Co-Own for Over 55s

co-ownership.org

Co%ownership

March 2024

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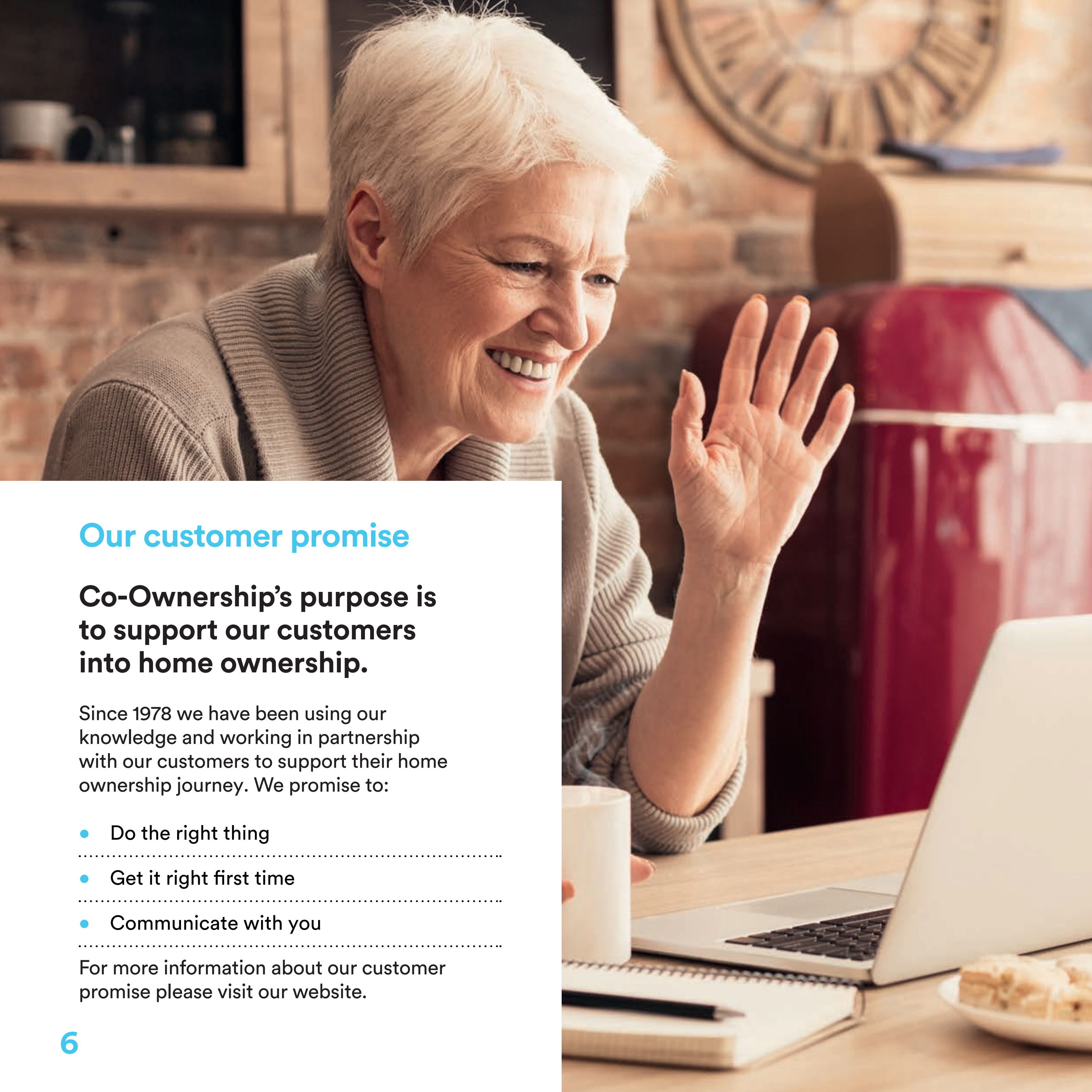


Our customer promise

Co-Ownership's purpose is to support our customers into home ownership.

Since 1978 we have been using our knowledge and working in partnership with our customers to support their home ownership journey. We promise to:

- Do the right thing
- Get it right first time
- Communicate with you

For more information about our customer promise please visit our website.

Welcome to Co-Ownership

Since Co-Ownership was founded in 1978, we've helped over 32,000 people into home ownership.

Now we're finding ways to help more customers move to the home they want.

Maybe you are over 55 and want to sell your current home to buy somewhere that better suits your needs. Or perhaps you haven't owned a home before and would like to now. The problem is, the value of your current home or your savings doesn't stretch to the cost of a new home.

There's where we can help – we make up the purchase price and help you bridge the gap.

We are a registered charity and are regulated and part funded by the Department for Communities.

What is Co-Own for Over 55s?

Many people in later life find themselves living in a home that has become unsuitable due to a change in circumstances such as their family life, location, health or other issues.

The trouble is that often their current home may not have the value (equity) they need to buy a new home or their savings aren't enough and getting a mortgage to cover the difference isn't an option.

With Co-Own for Over 55s we buy the right property together for you to live in for as long as it suits you. You use the equity from the sale of your current home or savings to purchase your share, and we buy the rest.

You must be able to take a share of at least 50% up to a maximum of 90% of your new home, funded by the equity you hold in your current home or savings. We provide the rest of the money and you pay us a monthly rent at an annual cost of 2.5% of our investment.

So, for example, if we have invested £24,000, your monthly rental payments to us will be £50 per month (2.5% of £24,000 divided by 12 months).

This means we can bridge the gap between the home you own now and the cost of your new home in a way that is affordable for you. You can also retain up to £26,000 from your savings or from the sale of your home, and anything above this must be put towards buying the new property.

Your new home can be anywhere in Northern Ireland, an existing or a new build property, and it should be suitable for your needs now without further immediate adaptation.

We believe this partnership could provide a perfect solution to your changing housing needs, giving you the freedom to enjoy life.

It is important to understand how shared ownership works and to make sure it is right for you.

Why choose Co-Own for Over 55s?

Co-Own for Over 55s is for people who want to move to a new home but can't afford to do so on their own.

Naturally, it isn't always easy to leave a house that you may have lived in for years, but if you have decided to move we can help you make it happen.

There can be many reasons for moving later in life such as:

- Wanting to be nearer friends and family,
- Needing a home that is easier and cheaper to heat and maintain,
- Responding to health and/or mobility issues,
- You are not a homeowner but find yourself with a lump sum that you want to put towards buying a property.

Meet Angela

Angela is 70 and lives alone in her 3-bedroom terraced property in Lisburn. Her husband passed away 2 years ago. Since then, Angela has found it hard to maintain her home. After experiencing a fall at home last year, she is also having difficulty managing the stairs.

Angela owns her home outright and it is currently valued at £115,000. She has savings of £3,000. Near her home in Lisburn there are apartments for sale. After chatting with her daughter, they think this could be an ideal home for Angela; it is all on one level with a lift to the upper floors and there would be no garden to maintain.

Here's an illustrative example of how Co-Own for Over 55s could work for someone like Angela:

Sale price of existing home	**£115,000**
Cost of selling and purchasing new home (Includes: estate agent fees, solicitor fees, outlays and removal costs etc.)	£5,000 *Costs are indicative only. You can deduct £5,000 from the sale proceeds for sale expenses.*
Funds remaining after costs	£110,000
New home value	**£145,000**
Angela could buy a 65% share	£94,250
Angela keeps the following as savings	£15,750 (from housing equity) plus £3,000 (from savings) = £18,750
Rent payable by Angela on unowned share (£50,750) at 2.5% of the value owned by Co-Ownership*	£106 per month plus any ground rent due.

Meet David

David is 63 and, after working for over 40 years, took early retirement last year. As part of his package, David received a lump-sum payment of £60,000. David also has savings of £50,000, a combination of personal savings and inheritance from his parents. David has owned a home in the past, but following a relationship breakdown, he is no longer a homeowner and has been renting for the last 10 years. He always thought he wouldn't be able to afford to own a home again.

David has seen some new build terraced houses for sale in a development close to where he lives and is thinking of arranging a viewing.

Here's an illustrative example of how Co-Own for Over 55s could work for someone like David:

Value of savings	**£110,000**
New home value	**£170,000**
David could buy a 55% share	£93,500
David keeps the following as savings	£16,500
Rent payable by David on unowned share (£76,500) at 2.5% of the value owned by Co-Ownership*	£159.37 per month plus any ground rent due.

*In addition to all other housing costs such as service charges, rates, building insurance and other outgoings.

How do I get started?

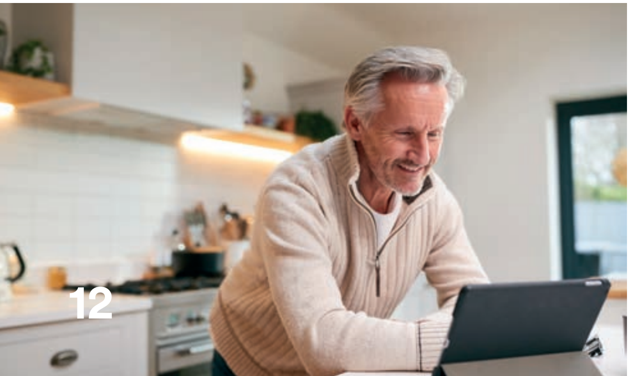
The best way to begin your journey with Co-Own for Over 55s is to get in touch.

As everyone is different, a conversation allows us to discuss your situation directly and answer any questions you have. Ultimately, our aim is to help you live in a home that meets your needs.

There are two stages to an application. Once you apply our team completes an assessment of your financial position to make sure you're eligible. This will include a credit check with Experian.

Once you're approved, the next stage will be the assessment of your chosen property. If our team are happy that the house or apartment meets all our requirements then, we'll carry out a property assessment to make sure all is in order.

You can call us on **028 9032 7276** or email us at **hello@co-ownership.org** to arrange a chat or home visit.



Step by step

1

Understand your finances

When you apply, we'll need you to tell us about your financial circumstances.

If you currently own a home

We'll need to know the estimated cost difference between your current home and the property you would like to buy. You can do this by:

- Asking an Estate Agent to carry out a valuation on your current home to find out how much it is worth.
- Searching for your preferred property to get an idea of how much it will cost.

If you have a mortgage on your current home, this will need to be repaid to the lender when it is sold. Contact your lender for your remaining balance. The net equity of your home is how much it's worth minus any outstanding mortgage. This is an indication of how much you can put towards your share of your new home.

If you do not currently own a home

We'll need to know how much savings you will be contributing towards your share.

Remember, the net equity in your current home, or your savings must be at least 50% of the purchase price of your new home.

2

Apply

You can apply online or call us on 028 9032 7276 to arrange an appointment and we can help you complete your application. (£100 non-refundable assessment fee).

3

Get approved

If successful, you'll receive your Co-Ownership Approval that you can share with your estate agent and seller. Your Co-Ownership Approval is valid for 6 months.

4

Get your house sale agreed

If you currently own a home it's time to put it on the market, if you haven't done so already.

5

Find a home

Find a home up to the amount in your Co-Ownership Approval and then upload or contact us with the details. (There'll be a £550 property fee which covers a property assessment and most of your legal fees for buying your new property).

6

Get your home approved

We'll carry out a property assessment to check it's of a good standard and represents value for money. If all is in order we'll agree the share we can purchase with you.

7

Get an offer

You'll receive a formal offer for us to purchase a share of your new home. If you currently own your home it needs to be sale agreed at this stage.

8

Do the Legal work

We will work with you and your solicitor on the purchase of your new home. Your solicitor will also manage the sale of your current home if you have one.

9

Move!

Moving house is exciting but busy – enjoy your new home.

What happens after?

You will receive a welcome letter when you move in. You pay us a monthly rent and you'll be able to view your payments in your online account. We will keep in contact with you to provide any help and support you need.

If your circumstances change and you want to increase your share you can do this at any time, however there is no requirement to do so.

Just remember you can't decrease your share.

What type of property can I look at?

We want you to be comfortable in your new home and for it to meet your needs. You may want to think about practical things that are important to you such as; the amount of living space you want, if there are stairs in the home, the location of bathroom(s), whether you want a garden and the energy efficiency of the home.

- We will buy existing and new build properties anywhere in Northern Ireland up to a maximum value of £195,000.
- We recommend you look for a property with a relatively good energy performance rating. Ratings range from 'A' to 'G' with 'A' being the most efficient and 'G' being the least. Properties with a better rating are likely to have lower fuel bills.
- As the property should meet your needs now, it shouldn't need any immediate upgrading or major alterations. For that reason we don't buy properties that will require a substantial amount of work to be done to them.
- New homes must have a suitable 10 year warranty and existing homes under 10 years old must have the balance of their original structural warranty.
- We can only buy properties in generally good condition. Our property assessment checks if the property is suitable for Co-Ownership. It will outline what the property is worth and a summary of any issues found. Read more about our property criteria on page 30.

Remember, this is your home and you need to be happy with the price and standard of it.

The really important things to remember:

It's your home for as long as it suits you, so put your own stamp on it!

We grant you a 99 year Equity Sharing Lease. We expect you to maintain your home to at least the standard that it was when you bought it. You are also responsible for paying all other housing costs such as service charges, rates, building insurance and other outgoings.

You are signing up to a full repairing lease which means you are responsible for maintaining and repairing your home.

The monthly rent you pay is not deducted from the amount owing to Co-Ownership if you purchase further shares of your home.

Co-Ownership buys a share of your chosen property which you pay rent on. Your share must be at least 50%. You buy your share of the property from the proceeds of the sale of your current home or savings. If you miss payments on your rent your home could be at risk of repossession.

Co-Own for Over 55s is different from equity release as you are moving to a new home, not releasing funds from your current home.

You can keep up to £26,000 from the sale of your current home or savings.

You are responsible for the costs associated with the sale of your current home, e.g. solicitor costs. The £550 property fee covers most of the legal costs relating to the purchase of your new home.

You can't sublet your home without our written permission or run a business from it.

We share the risk. Our shared ownership arrangement means that if you sell or buy a greater share of your home, we both benefit from the value going up or share in the loss if the value goes down.

If you have any questions call 028 9032 7276, our team will be happy to help.

The rent side of things

Here's what you need to know about your rent:

- The yearly rent is set at 2.5% of the value of our share. That's £25 for every £1,000 we own. This rent is significantly lower than what you would pay if you were renting privately.
- Rent is charged from the day of completion in the month that you become a co-owner and continues until the property is sold or you buy us out. At that point, rent is charged for the number of days you are a customer in that month.
- Rent is reviewed annually and increases in line with inflation.
- Rent is due at the start of each month, payable in advance by Direct Debit, and includes any ground rent due.
- Through Experian's Rental Exchange, making your payment on time will show on your credit report. Equally, if you do not make your payments on time, this could negatively impact your credit report.

This table shows examples of how much monthly rent you could expect to pay depending on the price of the property and the share you hope to buy:

	Your Share								
Property Value	**50%**	**55%**	**60%**	**65%**	**70%**	**75%**	**80%**	**85%**	**90%**
£110,000	£114.58	£103.13	£91.67	£80.21	£68.75	£57.29	£45.83	£34.38	£22.92
£140,000	£145.83	£131.25	£116.67	£102.08	£87.50	£72.92	£58.33	£43.75	£29.17
£175,000	£182.29	£164.06	£145.83	£127.60	£109.38	£91.15	£72.92	£54.69	£36.46
£195,000	£203.13	£182.81	£162.50	£142.19	£121.88	£101.56	£81.25	£60.94	£40.63

You can work out how much your rent would be by visiting the Co-Own for Over 55s section on www.co-ownership.org.

What is the difference between Co-Own for Over 55s and equity release?

Co-Own for Over 55s is not an equity release product as we are helping you buy a new home for you to live in for as long as it suits you. You are not releasing equity from your existing home.

A benefit of Co-Own for Over 55s is that you can retain up to £26,000 from the sale of your current home or savings. Anything above this must be put towards the purchase of your new home.

What happens in the future?

We want to be clear about what happens down the line.

Co-Own for Over 55s is only available to you, our customer. That means that if you are no longer living in the home on a long-term basis the property should be sold. The sale value of the property will be returned to you (or your estate) and Co-Ownership in line with the equity share agreed at the outset.

We both benefit from the value of your home going up or share in the loss if the value goes down as agreed in the terms of your equity sharing lease with us.

What if I have a home to sell?

There are a few things you need to consider if you currently own a home.

1. **Becoming 'Sale Agreed'**

   The purchase of your new home depends on the sale of your current home, so you need to be sale agreed on both at the same time. Your current home must be sale agreed before we can issue you our Offer letter.

2. **Solicitors and fees**

   When you appoint a solicitor, they will work with you on the sale of your current home, and with you and us on the purchase of your new home. You are responsible for paying all solicitor fees and outlays relating to the sale of your current home.

   Our property fee covers a property assessment and most of your solicitor fees for buying your new property. You are responsible for paying the legal outlays relating to your purchase. To avail of this legal package, you must use a solicitor on our panel. Please talk to us about this if you would like more information.

Our Criteria

It’s really important to make sure that both you and the home you’re after are suitable for Co-Own for Over 55s.

Take the time to read through our person and property criteria carefully before you apply. We also recommend you check your credit file.

Whilst we assess you separately from the property, we make sure to only charge you the right fee at the right time. Bear in mind that the £100 assessment fee is non-refundable, however the £550 property fee may be partly refundable depending on how far along the process you have travelled.

Visit our website to find out more about fees and refunds. If you would like further financial, taxation or legal advice, please consult a professional adviser as we cannot provide this service.

Our criteria can change from time to time, please check our website for the most up to date version.

What we expect of you:

Age	All applicants must be 55 or over to apply.
Residency status	You must be resident in NI at time of application. You may be asked to provide evidence that you have adequate right to reside in Northern Ireland. You must live in the property as your only residence.
Homeowner	You do not need to be a homeowner now or have been one in the past to be eligible for Co-Own for Over 55s. You can apply for Over 55s if you own the home which you currently reside in (which must be in Northern Ireland) and you intend to sell this at the same time as completing the purchase of your home through the Over 55s product. If you plan to submit a joint application and both applicants have a property to sell, one property should be sold before your application is submitted. We can only accept one existing property per application. You can't apply for Over 55s if you currently own additional property which includes owning property or land, including commercial, or being named on any property, in Northern Ireland or elsewhere. We may consider you if you have been or are a co-owner if you meet our qualifying criteria. We may take into account how your Co-Own property was or is maintained, whether you kept or are keeping to (i) the terms of the equity sharing lease (including the payment of rent) and (ii) any other arrangements you had or have with Co-Ownership.
Who should apply	Joint applicants – if you are married, civil partners, or couples living together or intending to live together in your new home, then you must apply together. Single applicant – if you are applying on your own, we would expect that you don't have joint accounts or joint finances with anyone else.
Occupiers	Please let us know the names of anyone who will be living in your new home with you, the applicant(s).
Income & affordability	We take a decision after looking at all the evidence and assessing whether you can afford the purchase in the long term, based on your disposable income. We cannot support applications from people who can afford to buy the property without our help because of their level of savings and/or income.

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What we expect of you:

Your contribution	Your contribution to the purchase of a property through Co-Own for Over 55s can be funded by savings and/or the proceeds of the sale of your current home or other assets. You may also use money that has been gifted to you to make up all or part of your equity. With your application, you must provide confirmation from the person making the gift, stating the amount and purpose. You must be able to fund at least 50% of the property you wish to purchase.
Savings	You can keep up to £26,000 in savings or housing equity. Anything above this must be put towards your contribution for the Co-Own for Over 55s home. Savings would include: – cash – National Savings certificates, premium bonds – stocks and shares – money in any bank or building society accounts, trust funds – other substantial assets If you are selling your current home you may allow £5,000 from the sale proceeds for sale expenses.
Outstanding property debt	You must not have any debt to any third party which was secured on a previous home. This does not include any mortgage finance which you may have on your current home.
Outgoings	You must give full details of any monthly outgoings you have. These could include loans, credit/store cards, mail order, childcare, maintenance, and other outgoings.
Previous relationships	You must have concluded any settlement arrangements from all previous relationships prior to submitting an application.
Credit assessment	When you apply to Co-Own for Over 55s we will perform a full credit assessment to determine your affordability. Part of this assessment is to look at your credit file, not your score, using the Experian credit reference agency. We will look at your credit history which will include things like, if you have any credit cards or loans, the amounts of these, your repayments of these, and if you have any missed or late payments. Your credit history shows how you have managed your credit up to now and is taken into account as part of our decision. We recommend you get a copy of your credit report before applying and check it. If you have a query about an entry on your credit report this must be shown as resolved before you apply.

What we expect of you:

Credit assessment	Things that will affect your credit assessment include, but are not limited to: – The level of credit commitments that you have – Any late/missed payments – Any defaults – Court judgements, bankruptcies, individual voluntary arrangements (IVAs).
Future borrowing	You will not be able to use your Co-Own for Over 55s home now or in the future as security for any mortgage or loan.
Debt management	Before making an application to Co-Own for Over 55s, any of the following arrangements must have been settled (and be shown as settled on your credit file) for the stated period: – Debt Relief Orders – 6 years – Bankruptcy – 6 years – Individual Voluntary Arrangement – 6 years – Payday Loans & Home Credit (or equivalent products) – 12 months – Money Judgements – 12 months The following arrangements also need to have been settled and will affect your credit score: – Debt Management Plans – Defaults – Missed or late payments If you have had a minor default/debt management plan within the last 12 months and it has been settled we will take this into account in your credit assessment. If however the default(s)/debt management plan involved a higher balance or there were multiple defaults/debt management plans you must wait for 12 months after the last of these has been noted as settled on your credit file before making an application. If you have had a missed or late payment within the last 12 months we will take this into account in your credit assessment. If however you have regular missed and/or late payments you must have 12 months clear payment history on the account. Just remember that you can have no adverse credit at the time of making an Over 55s application.

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What we expect of you:

Managing your bank accounts	We will review 3 months bank statements as part of the application. If these show any unauthorised overdrafts, returned Direct Debits, or bank charges for unauthorised usage, you will not be eligible for Co-Own for Over 55s. If you are heavily reliant on credit or an overdraft to pay your household costs and other outgoings, you may not be eligible for Over 55s.
Employment	It's not necessary to have a job to be eligible for Co-Own for Over 55s. If you do have a job for it to be taken into account, in terms of affordability, the following types and lengths of employment are acceptable: – Permanent – normally 6 months plus – Fixed Term – 12 months plus – Temporary – 12 months plus – Zero Hours Contract – 12 months plus – Self Employed – please see Income section below You must not be under notice of termination of employment or redundancy. If your position has changed from e.g. fixed term or temporary to permanent we may take this into account.
Income	– You must declare all income for the household at the time of application. We require evidence of the amount and nature of all income. – We require payslips for at least the last 3 months of employment (if applicable). – If you're self-employed (for it to be taken into account in terms of affordability) you'll need to provide SA302 summaries in Northern Ireland for the last full year and also the full tax return for your latest SA302. You will also need to have been trading with no breaks for at least the last 3 months. In addition, company directors must provide 3 months' payslips. If you have experienced a significant change in your income/company income in the last 12 months we may not be able to support your application. You should contact us before applying to help us understand your current situation. We may require further information such as your last 3 months business bank statements. – We may accept income from more than one employment. Our general criteria apply to all jobs. – We accept income earned from overtime, bonuses, commission and allowances up to 50% where sustainable.
Other income	We will consider the following other income: – Pension – both private and state pensions.

What we expect of you:

Other income	– Working Tax Credit – Child Tax Credit – for up to 2 children in the household if they are aged 14 and under at the time of application. – Pension Credit – Employment And Support Allowance (ESA) – Disability Living Allowance (DLA) – Personal Independence Payment (PIP) – Incapacity Benefit – Child Benefit – for up to 2 children in the household if they are aged 14 or under at the time of application. – Universal Credit – can consider child and disability elements (if available). – Maintenance – we may accept maintenance payments from a former partner for up to 2 children in the household aged 14 or under at the time of application. This may be a private arrangement or court approved. You must provide evidence of the amount and payment history. – Carers Allowance – Foster Income Sorry but we do not accept Housing Benefit as other income.
Lifestyle, spending decisions	All applicants must prove they have been able to afford their current lifestyle. They must also prove they will be able to afford the commitment of owning their home through Co-Own for Over 55s from their current disposable income.
Application information	All application information must be correct and true. Any fraudulent, false or misleading information, statements or omissions in respect of an application may be sufficient grounds for the application being cancelled. For further information see the Co-Own for Over 55s Terms & Conditions (Declarations) on our website.
Previous applicants	Previously declined applicants can't apply until 3 months have passed from the date they were told of an unsuccessful application. However, any fraudulent, false or misleading information or omissions in respect of an application or a vexatious application will mean that an applicant will not be able to make another application for any of Co-Ownership's products for 12 months from the date of cancellation of the application.

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What we expect of you:

Previous applicants	Please remember that you will be charged for a new assessment when you apply again, so be sure to check that you meet all the criteria before submitting a new application.
Change in circumstances	If your circumstances change at any stage during an application you must let us know about this. We will review your circumstances. This may result in your application being revised or withdrawn.
Retirement	We understand many of our Co-Own for Over 55s customers will already be retired. However, if you are not retired when you submit your application but are planning to retire or take voluntary redundancy within 6 months of the date of application you must let us know. We will review your circumstances and anticipated changes to income or capital to assess your suitability.

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If you are unsure which of our products is best for you, call us on 028 9032 7276 and we can talk you through the differences between them.

What we expect of your property

Property price	Maximum property value of £195,000.
Location	We will purchase existing and new build properties anywhere in Northern Ireland.
Warranties	New properties must have a suitable 10-year structural warranty. Existing properties under 10 years old must have the balance of their original 10-year structural warranty.
Incentives	You must declare any incentives you are offered. We may not agree to them.
Energy performance	We require an Energy Performance Certificate for the property. You can read more about this on page 14.
Meeting your needs	You must satisfy yourself that your chosen property meets your needs in its current format without requiring immediate and major alterations/upgrading.
Service charges	A service charge is the amount you pay towards the upkeep of any common or shared areas relating to a house or an apartment. It should be reasonable for the services provided. All service charges must be affordable for you. We would expect that a service charge for a house would be usually no more than £200 per year and an apartment would not usually be more than £1,000 per year. If the proposed service charge will be more than this please contact us.
New builds	In addition for new builds: – Basic 'turnkey' packages are acceptable. You must declare any incentives you are offered. We may not agree to them. – Properties with PC sums are generally not acceptable. – We will generally not pay for extras in new build property, or for furnishings/ moveable fittings in existing property. – The price must include all connection fees for utilities. – All roads and sewers serving the property must be bonded or adopted. If not please contact us.
Types of properties	Sorry, but we are unable to accept: – Architect certified properties. – Properties that require more than £6,000 of work to resolve before purchase issues and/or more than £6,000 of work to resolve after purchase issues. – Properties with no central heating. – Properties with non-standard or unconventional construction.

What we expect of your property

Unsuitable properties	We are also unable to accept: – Mobile homes or temporary structures. – HMOs (houses in multiple occupation). – Properties with annexes (hint: a granny flat). – Properties with Japanese Knotweed. – Properties that are not complete (hint: sold “as is”). – Properties that are underpinned or stated to be defective. – Properties with agricultural use restrictions. – Properties which are used for purposes other than as a residence. – Properties with a private water supply. – Properties with renewable energy systems such as solar panels or wind turbines which are leased (hint: if owned by the seller this will be acceptable). Usually properties must front onto an adopted road.

If you have any specific questions about a property you are interested in, please contact us.
For further information and guidance on our property criteria to help you choose the right home please visit our website **www.co-ownership.org**

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For more information or to apply for Co-Own for Over 55s please call us on **028 9032 7276** or visit our website:

co-ownership.org

Scan me

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Co-Own for Over 55s is brought to you by Northern Ireland Co-Ownership Housing Association Limited.

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