have not arranged access to your property for viewings we will put the sale of your property on hold and extend the nomination period until you are ready to provide access again.

What happens after you have found a buyer?

All interested buyers will complete an application form and will be referred to Mortgage Warehouse Corporation (MWC) for a financial assessment. Mortgage Warehouse Corporation is an Independent Financial Advice company who will check their ability to afford to buy your home.

A buyer will then be nominated following receipt of their application form, a successful financial assessment, who we consider the property is best suitable for and in some cases on a 'first come first served' basis.

Once we make an offer, we will send a letter of offer to the prospective buyer together with an acceptance form. If they are happy to proceed they must complete the form and return it to us within five working days providing their solicitor's details and details of who will be arranging their mortgage.

On receipt of the buyer's acceptance form, we will prepare a Memorandum of Sale (MOS) and instruct our solicitors who will contact your solicitors. At this stage, we anticipate the sales process to complete within six weeks or earlier depending on how the buyer is able to secure a mortgage.

Please be aware that delays sometimes occur with the buyer's mortgage application as lenders' criteria can vary, which is out of our control. We encourage constant communication between you and the purchaser so you are fully aware of the progress of their mortgage application. We will however assist as far as possible to make sure the process runs smoothly until completion.

How can the sale progress as quickly as possible?

Once we have found a buyer and instructed our solicitors, we advise that you maintain regular contact with your solicitor to make sure the sale progresses smoothly and that they are in contact with the buyer's solicitors. We also encourage regular contact with the buyer so that you can discuss access for mortgage valuation or possible move in dates.

Newlon will not have direct involvement with the sale once solicitors have been instructed. However, we will try to assist as much as we can to speed up the process.

When should I look for another home?

If you are looking to purchase another home, we advise you start looking at the same time you decide to sell. However, to avoid any pressure, you should not make an offer until you have secured a buyer for your own home.

What if Newlon is unable to find a buyer?

If we are unable to find a buyer within the nominated period, you can offer your home for sale on the open market via an estate agent. You will be required to provide us with contact details of your estate agent and the sale price at which they are marketing your property. The sale price must not be lower than the current market value of your property.

Can I sell 100% if I only own a share?

You can only sell the equity you own however, in extenuating circumstances Newlon can allow you to sell the full 100%. If you sell 100%, you will on completion get your share and Newlon will get the remaining share of the sale price. This is called a simultaneous staircasing and resale with completion set for the same day. Please note you may be liable to pay stamp duty if you go

over the threshold and is selling 100% as only the current owner can do a staircasing. Our solicitor will arrange all the paper work if this is the case.

What if the buyer we find does not proceed?

Both the seller and the buyer have the right to pull out of the sale before they exchange contracts. If the buyer pulls out we will offer the property to another prospective buyer who may have expressed an interest. If there is no interest and the nomination period has expired, we would allow you to sell your home on the open market. If the seller pulls out they will have to start the resale process again.

What if I have made improvements to my home?

If you have been granted permission to carry out major improvements in your home to increase its value, for example fitting double glazed windows the independent surveyor will provide us with details and you will sell your share of the market value including the improvements you have made. Improvements carried out without written permission will not be considered.

What is the valuation period?

The valuation is valid for a period of three months from the date on the report after which in some cases we may be able to arrange for an extension. This is not guaranteed and you may need to pay a small charge.

If you are unhappy with the valuation and wish to have a second opinion we can instruct the District Valuers whose valuation will be final. You will be charged for this. Before we instruct another valuation, please be aware that there is a risk that the valuation may increase or decrease and we will be obliged to use this.

Who decides the exchange and completion date?

It is the responsibility of your solicitor and the buyer's solicitor to decide on when to exchange and agree a completion date. Newlon Housing Trust will usually not be involved in agreeing a date as it is much easier if this is negotiated between the seller and the buyer. This will also be the case with arranging the collection of keys for the property.

Details should then be provided to our solicitors so they can prepare a completion statement and finalise any outstanding paperwork.

Other things to consider

Timescales

The average timescale to sell a home is around 12 –14 weeks. However, you should consider the following:

- How soon the surveyor can value your property. This is usually 5 -10 working days (if they are busy, it could take up to two to three weeks for them to value your home and write their report).
- We need up to three working days to upload sales details on our website and the Share to Buy website and to send details to those on our waiting list (if any).
- Prospective purchasers contacting you. This could take a few days after we start marketing your home.
- Buyer's mortgage application, this could take three to four weeks or even longer as lenders criteria vary from one to the other.

Remember the above timescales are for guidance only. Selling your home can take a few weeks, or more depending on legal or survey requirements or delay with the lenders.

If we do find a buyer, do ensure there is constant communication between you and the purchaser so you are fully aware of the progress of the sale. However, if you are unable to contact them, do let us know as soon as possible.

If you have already made an offer on another property

Being part of a chain in Shared Ownership always involves some risk – the same risks you would face if you were buying or selling in the open market. You can decide to make an offer on another property before or after you have found a buyer for your home.

Under the terms of your lease, we have a nomination period to find you a buyer for your share. We can only start marketing your property after we have received your 'notice to proceed' form and a copy of your EPC. When you have a buyer the normal conveyancing process will still be followed and you therefore need to consider your options before making an offer on another property.

Stamp Duty Land Tax

This is a form of tax that you have to pay when you purchase a property over a certain value. Stamp Duty Land Tax was introduced in December 2003 and replaces the old stamp duty on purchases of flats, houses and other land buildings.

It is a percentage paid on the purchase of a home or non-residential property graded into bands. Where you are selling 100% in the open market you may be liable to pay stamp duty on the simultaneous staircasing and resale. For further information on Stamp Duty please visit the website www.hmrc.gov.uk/sdlt.

Need any further information?

Please contact our Residents' Sales Officer at Newlon Housing Trust, 4 Daneland Walk, Hale Village, London, N17 9FE, or email resident.sales@newlon.org.uk.