Guidance for shared ownership providers when completing 'Summary of costs'

The information in this document is for the **new shared ownership model**. These homes will conform to the requirements of the Affordable Homes Programme (AHP) 2021 to 2026 or the Social and Affordable Homes Programme 2026 to 2036 (SAHP).

This document is intended for initial sales and resales.

It's for prospective homebuyers:

- after they have gone through a financial assessment
- before they pay the reservation fee to secure a shared ownership home

Use it to give the homebuyer a personalised summary of all the costs involved in buying, owning and selling a shared ownership home. Providers may brand the document but must not alter the content or order of information.

The document should be explained to the customer and they should be given the opportunity to ask questions.

This document should be provided to the homebuyer at the same time as the ‘Key information about shared ownership’.

To complete the document:

1. Follow the instructions highlighted in yellow.
2. Enter the costs and fees in the highlighted fields.
3. Delete the statements that do not apply to the home.
4. Delete the instructions about how to complete the document.

Feedback

If you have any feedback about this document, contact:

Affordable Housing Products team
Homes England
Email: sharedownership@homesengland.gov.uk

Summary of costs

The information in this document is for the **new shared ownership model**. There are variations of shared ownership which have different features. For more information on the variations, see the ‘Key information about the home’ document.

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the ‘leaseholder’) and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should ensure you take independent legal and financial advice.

This summary of costs document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

It does not form part of the lease. You should carefully consider the information and the accompanying lease, and discuss any issues with your legal adviser before signing the lease.

Failure to pay your rent, service charge, or mortgage could risk your lease being forfeited and your home being repossessed. The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.

Purchase costs

Full market value	£297,500
Share purchase price and percentage share offered	£29,750 (_10_% share) The share purchase price is calculated using the full market value and the percentage share purchased.
Deposit	*Enter the deposit amount and % of sale purchase price* £1,487.5 (5 % of the sale purchase price) The deposit is payable when you exchange contracts to buy the home. It will be taken off of the final amount you pay on completion. For more information, speak to your legal adviser.
Reservation fee	£500.00 You'll need to pay a reservation fee to secure your home. When you pay the fee, no one else will be able to reserve the home. The reservation fee secures the home for 30 days. If you buy the home, the fee will be taken off the final amount you pay on completion. If you do not buy the home, the fee is not refundable once the memorandum of sale is issued.

Your legal adviser's fees	Legal adviser's fees can vary. You can expect to pay fees including: • legal services fee • search costs • banking charges • Land Registry fee • document pack fee • management agent consent fee - subject to development and terms of the management company You'll need to ask your legal adviser what the fees cover and the cost for your purchase.
Stamp Duty Land Tax (SDLT)	You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your legal adviser. There is more guidance on the GOV.UK website: • Stamp Duty Land Tax: shared ownership property • Calculate Stamp Duty Land Tax (SDLT)

Your monthly payments to the landlord

Total monthly payment to the Landlord (rent + all charges)	If you buy a 10% share, the **rent** will be £613.59 a month. Your total monthly payment for the rent and **other charges described below** will be: **£**639.34 **a month** You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.
Estate charge	There is no estate charge. .
Buildings insurance	£4.69 a month The buildings insurance is included in the service charge.
Management fee	£2.34 a month. The management fee is payable to Aspire Housing. The management fee is for Aspire Housing management of the estate. The management fee is included in the service charge.
Reserve (sinking) fund payment	There is no reserve fund payment.

Other service charges	The initial annual charges for services for your property are [£309.00], though payments are typically made monthly at £25.75 a month. The charge is based on actual cost calculations. This initial annual charges for services are for the period [September 2026 to [March 2027]. If your property is a new build and you are its first owner, the first final adjusted service charge demand you receive will be calculated so that your charge only starts from the date that you complete your purchase. The services included in this are Estate Caretaking, Grounds Maintenance, Building Insurance, Management Fee. Service charges are likely to increase. For more information, see the section below 'Service charge review' and section 4, 'Service Charges', in the 'Key information about shared ownership' document.
Who manages the services included within your service charge	The freehold of the estate is owned by your housing provider [Aspire Housing]. Your housing provider is responsible for the management of the services included within your service charge. Your housing provider is responsible for management of the services which are included within your service charge. (Aspire Housing has delegated the management of these services to an external managing agent (insert name). Please note that the managing agent could change from time to time, and you will be advised if this happens
Who to contact about the service charge	Aspire Housing – 01782 635200

Rent review

Rent review period	Your rent will be reviewed every year on __1st March commencing from [*1st March 2027*].

Rent review

The maximum amount your rent can go up by is the same as the percentage increase in [Consumer Price Index (CPI)] for the previous 12 months plus _0.5_%.

Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.

You should expect your rent to go up by the maximum amount possible each year when it is reviewed.

Example rent increases

The example below illustrates how the Rent shown in this document (£[613.59] per month) would rise during the first five Review Dates based on an example percentage increase each year of [4.5%*].

Please note that the below table is for **illustration purposes only**, using an example rate increase and the actual [CPI] for the relevant period will be used to calculate your new rent which may be more or less than the percentage shown.

New rent at Year 1 Review Date (applying an example percentage increase of [_4.5_%])	New rent at Year 2 Review Date (applying an example percentage increase of [_4.5%])	New rent at Year 3 Review Date (applying an example percentage increase of [_4.5%])	New rent at Year 4 Review Date (applying an example percentage increase of [_4.5%])	New rent at Year 5 Review Date (applying an example percentage increase of [_4.5%])
[£641.20] per month	[£670.05] per month	[700.20] per month	[£731.71] per month	[£764.64] per month

Service charge review

Service charge review period	After the services have been provided to you for the year, there is a review of the actual costs of providing those services, which will result in a final adjusted service charge statement. Your service charge will be reviewed every year on 1st March commencing from [*1st March 2027*].
Service charge review	The service charge typically increases annually. The tables below show how the monthly service charge could change over the first five years of ownership if it increased by 5%, 10% or 15% each year. The increase could be higher or lower than this. You may wish to factor in these potential increases when identifying a suitable share to buy. **Example service charge increases** The starting service charge for this home is £25.75 per month (£309.00 per year).

Year	5% annual increase	10% annual increase	15% annual increase
Year 1 monthly charge	£27.04	£28.33	£29.61
Year 2 monthly charge	£28.40	£31.16	£34.05
Year 3 monthly charge	£29.82	£34.28	£39.16
Year 4 monthly charge	£31.31	£37.71	£45.03
Year 5 monthly charge	£32.88	£41.48	£51.78

Future costs if you buy more shares

Home valuation	If you want to buy shares of 5% or more, you'll need to pay for a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). The estimated current cost is £200.00. the landlord will need to arrange the valuation. If you need to arrange the valuation, you can find a registered surveyor on the RICS website. The price of a 1% share is based on the original full market value adjusted up or down each year in line with the House Price Index (HPI). You'll receive an HPI valuation at least once a year. You or the landlord can choose to use a RICS valuation instead of HPI. The party who chooses to instruct a RICS surveyor pays for the cost of the valuation. For more information, see section 7, 'Buying more shares', in the 'Key information about shared ownership' document.
Share purchase administration fees	The administration fee for buying more shares will be: Buy shares of 1% - no administration fee. Buy shares of 5% or more - £50.00 You cannot buy shares of 2%, 3% or 4%.
Your legal adviser's fees	If you require legal advice when buying more shares, you are responsible for paying your own legal fees. Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares. The landlord is responsible for paying their own legal fees related to share purchase transactions.

Future costs if you sell your home

Landlord's current selling fee	£250.00 This may be subject to change in the future. Your landlord may charge a fee for marketing and finding a buyer for your home when you sell. If they do not find a buyer, this will not apply.
Estate agent's fee	You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.
Your legal adviser's fees	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
Home valuation	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

Your landlord may not own the freehold which may limit the lease extension length they can provide you with.

Lease term	990 years
Maximum share you can own	You can buy up to 100% of your home.
Who owns the freehold	The freehold of the property is owned by your housing provider [Aspire Housing]
Transfer of freehold	At 100% ownership, the freehold will transfer to you. See section `Transfer of Freehold' in the `Key information about the home' document for more information.

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the 'Key information about shared ownership' document.

Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

Mortgage repayment	£____ a month
Contents insurance	£____ a month
Council Tax	£____ a month
Gas and electricity	£____
Water	£____
Annual boiler service	£____ a year
Other payments	