



Scottish Charity No SC 031954

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Shared Ownership





Shared Ownership is a way of helping people who wish to own their own home, but cannot afford to purchase one on the open market.



This is a low cost home ownership option which allows you to own part of your home and pay a charge on the other part, which is owned by the Association.

If you wish to become a sharing owner, you'll probably need to take out a mortgage to meet the cost of the share you'd like to buy. You will also pay a monthly charge to Hjalmland based on the remaining share not in your ownership.

As a sharing owner, you will be responsible for all repairs and maintenance, internal and external.

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Search **Hjalmland Housing Association** on Facebook



Follow **hjalmland_housing_association** on Instagram

The Association have developed sharing ownership properties on many of our schemes – there are Sharing Ownership Properties in; Lerwick, Scalloway, Tingwall, Brae and Whalsay

At present, there are currently 43 sharing ownership properties (May 2021) throughout Shetland.

If you require any further information on Sharing Ownership, please contact:

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Providing homes, supporting communities.

How to apply for a Shared Ownership property?

When an existing owner wishes to sell their share, we have the property valued by an independent surveyor. We will then advertise the property at the level of share owned by the out-going owner, and this will be 25%, 50% or 75%.

A prospective owner should have a live housing application with The Association, and will need to register their interest in the property once advertised. Properties will be advertised in The Shetland Times, on our website and on our Facebook page.

The applicant with the highest housing need, who fits the size of property advertised, will be offered the opportunity to purchase the share. This is in line with The Association's Allocation Policy.

Staircasing

Following the first anniversary of your initial investment you can buy additional shares in the property until you own 100% - this is known as Staircasing. Only one staircasing transaction per year is allowed. Each time you increase your share, the charge you pay the Association will be reduced. You may of course need to increase your mortgage to cover your additional share. However, there is no obligation to increase your level of ownership.

What costs are involved?

Becoming a sharing owner involves certain other costs too. Some are one-off payments while others call for regular payments. These include:

Mortgage Payments

As a sharing owner, your monthly mortgage payments will depend upon the amount of your loan, the type of mortgage which you have taken out and the current level of interest rates.



There are certain banks/building societies that provide mortgages for sharing owners and who have a co-operation agreement in place with Hjalmland. These include Woolwich (Barclays), Halifax, Bank of Scotland, The Abbey and The Dunfermline.

Hjalmland Charges

The charge will be payable monthly based on the portion of the property that remains in Hjalmland's ownership. The amount payable will include a management fee and a charge to cover the cost of the buildings insurance. There may also be a charge to cover repairs and maintenance of common areas. Your charge will be reviewed annually in line with Hjalmland's policy.

Exclusive Occupancy Agreement

You will sign an exclusive occupancy agreement, for the share owned by The Association. This will last for 20 years, and can be renewed if you have not sold, or bought 100% of the property during that time.

Other Expenses to Consider

- Solicitors fees—you will be responsible for covering the cost of your solicitor as well as those of the Association's solicitor
- Council tax
- On-going household expenses e.g. heating, lighting.
- All maintenance costs - **Please remember that you will be responsible for maintaining your own property and undertaking any repairs.**

Moving On...

If you decide to move home, we will value the property and advertise it on your behalf. You will need to appoint a solicitor and they will liaise with the incoming sharing owner's solicitor.

As the sharing owner, you will have to pay for the valuation and all the legal fees associated with the sale of the property including your own solicitor's fees and those of the Association. If your home has increased in value you will receive the increase amount based on the percentage of the property you own. Please remember the value of the property can go up or down.