Co-Own

co-ownership.org
Welcome to Co-Ownership

What's a shared ownership plan?

Why choose Co-Own?

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Criteria – What we expect of you

Criteria – What we expect of your property
So a deposit is out of the question and you’re unsure if you can afford a full mortgage?

Just get in touch and let’s see if we can make your dream move a reality.
We’re the not-for-profit organisation that can give you a helping hand onto the property ladder.

With our team of experts in support, you could complete the dream move that you thought was just out of reach.

Co-Ownership has helped over 27,000 people into home ownership in Northern Ireland since we began back in 1978. This guide will show you just how easy it is for you to do the same.
In a nutshell, we buy a place together. You buy the share that you can afford and we cover the rest. You pay the mortgage on your bit and pay us rent on our bit (did we mention that you don’t always need a deposit with Co-Own?). Because the rent we set is lower than the market rate and the mortgage you need is smaller, your monthly repayments could be less than they would be if you’d bought it outright.

When you’re able to, you can increase your share in your home bit-by-bit until you own it all. And don’t worry, just because we’ve bought a place together doesn’t mean we’re moving in! It’s 100% your home.

You buy whatever share of the house or apartment you choose, depending on how much of a mortgage you can afford. This will be between 50% and 90% of the purchase price. Co-Own will buy the remaining share. Over time you can increase your share until you own it outright.

One of the biggest advantages of buying through Co-Own is that you don’t necessarily need a deposit. Some lenders take our share instead of a deposit. Check out our FAQs on co-ownership.org for a current list of Co-Own lenders.

If you decide to sell your home and move on, we will value your home. You will get the benefit of any increase in the value of your home due to improvements you have made and then the remaining value will be split between you and us, depending on the share that you own. We go into more detail about buying out or selling on page 20.
Many people aspire to home ownership, but believe they can’t due to obstacles like a lack of deposit or affordability issues. They mistakenly think their only option is to rent while saving for a deposit. What you may not be aware of is that buying a home through Co-Own can make more financial sense than renting (see our handy infographic overleaf).

Buying a home, of course, gives you the security, long-term peace of mind and sense of ownership that private renting just cannot provide.

With Co-Own you also have the freedom to choose the home you want to buy anywhere in Northern Ireland, up to a value of £165,000.

And with our highly experienced and friendly team making the whole process as easy as possible, Co-Own just makes sense.

Why choose Co-Own?
Weighing up your options

Here’s how Co-Own stacks up against the alternatives of buying and renting.

Any questions? We can help.

Buying a home is a serious business; don’t forget there will be additional costs to buying and running your own home compared to renting a property.

That’s why we’re always here to help and answer your questions.

Visit co-ownership.org for more information.

Co-Own and Buying examples shown are based on 4% interest rate, repayment mortgage over 30 years. Example based on an average house price in NI of £130k. Figures are for illustration purposes only. The cost of buying your home will depend on your circumstances, property price and the mortgage product you choose.
How do I get started?

If you think Co-Own might be for you, go to co-ownership.org to find out more and use our handy tools.

There are two stages to a Co-Own application. Once you apply our team completes an assessment of your financial position to make sure you’re eligible – don’t worry, nothing painful! 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, happy days; you’ll be well on your way to owning your own home!

Tip: Talk to our team if you have any questions about how Co-Own works or how to get started.

Step by step

8 steps to home owning

1. Apply!
   Apply online at co-ownership.org and we’ll assess your financial circumstances (£70 non-refundable assessment fee).

2. Get approved
   If successful, you’ll receive an Approval in Principle that you can share with your bank, estate agent and seller. Your Approval in Principle is valid for 3 months.

3. Get a mortgage
   Talk to your bank or mortgage adviser to see how much of a mortgage you would be able to get.

4. Find a home
   Find your perfect home up to the amount in your Approval in Principle and upload the details to your application. (There’ll be a £430 property fee which covers your survey and most of your legal fees).

5. Get your home approved
   We’ll check it meets our requirements, carry out a survey and if all is in order we’ll agree the share we can purchase.

6. The offer
   If all is okay, you’ll receive a formal offer for us to purchase a share of your new home.

7. The Legal bit
   Your solicitors will complete their bit and make sure all the paperwork is in order.

8. Move in!
We want to make sure your new home is a sound investment, so we have some requirements we need to follow.

- You can choose a property up to £165,000 depending on your affordability
- The property can be anywhere in NI
- It can be a new build or an existing property
- If new build, it must have a suitable 10-year structural warranty
- You must live in the property
- You can’t run a business from it
- Sorry, but we cannot buy one bedroom properties
- We can only buy properties in generally good condition.

Check out co-ownership.org for further details

What type of property can I look at?

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

Important!
It’s really important that you review our property requirements on page 26 before you start house hunting so that you don’t choose a property we cannot buy, e.g. a one bed property, properties with non-traditional or unconventional construction, or generally properties that need significant work done.

The really, really important things to remember:

Co-Ownership buys a share of your chosen property which you pay rent on. You pay your mortgage lender a monthly repayment for your share of the property. If you miss payments on either your rent or your mortgage your home could be at risk of repossession.

Our shared ownership arrangement means that when 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. We share the risk.

We expect you to maintain your home to at least the standard that it was when you bought it. When you buy a bigger share of your home it will be valued based on it being maintained to this standard.

It’s your home so put your own stamp on it. You only need to contact us if you are thinking of making a structural change such as building a garage or an extension.

If you are changing your lender or are making changes to your mortgage, please let us know.

We hope you will be able to buy more of your home as soon as possible. We can talk you through this.

Co-Ownership is a charity which means that any money we make from the sale of your home goes back into the pot to help more people start their home ownership story.
The rent side of things

Here’s a little info about the rent you’ll be paying on your Co-Own home.

- The yearly rent is set at 2.5% of the value of the Co-Own share. That’s £25 for every £1,000 we own.
- Rent is charged from the day of completion in the month that you join Co-Own. When you leave, rent is charged for the number of days you are a customer in that month.
- Rent is set and reviewed annually by the Department for Communities. Current rent is increased in line with the Retail Price Index.
- Rent is due at the start of each month, payable in advance by Direct Debit, and includes any ground rent due.

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:

<table>
<thead>
<tr>
<th>Property Value</th>
<th>50%</th>
<th>55%</th>
<th>60%</th>
<th>65%</th>
<th>70%</th>
<th>75%</th>
<th>80%</th>
<th>85%</th>
<th>90%</th>
</tr>
</thead>
<tbody>
<tr>
<td>£85,000</td>
<td>£88.54</td>
<td>£79.69</td>
<td>£70.83</td>
<td>£61.98</td>
<td>£53.13</td>
<td>£44.27</td>
<td>£35.42</td>
<td>£26.56</td>
<td>£17.71</td>
</tr>
<tr>
<td>£100,000</td>
<td>£104.17</td>
<td>£93.75</td>
<td>£83.33</td>
<td>£72.92</td>
<td>£62.50</td>
<td>£52.08</td>
<td>£41.67</td>
<td>£31.25</td>
<td>£20.83</td>
</tr>
<tr>
<td>£130,000</td>
<td>£135.42</td>
<td>£121.88</td>
<td>£108.33</td>
<td>£94.79</td>
<td>£81.25</td>
<td>£67.71</td>
<td>£54.17</td>
<td>£40.63</td>
<td>£27.08</td>
</tr>
<tr>
<td>£165,000</td>
<td>£171.88</td>
<td>£154.69</td>
<td>£137.50</td>
<td>£120.31</td>
<td>£103.13</td>
<td>£85.94</td>
<td>£68.75</td>
<td>£51.56</td>
<td>£34.38</td>
</tr>
</tbody>
</table>

If you have any questions our team will be happy to help.
How do I increase my share?

So you’ve finally got the keys to your own place thanks to Co-Ownership. What’s next?

You may be only through the door but we’d still encourage you to have a think about the future. If it’s your plan to eventually own 100% of your home, it’s best to start as soon as you’re financially able to.

Although the majority of Co-Owners buy us out fully or sell on their property, there is no requirement for you to increase your share at all.

And if you do decide to move on, it’s nice to know that any money that Co-Ownership makes from the sale of the property goes back into the pot to help more people start their home ownership story.

Buying out or selling on?
Here are your three options:

1. Buy out in steps
You can increase your share to 100% in little 5% steps or higher percentage blocks that suit your budget. Simply request a valuation online (£50 fee) which will be valid for 3 months. With this valuation we’ll send you a form for you to return detailing how much you’d like to buy.

2. Buy out in one go
The process is very similar to buying a larger share above, however as you are buying the whole of the Co-Ownership share, you need to appoint a solicitor to take care of the legal work that needs to be carried out to remove Co-Ownership’s name from the documentation relating to your home.

3. Sell the property
If you have decided to sell your home, choose an estate agent and put it on the market. You should also appoint a solicitor at this stage.

You can request a valuation online (£50 fee) at any time but it is better to ask for this when your home is sale agreed as this is usually the truest test of the market value of your home. Also remember that the valuation is valid for 3 months so it’s important that you complete your sale within this timeframe or you’ll have to pay for another valuation and the value of your property may change. We’ll send you the valuation with a form to return advising us of your decision to sell.

Remember:
Be sure in all cases when requesting your valuation to tell us about any improvements you have carried out as you will get credit for the value that has been added to your home as a result.

More detail on each of these options, plus a Buying out calculator, can be found at co-ownership.org
It’s really important to make sure that both you and the home you’re after are suitable for Co-Own. Take the time to read through our person and property criteria carefully before you apply.

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 £70 assessment fee is non-refundable, however the £430 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.

If you have any queries please contact our team on 028 9032 7276 who will be happy to help. Further details of what you need to apply can be found at co-ownership.org

### Criteria

**What we expect of you:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>You must be over 18 to apply.</td>
</tr>
<tr>
<td><strong>Residency status</strong></td>
<td>You must live in the UK. You may be asked to provide evidence that you have adequate right to reside in Northern Ireland.</td>
</tr>
<tr>
<td><strong>Income multipliers</strong></td>
<td>For us to work out how much you can afford we multiply your income by 3. If you’re applying with another person we multiply your joint income by 3. These multiples are based on total income, before tax. We take a final 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.</td>
</tr>
<tr>
<td><strong>Home owner</strong></td>
<td>You can’t apply for Co-Own if you currently own property which includes owning property or land, or being named on any property, in Northern Ireland or elsewhere.</td>
</tr>
</tbody>
</table>

### Outstanding property debt
- You must not have any debt to any third party which was secured on a previous home.

### Previous relationships
- You must have concluded any settlement arrangements from all previous relationships.

### Credit scoring
- We use Experian to review your credit history and to help us make the decision on the credit worthiness of your application.

### Debt management
- Before making an application to Co-Own, any of the following arrangements must have been settled for the stated period:
  - Debt Relief Orders – 6 years
  - Bankruptcy – 6 years
  - Individual Voluntary Arrangement – 6 years
  - Payday Loans & Home Credit – 12 months

The following arrangements also need to have been settled and will affect your credit score:
- Debt Management Plans
- Money Judgements
- Defaults

Just remember that you can have no adverse credit at the time of making a Co-Own application.

### Employment
- The following types of employment are acceptable and you must be with your current employer for at least the following period before you apply as indicated below:
  - Permanent – 6 months plus
  - Fixed Term – 12 months plus
  - Temporary – 12 months plus
  - Zero Hours Contract – 12 months plus
  - Self Employed – 2 years plus
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 you’re self-employed you’ll need to provide SA302 summaries for the last 2 years. In addition company directors must provide 3 months’ payslips.
- We may accept income from more than one employment. Our general criteria applies to all jobs.
- We accept income earned from overtime, bonuses, commission and allowances up to 50% where regular.

Other income

We will consider the following other income:

- Pension – both private and state pensions
- Working Tax Credit – If there is more than one applicant, we’ll need to know whether the award is made jointly or to one person.
- Child Tax Credit – For up to 2 children in the household if they are aged 14 and under at the time of application. If there is more than one applicant, we will need to know whether the award is made jointly or to one person.
- 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).

Other income (continued)

- 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.
- Foster Income
- Housing Benefit – sorry but we do not accept Housing Benefit as other income.

Savings

Any savings over £10,000 must be put towards a deposit.

Previous applicants

Previously declined applicants can’t apply until 3 months have passed from the date they were told of an unsuccessful application. 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 during an application you must let us know about this. We will review your circumstances. This may result in your application being revised.
If you think Co-Own could be for you, apply online at co-ownership.org

<table>
<thead>
<tr>
<th>What we expect of your property:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property price</strong></td>
</tr>
<tr>
<td><strong>Location</strong></td>
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</table>
| **New builds** | - Basic ‘turnkey’ packages are acceptable. You must declare any incentives you are offered. We may not agree to them.  
- We will generally not pay for extras in new build property, or for furnishings/moveable fittings in existing property.  
- New properties must have a suitable 10-year structural warranty. |
| **Warranties** | Properties under 10 years old must have the balance of their original 10-year structural warranty |
| **Deposits** | - We do not require a deposit, but some lenders take the Co-Own share instead of a deposit; Check out our FAQs on co-ownership.org for a current list of Co-Own lenders.  
- If all or any part of the property deposit comes as a gift from a friend or relative, we can count it towards your starter share. With your application, you must provide confirmation from the person making the gift, stating the amount and purpose. |
| **Types of property** | Sorry, but we don’t accept:  
- One-bedroom apartments or houses or;  
- Architect certified properties.  
However please visit our website for more guidance if you’re looking at a more unusual property. |

Please visit our website for further information and guidance on our property criteria to help you choose the right home!