



# Stage 2 application

Guidance on completing the **Stage 2  
Application** for **Shared Ownership**

# Hi, we're VIVID and we'd like to tell you about buying from us with Shared Ownership

## How does Shared Ownership work?

The Shared Ownership scheme allows you to purchase shares of your property typically between 25% and 75% and pay rent on the remaining share. In many cases, you'll only need a 5% deposit of the share you're purchasing!

## How is this different than buying on the open market?

Unlike buying on the open market, you don't need to find a deposit for 100% of the property price. In many cases, you'll only need a 5% deposit of the share you're purchasing which could start from around £3,000 (depending on the property price). Then over time, if you decide you want to purchase extra shares of your home you can do so, we call this staircasing! Always check with your Sales Officer to see if there are any staircasing restrictions on the home you are applying for.

## If you are an existing owner

You must have an offer on your existing property and provide proof of this by way of a Memorandum of Sale or a letter. We'll need a chain update from your sales agent to tell us that this sale will be completed in approximately 12 weeks' time. Please talk to us if you think the sale may take a little longer.



# How does our Shared Ownership process work?

There are 3 main stages that you'll go through to apply for your new home with us

## Stage 1



1 - 4 weeks

All our available homes can be found on our website, [yourvividhome.co.uk](https://www.yourvividhome.co.uk) – once you know what you like, fill out an application form with your personal details and information about which developments and properties you are interested in.

Once you've applied to buy a home with us, we'll assess your application for initial affordability and assess your suitability for one of our homes. You'll hear back from us with an outcome on whether you've been successful, or not.

## Stage 2



Approximately  
2 weeks

Applicants who are eligible will progress to Stage 2. At this stage we will need you to speak to one of our panel Financial Advisors who are mentioned in your stage 2 email. You'll also need to send us proof of deposit, proof of address and complete the forms that we sent you with the email.

## Stage 3



You'll need to  
keep to the 28  
day exchange

If you are successful, you'll hear from us with the good news. Congratulations, you're now at the stage where we'll send you the forms to reserve your new home!

For those people who were not successful this time around, whilst we know it may be disappointing not to get your first choice property / development, please stick with us as we often have more new homes released in the same area or sometimes even on the same development, so with a bit of time hopefully you'll find your ideal home with us!

# A little more about buying your new home with VIVID



## When choosing a property

Please indicate your choice in order of priority with “1” being your favourite. You can apply for as many as you like. But, take note of the projected handover dates for each one. Please note: You can apply for any size property you wish, but priority for larger homes may go to those with dependants.

## Mortgage in principle

If you are not using our approved Financial Advisor you need to obtain a mortgage in principle from a mortgage lender yourselves. Please note that it MUST be a Shared Ownership mortgage, it must be for the value of the share that our approved Financial Advisor has stated you can afford and sustain. And, it cannot be an interest only mortgage.

## If there are more applicants than properties

Or, If several applicants wish to purchase the same property, we will use the information you provide in the stage 2 application, to determine which applicants have priority based on the number of points they have.

## Here is some information about how we select our customers

Our governing body is Homes England. They set the priority groups for us to work to on some of our homes, the rest are determined by the Local Authority. For example, it could be that they want VIVID to allocate properties first to operational ministry of defence staff. Some housing developments operate on a slightly different selection criteria than others, but don't worry you can find out more about your chosen development from one of our Sales Officers.

If we do not have applicants that meet the priority criteria, then we may be able to look at applicants who currently live in the area, and/or work in the area or have family in the area. Don't worry if you don't fit into these categories, continue with your application as we still sell homes to people outside of the area too. Our Shared Ownership homes are very popular so we also use this system to decide who gets a particular property if more than one person would like it. Your position on the council waiting list has no bearing on whether you get a Shared Ownership home from VIVID.

# What are your next steps?

The next section of this guide is most useful for customers who have now been offered a home with us.



Congratulations, you've just spoken to one of our Sales Officers who have passed on the good news that you have been offered a home!

We'll send you a reservation email that will contain a couple of forms for you to complete and return with £250\* to secure your new home.

We mentioned earlier about our panel solicitors that you needed to consider, and now is the time to instruct one of them! Our panel solicitors are experienced in Shared Ownership and our sales process, we have added their details to your Memorandum of Sale. You'll need to let us know who you have chosen.

\* The £250 reservation fee will not be refunded to you, instead it will be deducted from the money that you will owe on your completion statement that you receive towards the end of your purchase. If you decide to not continue your home sale the £250 reservation fee is non-refundable and non-transferable.

# Create a smoother journey

## Which Financial Advisor should you use?

If you get to the stage where you're offered a home, your Financial Advisor will be working to the '28 day exchange time-frame'.

This means that you need to have got to the point of exchange on your new home within 28 days of your lease going to your solicitor.

When you use one of our panel Financial Advisors, they'll have experience of working with us and they know our process inside out. This will ensure that you'll reach the 28 day exchange time-frame as soon as possible!

### Approved Financial Advisors

#### **Chartwell Funding Limited**

01454 540500

vivid@chartwellfunding.co.uk

#### **Mortgage Decisions**

03454 500 200

vivid@mortgagedecisions.com

## Which solicitor should you use?

We advise that you take a look at a potential solicitor that you'd like to instruct so that you're prepared if you're successful with your application. You don't need to instruct one just yet, but it is good to be ready and have an idea of who you'd be happy to use, if the time comes.

As there is a 28 day exchange time frame you are strongly advised to use our approved panel solicitors. It is essential that you appoint a solicitor who has experience specifically in Shared Ownership as there are some additional legal requirements that are different to buying on the open market.

If you're successful, we'll let you know who the approved solicitor is for your development, this can be found on your memorandum of sale.

### Approved Solicitors

#### **Trish Coutts - Phillips**

01256 460830

trish.coutts@phillips-law.co.uk

#### **Bethany Partridge - Foot Anstey**

01823 625657

Bethany.partridge@footanstey.com

Our approved panel Financial Advisors and solicitors are independent. Even though they have been approved by VIVID, they are in no way part of VIVID, our partners or any affiliated groups.

They know we expect our customers to be treated as a priority and we expect them to go the extra mile. Just to remind you, we have passed your details on to our panel Financial Advisor who will be in touch shortly to discuss your application.

If you are offered a home, they will be working to the 28 day time frame so you are strongly advised to work with them, as they have experience in the Shared Ownership process to keep things on track.

# What costs will you incur?

When you buy a home with Shared Ownership there will be some costs incurred along the way. Below you'll find out a little more about what to expect as your sale progresses.

## Purchase Costs

Your chosen solicitor and Financial Advisor will be able to advise you of these. They will include but are not limited to:

- Solicitors charges (including disbursements such as Searches and Land Registry fees)
- Mortgage arrangement and survey fees
- Our solicitor charges include a fee for approving the mortgage, and an engrossment fee (supplying the lease)

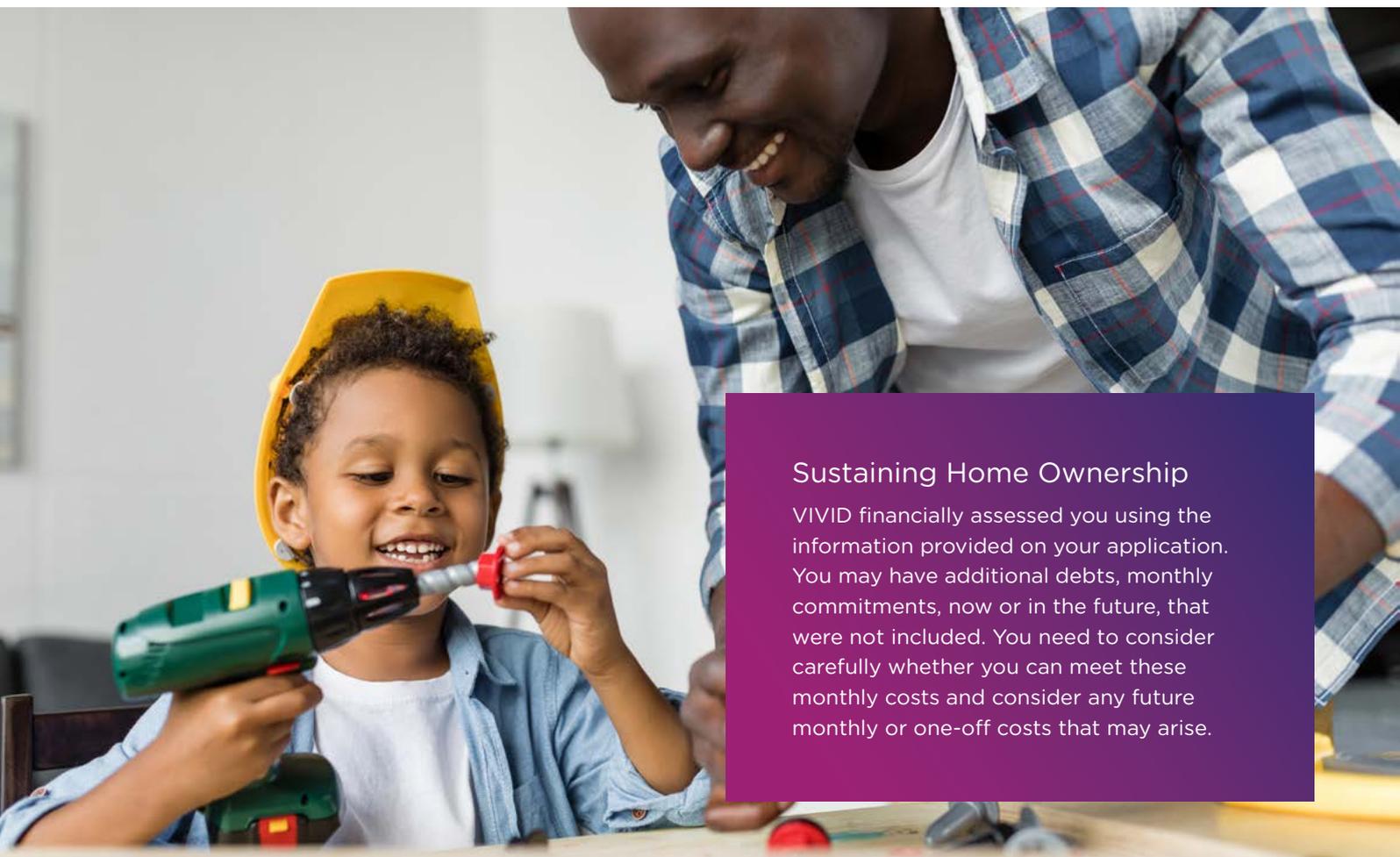
When you speak to our Financial Advisor, this service is free, and they are there to help you on your Shared Ownership journey. If you use your own Financial Advisor, you may be charged a fee.

Mortgage valuation fee (please check with your Financial Advisor as some lenders add this fee into the mortgage so there is nothing to pay upfront and some have offers where this is free of charge). Also, you'll need to pay a proportion of the rent and service charge to VIVID in advance of moving in.

## Stamp Duty

We recommend that you discuss this with your solicitor, however, you can contact HM Revenue & Customs SDLT enquiries directly on 0845 603 0135, alternatively, visit <https://www.gov.uk/stamp-duty-land-tax/shared-ownership-property>

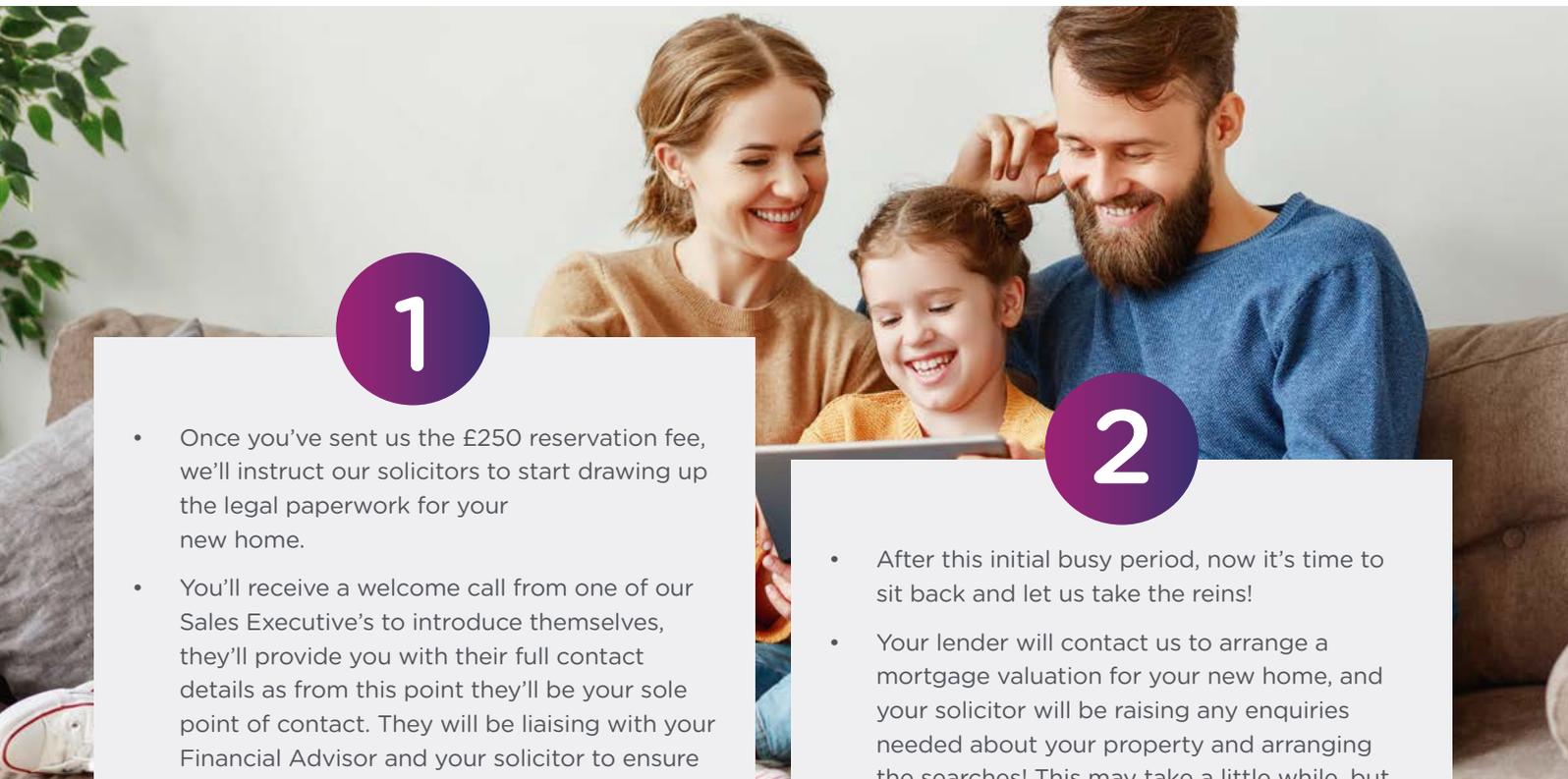
When reserving a property off-plan, VIVID are not responsible for any extension costs for mortgage offers etc. if the projected handover date moves.



## Sustaining Home Ownership

VIVID financially assessed you using the information provided on your application. You may have additional debts, monthly commitments, now or in the future, that were not included. You need to consider carefully whether you can meet these monthly costs and consider any future monthly or one-off costs that may arise.

# How does our Shared Ownership legal process work?



1

- Once you've sent us the £250 reservation fee, we'll instruct our solicitors to start drawing up the legal paperwork for your new home.
- You'll receive a welcome call from one of our Sales Executive's to introduce themselves, they'll provide you with their full contact details as from this point they'll be your sole point of contact. They will be liaising with your Financial Advisor and your solicitor to ensure the process runs smoothly and on time.
- Once you've sent back all the information that our solicitor needs to begin, it is time to talk to your Financial Advisor and ask them to submit your mortgage application. You'll need to choose your solicitor and instruct them to start working on your purchase.
- At this point you'll need to pay the agreed solicitors fees so they can begin work.

2

- After this initial busy period, now it's time to sit back and let us take the reins!
- Your lender will contact us to arrange a mortgage valuation for your new home, and your solicitor will be raising any enquiries needed about your property and arranging the searches! This may take a little while, but your Sales Executive will keep you posted on progress.

3

- Once your solicitor has concluded the searches and other checks, and they have received your mortgage offer, you'll receive your exchange contracts. You'll need to sign these and send the solicitor your deposit (typically at least 5% of the share you're purchasing or other agreed figure).
- Then at this point, if your property is ready, we will work hard to move you in ASAP. This can be as soon as a week after exchange, but if your home is not yet fully built, you'll have to wait a little longer. We always aim to move you in within a week of the property being handed over to us from the developer.

## Viewings

When it comes to viewing your home, your Sales Executives will always try their best to arrange a viewing approximately two weeks before you move in. Please bear in mind that this can move and change a bit, depending on the developer so we will always inform you of how things are going!

# More about the 28 day exchange deadline



We will issue a Memorandum of Sale to your solicitor, to our solicitor and your Financial Advisor. Our solicitor will also issue a sales pack to your solicitor, and this marks the start of the 28 days deadline.

## 28 days - and what this means

You have a maximum of 28 days to exchange contracts, following the issue of the sales pack to your solicitor.

You must then complete on the purchase within 5 days of either exchange of contracts or within 5 days following handover from the developer.

## How we'll support you

To help you stay within the timescales a member of our sales team will be on hand to keep you updated with all the major milestones. They will tell you what you need to do and when to make your home buying journey as stress free as possible.

It is important that we let you know that if you do not meet the 28 day time frame, we may withdraw your sale. This will mean that the property will be sold to a new customer and we'll not be responsible for any costs or fees incurred.

# Service Charges – what they’ll mean for a Shared Owner

Along with your monthly mortgage and rental payments, you will also have to pay a Service Charge to VIVID or/and a management company.

## What is a service charge?

A service charge is a payment towards the cost of managing, maintaining, repairing, or providing services to your home, that isn’t specifically for your individual house or flat. For example, if you live in a block of flats with a communal garden, the cost of maintaining that garden is covered by a service charge. If you are buying a house, the service charge could cover things like maintenance of parking areas.

## What is the Estate Area charge for?

This charge will cover the day to day maintenance of external communal areas and also a contribution to the long term repair and renewals fund of estate areas. The service charge figure in the first year is based on assumptions and VIVID’s experience of managing similar homes. This figure will be reviewed annually and may vary from the original estimate. End of year accounts are published in September, showing the actual expenditure and adjustments made for any shortfall or surplus.

## Your service charges explained

Our website provides further information regarding service charges if you’d like to find out more <https://www.vividhomes.co.uk/my-home/account/rent-and-charges>. At the bottom of that page, you’ll see a link – Your service charges explained. This gives more details on what specific service charges.

## Ground rent

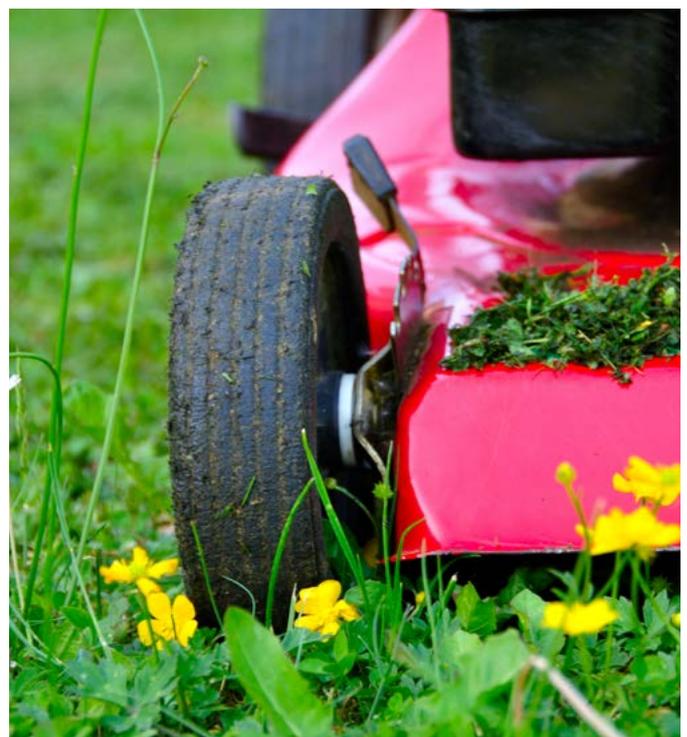
We do not charge any ground rent.

## About your lease

Please ensure you read your lease to understand your rights and obligations under its terms. It will confirm yours and VIVID’s responsibilities and is a legal agreement between you both. Your solicitor should provide you a summary of the main provisions within the lease. Please ensure you discuss anything you are unclear of with your solicitor before you sign it.

## Independent lease and service charge advice

You can find more information regarding leases on the Lease Advisory Service Website. This is a government funded site giving independent advice to residential leaseholders. Here is a link to their website <https://www.lease-advice.org>.



# Frequently asked questions

## Is my flooring included?

Carpets and vinyl flooring (kitchen and bathroom) are provided.

## Can I trust my floorplan when I am buying off-plan?

Floor plans may be subject to change. Do not rely on the plans for your furniture/curtain decisions.

## Can I go and see my new home before completion?

You will not be able to visit the development until we have arranged a viewing of your new home. This is usually about two weeks before you move in, depending on the developer. If you have any questions about your new home, please note the developer's sales team cannot give details about our Shared Ownership homes, you'll need to talk to us.

## Am I responsible for repairs of my new home?

Yes, any repairs or maintenance required are your responsibility, regardless of the share you own. Most new build homes come with a one-year warranty period for defects and a longer warranty to cover any structural problems. The warranties available on the home you are buying will be explained within the legal process.

If you're buying an apartment however, the housing provider or manager will generally be responsible for any communal parts of the building and grounds, but you will be responsible for all repairs and maintenance to your own apartment. You'll pay a service charge to the housing provider which is used to cover the costs of maintenance and decoration to communal areas. Any additional fees will be outlined within the legal process. Please note, you are required to have your boiler serviced annually at your own cost.

## Can I have a pet?

Of course, this is your new home, you can have pets and you don't need to tell us about it!



## Can I decorate my home?

Of course! This is the best bit about owning your own home. However when buying a new build home you should hold off until your 12 months defect period. You are free to decorate your property as you wish, however, VIVID will not contribute to any decorative improvements.

## Can I make adaptations or alterations to my property?

Your Shared Ownership lease should have details about making major alterations. You must have the VIVID's permission in writing before you make a start on any alterations however, they should not be able to withhold permission unreasonably.

# Frequently asked questions cont.

## I'm currently renting, when can I give notice?

VIVID will not be able to take responsibility for any delays to the projected handover date. It is for you to decide when you give notice on your rental home. You will still be required to complete your property purchase within 5 working days of your new home being ready, even if you are still tied into the rental agreement on your existing home.

## Who is responsible for my fences?

You may come across the word 'boundaries' when buying your home. The legal boundary is simply a line on the title plan, which divides your property from another. There may also be a physical boundary separating your property from another, such as a fence or wall. And your title plan will show which of these you're responsible for with a 'T' mark.

When speaking to your solicitor during the purchase process, we advise that you always ask to see the title plan, so that you clearly know the boundaries of the home you're purchasing. This is really important as you'll have responsibility for the area inside your boundaries in terms of looking after it and maintaining it, so best to be clear from the start before you complete your purchase.

For more FAQ's, visit:

[www.yourvividhome.co.uk/what-is-shared-ownership](http://www.yourvividhome.co.uk/what-is-shared-ownership)

## What is the difference between the handover date and completion date?

You will hear us use the terms "handover date" and "completion date". There is a difference between the two terms.

**Handover date** means the date the developer gives VIVID the keys to the property.

**Completion date** means the date VIVID give the keys to you (once the legals and purchase price have been paid)



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