Guidance for shared ownership providers when completing 'Summary of costs'

The information in this document is for homes sold with a **DPA (Designated Protected Area) – Mandatory Buyback lease on** the **standard shared ownership model**. These homes will conform to the requirements of the Shared Ownership and Affordable Homes Programme (SOAHP) 2016 to 2021.

This document is intended for initial sales and resales.

It's for prospective homebuyers:

- after they have gone through a financial assessment
- before they pay the reservation fee to secure a shared ownership home

Use it to give the homebuyer a personalised summary of all the costs involved in buying, owning and selling a shared ownership home. Providers may brand the document but must not alter the content or order of information.

The document should be explained to the customer and they should be given the opportunity to ask questions.

This document should be provided to the homebuyer at the same time as the 'Key information about shared ownership'.

To complete the document:

1. Follow the instructions highlighted in yellow.
2. Enter the costs and fees in the highlighted fields.
3. Delete the statements that do not apply to the home.
4. Delete the instructions about how to complete the document.

Feedback

If you have any feedback about this document, contact:

Affordable Housing Products team
Homes England
Email: sharedownership@homesengland.gov.uk

Summary of costs

The information in this document is for homes sold with a **DPA (Designated Protected Area) – Mandatory Buyback lease on** the **standard shared ownership model**. There are variations of shared ownership which have different features. For more information on the variations, see the 'Key information about the home' document.

When you are looking for shared ownership homes, you should always check the Key Information Document to see which model covers that specific home.

The information in this document will help you decide if a shared ownership home sold with a DPA – Mandatory Buyback lease is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

When you buy a home through shared ownership, you enter into a shared ownership lease. The lease is a legal agreement between you (the 'leaseholder') and the landlord. It sets out the rights and responsibilities of both parties.

Before committing to buy a shared ownership property, you should take independent legal and financial advice.

This summary of costs document is to help you decide if shared ownership is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

It does not form part of the lease. You should carefully consider the information and the accompanying lease, and discuss any issues with your legal adviser before signing the lease.

Failure to pay your rent, service charge, or mortgage could risk your lease being forfeited and your home being repossessed.

The costs in this document are the costs as at the date issued. These will increase (typically on an annual basis) and you should take financial advice on whether this will be sustainable for you.

Purchase costs

Full market value	£410,000
Share purchase price and percentage share offered	£102,500 (25% share) The share purchase price is calculated using the full market value and the percentage share purchased.
Deposit	£____ (___ % of the sale purchase price) The deposit is payable when you exchange contracts to buy the home. It will be taken off of the final amount you pay on completion. For more information, speak to your legal adviser.
Reservation fee	£250 You'll need to pay a reservation fee to secure your home. When you pay the fee, no one else will be able to reserve the home. The reservation fee secures the home for 45 days. If you buy the home, the fee will be taken off the final amount you pay on completion. If you do not buy the home, the fee is not refundable.
Your legal adviser's fees	Legal adviser's fees can vary. You can expect to pay fees including: • legal services fee • search costs • banking charges • Land Registry fee • document pack fee • management agent consent fee - subject to development and terms of the management company You'll need to ask your legal adviser what the fees cover and the cost for your purchase.
Stamp Duty Land Tax (SDLT)	You may have to pay Stamp Duty Land Tax (SDLT) depending on your circumstances and the home's market value. Discuss this with your legal adviser. There is more guidance on the GOV.UK website: • Stamp Duty Land Tax: shared ownership property • Calculate Stamp Duty Land Tax (SDLT)

Your monthly payments to the landlord

Total monthly payment to the Landlord (rent + all charges)	If you buy a 25% share, the **rent** will be £ a month. Your total monthly payment for the rent and **other charges described below** will be: **£710.25 a month** You'll need to budget for your other costs of owning a home, which are not included in the monthly payment to the landlord. For example, mortgage repayment, contents insurance, Council Tax, gas and electricity, and water.
Estate charge	The initial annual estate charge for your property is £397.92, though payments are typically made monthly at £33.16 a month. The charges are based on estimated cost calculations. This initial annual estate charge is for the period 01/04/2026 – 31/03/2027 The estate charge is for grounds maintenance and utilities. The estate charge will continue to be payable if you reach 100% ownership. The estate charge is not included in the service charge. Estate charges may go up or down.
Buildings insurance	£21.32 a month The buildings insurance is not included in the service charge.
Management fee	£15.14 a month The management fee is payable to Ocean Housing Limited. The management fee is for procuring, administering and managing services. The management fee is not included in the service charge.

Reserve (sinking) fund payment	There is no reserve fund payment.
Other service charges	Service charges are likely to increase. For more information, see the section below ‘Service charge review’ and section 4, ‘Service Charges’, in the 'Key information about shared ownership' document.
Who manages the services included within your service charge	The freehold of the estate is owned by your housing provider ReSI Homes Ltd. Your housing provider is responsible for the management of the services included within your service charge. The freeholder is responsible for management of the services which are included within your service charge. ReSI Homes Ltd has delegated the management of these services to an external managing agent Ocean Housing Ltd.
Who to contact about the service charge	Ocean Housing Ltd Stennack House Stennack Road PL25 3SW

Rent review

<table>
<tr><td>Rent review period</td><td>Your rent will be reviewed every year on 1st April commencing from 1st April 2027.</td></tr>
<tr><td>Rent review</td><td>The maximum amount your rent can go up by is the same as the percentage increase in Retail Prices Index (RPI) for the previous 12 months plus 0.5%.

Your landlord will notify you each year what this amount will be and tell you the date from which the new rent will be payable.

You should expect your rent to go up by the maximum amount possible each year when it is reviewed.

Example rent increases

The example below illustrates how the Rent shown in this document (£373.64] per month) would rise during the first five Review Dates based on an example percentage increase each year of 6%.

Please note that the below table is for illustration purposes only, using an example rate increase and the actual RPI for the relevant period will be used to calculate your new rent which may be more or less than the percentage shown.

<table>
<tr><td>New rent at Year 1 Review Date (applying an example percentage increase of [6%])</td><td>New rent at Year 2 Review Date (applying an example percentage increase of [6%])</td><td>New rent at Year 3 Review Date (applying an example percentage increase of [6%])</td><td>New rent at Year 4 Review Date (applying an example percentage increase of [6%])</td><td>New rent at Year 5 Review Date (applying an example percentage increase of [6%])</td></tr>
<tr><td>£396.06 per month</td><td>£419.82 per month</td><td>£445.01 per month</td><td>£471.71 per month</td><td>£500.01 per month</td></tr>
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</td></tr>
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Service charge review

<table>
<tr><td>Service charge review period</td><td>After the services have been provided to you for the year, there is a review of the actual costs of providing those services, which will result in a final adjusted service charge statement.

Your service charge will be reviewed every year on 1st April commencing from 1st April 2027</td></tr>
<tr><td>Service charge review</td><td>The service charge typically increases annually.

The tables below show how the monthly service charge could change over the first five years of ownership if it increased by 5%, 10% or 15% each year.

The increase could be higher or lower than this. You may wish to factor in these potential increases when identifying a suitable share to buy.

Example service charge increases

The starting service charge for this home is £69.62 per month (£835.44 per year).

<table>
<tr><td>Year</td><td>5% annual increase</td><td>10% annual increase</td><td>15% annual increase</td></tr>
<tr><td>Year 1 monthly charge</td><td>£73.10</td><td>£76.58</td><td>£80.06</td></tr>
<tr><td>Year 2 monthly charge</td><td>£73.75</td><td>£84.24</td><td>£92.07</td></tr>
<tr><td>Year 3 monthly charge</td><td>£80.59</td><td>£92.66</td><td>£105.88</td></tr>
<tr><td>Year 4 monthly charge</td><td>£84.62</td><td>£101.93</td><td>£121.77</td></tr>
<tr><td>Year 5 monthly charge</td><td>£88.85</td><td>£112.12</td><td>£140.03</td></tr>
</table>
</td></tr>
<tr><td>Expected changes to your service charge</td><td>Service Charges are reviewed annually.</td></tr>
</table>

Future costs if you buy more shares

Home valuation	If you want to buy more shares, the minimum amount you can buy is an extra 10%. When you do this, you'll need to pay for a valuation by a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). The estimated current cost is £300. You will need to arrange the valuation. If you need to arrange the valuation, you can find a registered surveyor on the RICS website. For more information, see section 7, 'Buying more shares', in the 'Key information about shared ownership' document.
Share purchase administration fees	The administration fee for buying more shares will be £300.
Your legal adviser's fees	If you require legal advice when buying more shares, you are responsible for paying your own legal fees. Regardless of whether you require legal advice, it is likely that your mortgage lender will require you to instruct a suitably qualified legal adviser if you are borrowing money to fund any purchase of additional shares. The landlord is responsible for paying their own legal fees related to share purchase transactions.

Future costs if you sell your home

Landlord's current selling fee	1.2% of the market value. This will be subject to change in the future. Your landlord may charge a fee for marketing and finding a buyer for your home when you sell. If they do not find a buyer, this will not apply. https://www.oceanhousing.com/being-a-homeowner/

Estate agent's fee	You will only pay this if you use an estate agent. You can usually negotiate their fee. You can normally only choose to use an estate agent when the Landlord's nomination period has ended. See the 'Landlord's nomination period' section of the 'Key information about your home' document for more information.
Your legal adviser's fees	You are responsible for seeking legal advice when you sell your home. You will need to pay your legal fees.
Home valuation	You will arrange the valuation from a surveyor who is registered with the Royal Institution of Chartered Surveyors (RICS). You are responsible for paying the cost.

Future costs if you need to extend your lease term

All shared ownership homes are sold as leasehold, even houses. You may need to extend the term of your lease. This is because a short lease can affect the value of your home and can make it more difficult to sell or get a mortgage on the home. A

short lease is generally considered as one with 80 years or less left on the term, although different lenders have different criteria. It can be significantly more expensive to extend a short lease.

Your landlord may not own the freehold which may limit the lease extension length they can provide you with.

Lease term	990 Years
Maximum share you can own	You can buy up to 100% of your home.
Who owns the freehold	The freehold of the estate is owned by your housing provider Ocean Housing Limited.
Transfer of freehold	At 100% ownership, the freehold will not transfer to you because the property is under a designated protected area with a mandatory buyback lease that keeps the property as an affordable home.

Shared owners who own less than 100% of their home do not currently have a legal right to extend their lease term. Your landlord will confirm their policy on lease extensions for shared owners including how they apportion costs.

For more information see section 2.5 in the ‘Key information about shared ownership’ document.

Other potential costs from the landlord

You can find details of other fees in the accompanying document ‘Administration Fees 2026’

Your own payments

You could use this section to help you plan your budget. Depending on the home, you might have other costs to consider.

Mortgage repayment	£____ a month
Contents insurance	£____ a month
Council Tax	£____ a month

Gas and electricity	£____
Water	£____
Annual boiler service	£____ a year
Other payments	