

Guide to Older Persons Shared Ownership (OPSO)

How does it work?

Shared Ownership is part of the Government's Help to Buy initiative, and is a way to buy a share in a home now with the option to buy more of it in the future.

Some Shared Ownership properties are built specifically for older people (over 55) who may be looking to buy a smaller property as their current home is too big for them, or has become unsuitable for their needs.

Older Persons Shared Ownership (OPSO) is where you buy a share in the new home, which will range from 25% to 75%, depending on what you can afford. Through Older Person's Shared Ownership (OPSO) the maximum share you can buy is 75%.

Your current property will need to be sold prior to completion on any shared ownership property.

Trafford Housing Trust will own the remaining share and you will pay a reduced rent on that share. You can buy more shares as and when you can afford them - this is called 'Staircasing'- and as you buy more shares, you will pay less rent. If you choose to buy the **maximum 75% share**, you will pay **no rent** on the remaining 25%.

At Limelight Apartments you will also have to pay a Service Charge to cover the upkeep of the residential communal areas. There is also a Personal Support Charge which covers the cost of standard care facilities and alarm monitoring.

Details of the rent and service charge payable for each property are available from our Sales Advisors.

As a home owner, you will be responsible for the maintenance and repairs on your home. Trafford Housing Trust, as landlord, will be responsible for the communal areas.

Am I Eligible?

To apply for a Shared Ownership home you need to meet the criteria set by the Government:

- You must be over 55 years of age and unable to afford to purchase a new home without some assistance.
- Your gross household income must be less than £80,000 per annum
- You must not already own another home. In order to buy through this scheme, you must either be a first time buyer or have sold your previous property (equity limits apply).
- Existing shared owners can apply, however your property has to be sold prior to completion.
- You must be able to prove that you can afford any mortgage payments and associated outgoings on the home you choose to buy. There is a standard affordability calculator check provided by the Homes and Communities Agency which will determine what you can afford.
- If you have sufficient equity from the sale of a property, this can also be used towards purchasing your share (equity limits apply).
- You will be asked to provide proof of identification, savings and income along with any other major outgoings e.g. car loans, etc.
- The property purchased must be your only residence and cannot be rented out.
- If you are a serving member of the British Armed Forces (or have been honourably discharged in the last 2 years) you will receive priority.
- Shared Ownership can also help people who have previously owned properties but are now unable to buy without assistance, for example in the case of relationship breakdowns or families who are over-crowded in their existing homes.

How much will it cost at the start?

You will need access to an amount of savings to cover the initial costs of buying a property.

This would be required for the following:

- Mortgage deposit (if applicable)
- Mortgage arrangement (if applicable)
- Mortgage valuation/survey (if applicable)
- Solicitors' fees
- Costs associated with moving home such as removals, connection charges etc.
- Stamp duty (if applicable)

For your mortgage deposit, you should aim for around a 10%-15% of the share you are purchasing. The more you can fund as a deposit towards your mortgage, the more you are likely to obtain a mortgage offer and a more attractive interest rate.

How much rent do I pay?

The amount of rent you pay will depend on the value of the property and the share you are buying. The rent is calculated on the value of the share of the property that you are not buying. Therefore, the greater the share you purchase the lower the amount of monthly rent. With an OPSO once you reach a maximum purchase of 75%, the remaining 25% will be rent free (but still remains in the ownership of Trafford Housing Trust).

In addition to the rent you will have to pay a monthly service charge and a monthly personal support charge (details available from our Sales Advisors).

How do I apply for a Trafford Housing Trust OPSO?

Contact Help To Buy Northwest (the Government's Help to Buy agent) on www.helptobuynw.org.uk or 0300 790 0570 to be initially approved as eligible. If Help To Buy Northwest approve your application and you have indicated a preference for a Trafford Housing Trust (THT) development, they will forward your details to THT.

You will then be contacted by a member of the Limelight Care Team who will undertake a care and support assessment. Following this assessment you will be asked to complete a THT application form and return it with the documents requested. You should receive a response within 4 working days of receipt of application.

Once an applicant has been approved by THT for a Shared Ownership purchase, the application will then be submitted to the Joint Assessment Panel.

If your application is approved by the panel then the Shared Ownership purchase can take place. You will be asked to provide your solicitors' details and pay a £500.00 reservation fee to secure the plot in your name until such time contracts are exchanged. This fee will be deducted from the overall price of the share on completion of sale.

How long does the process take?

Upon receipt of the reservation fee, THT's solicitors will be instructed to act on our behalf to sell the property to you. We expect contracts to be exchanged within 8-12 weeks providing handover of the site has taken place or within 4 weeks from handover if it was an early reservation.

What are my options after buying through OPSO?

You can, if you wish, buy additional shares at a later date until you own the maximum 75%, but you are not under any obligation to do so. This is called "staircasing" and the cost of the additional shares is based on the market value of the property at the time you wish to do this. If you increase your share in the property your rent is re-calculated and reduced proportionately.

If you wish to sell your property, THT will need to be involved in the process as the remaining term of your lease is assigned by licence to your buyer. The property is resold at the market value of the property at the time of resale. Prospective purchasers will have to meet the eligibility criteria of the lease at the time of sale, all sales are at the discretion of THT.