

Guide to 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 six and eight 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 we are successful in finding a buyer you will pay 0.75% - 1.25% 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 the marketing of your home.

Step 1 Contact us at resales@newlon.org.uk to request an 'intention to sell' form and 'list of valuers'. 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 and paid the correct fee.

Step 2 We will instruct your chosen 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 three 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 and any document we request from you to assist with the sale of your property.

Please ensure that all photos are taken of each room in a tidy and well-lit condition. You can find a copy of your EPC at www.epcregister.com. Please note that an EPC is valid for 10 years, after which you will need to arrange a new certificate at your cost. If your EPC is not listed online, we recommend that you obtain a new certificate.

Step 4 On receipt of your 'notice to proceed' form, Newlon will produce sales particulars and add your property details to our property marketing websites. The nomination period starts from the date we receive your notice to proceed form, photos and EPC .

Step 5 Any interested buyer will contact you directly to arrange a viewing. If anyone is interested in proceeding further, you should refer them to our Leasehold 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 six to eight 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. Please note that if you, as the seller, decide to withdraw from the sale, the nomination period will reset should you decide to sell again in the future.

What happens after you have found a buyer?

All interested buyers will complete an application form and will be referred for a financial assessment by an independent financial advice company who will check their ability to afford to buy your home.

A buyer will then be nominated following the submission of their application form, successful financial assessment and on the basis of the person we consider most suitable for the property 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 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 completion dates.

We will not have direct involvement with the sale once solicitors have been instructed. We will also have no control over mortgage valuations or the granting of mortgages and the terms attached to them. However, we will try to assist as much as we can to speed up the process.

What documents do I need to sell my property?

You will need to gather the necessary documents and give them to your solicitors who will then pass them on to your buyer's solicitors. These include guarantees of any appliances or approved improvement works which have been carried out, gas safety certificates, electrical certificates, leaseholder's deed of certificate, any section 20 letters you have received from us or the freeholders and any relevant documents relating to the property.

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. If you pull out or are unable to find a buyer within one year, you may have to start the resale process again.

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

You can only sell the equity you own. In certain circumstances, we may allow you to sell the full 100%. If you sell 100%, you will, on completion, get your share and we will get the remaining share of the sale price. This is called a simultaneous staircasing and resale with completion set for the same date. Please note that you may be liable to pay stamp duty if you go over the threshold and are selling 100%. If this is the case, our solicitor will arrange all the paper work.

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.

What if I have made improvements to my home?

If you have undertaken any home improvements on the property, please include these on the 'intention to sell form' along with evidence of our approval. If you did not obtain approval from us, we will not be able to ask the valuer to consider the improvements in the valuation figure. It is important to note that improvements will depreciate overtime and may not impact on the value where the work was completed a few years ago.

Major improvements such as hard flooring (wooden/tiled), double-glazing, new fitted kitchens or bathrooms and conversions, as allowed under the terms of your lease, may add value to your home. General home maintenance, repairs, new carpets and redecoration are not regarded as improvements and generally will not increase the value of your home. Any improvements you have completed which have not been carried out following the terms of your lease or which have not been approved by us will not be considered and may delay the sale of your property. You may also be asked to put the property back to its original state if works have not been done to a good standard or are not acceptable under our insurance policy.

To request consent for home improvements, please email customerservice@newlon.org.uk.

How long is the valuation valid for?

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 an extension for a short period. This is not guaranteed and you may need to pay a small charge. We will usually agree to extend the valuation to allow for completion if a sale has been agreed between a seller and the buyer and where solicitors have been instructed.

If your resale transaction does not complete within 12 months, even if you are selling in the open market, you will be required to pay for an updated valuation and incur additional costs. The new valuation could be lower or higher than the original valuation, dependent on the housing market at the time.

What if I am not happy with the valuation?

The valuers are able to respond informally to queries you may have regarding your report. If you are unhappy with the valuation, you can send your queries to resales@newlon.org.uk along with any supporting documentation or comparable evidence and we will pass them to the surveyor for their comments. We regret that we will be unable to ask the valuer for their comments if you do not supply any supporting evidence. We do not accept estate agents' valuations as they are not RICS qualified.

If you are still not happy with their response, you can request for a second opinion from the District Valuer (government valuer) whose valuation will be final. Please be aware that there is a risk that the valuation may increase or decrease and we will be obligated to use this. You will be responsible for paying their fee.

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. We 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 to 14 weeks, but can be longer. However, you should consider the following:

- How soon the surveyor can value your property. This is usually five to ten working days but if they are busy it could take up to two or three weeks for them to value your home and write their report.
- We need up to five working days to prepare and upload sales details on marketing websites (Newlon Living, Share to Buy and Zoopla).
- We need up to four weeks or more to prepare and provide you with a Landlord's Certificate if you live in a relevant building.
- It could take a few days before interested buyers start to contact you to arrange a viewing.
- Buyer's mortgage applications can take four to six weeks, but can be longer as lenders' criteria vary from one to the other.
- Solicitors' enquiries may take longer, which may be out of our control depending on what your buyer's solicitors have requested.

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 lenders.

If we do find a buyer, you should ensure that there is constant communication between you and the purchaser to be fully aware of the progress of the sale. However, if you are unable to contact them, please 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.

If you decide to staircase and not sell

If the valuation of your property is still within the three months' validity, you may be able to use the same valuation for staircasing purposes but you must complete the staircasing before the expiration of the valuation as we cannot guarantee an extension. If your resale valuation has expired, we will require an updated valuation for staircasing purposes.

What will Newlon do if I can't sell/remortgage my property?

We know that this issue is having a devastating impact on residents who's plans to move, staircase or remortgage their homes have been disrupted.

We would like to reassure you that your safety is our number one priority and we want to do everything we can to offer support, including following government guidance.

If you are thinking of selling, staircasing, re-mortgaging or extending your lease please always contact our Resident Sales Team before committing to any costs or making any long-term plans. You should also seek advice directly from your lender or mortgage broker before beginning any of the above process.

Please visit our website page on 'safety' which covers our approach to building safety and keeping residents safe in their homes: www.newlon.org.uk/safety/

Stamp Duty Land Tax

This is a form of tax that you have to pay when you purchase a property over a certain value. 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/sdlr.

Need any further information?

Please contact Resident Sales at Newlon Housing Trust, 4 Daneland Walk, Hale Village, London, N17 9FE, or email resales@newlon.org.uk.