



Alderney Housing Association

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Buying a Partial Ownership home with Alderney Housing Association Sponsored by the States of Alderney

What is partial ownership?

Partial ownership may help you buy a home if you can't quite afford the full cost yourself. It lets you buy part of a home and rent the rest.

What property could I buy?

Alderney Housing Association (AHA) is intending to provide 2 partial ownership properties on the Platte Saline site and if successful more properties in other locations in the future.

How do I become eligible for partial ownership?

To be considered you need to:

- Be a locally qualified resident of Alderney
- Not already own a home
- Have enough funds to manage a home through this scheme

How does partial ownership work?

You can buy as little as 40% of the value of one of our homes, or as much as 80%. You can buy more of the home later if you wish, but cannot buy more than 80%.

You have to make your own financial arrangements to buy your home, and most people need to get a mortgage for this. All three Banks with branches in Alderney have experience of providing partial ownership mortgages elsewhere.

What will I have to pay for?

If you buy, say, 50% of the property, you will initially need:

- Ideally, a deposit, usually 5% of the share of the home you are buying (some Banks do offer 100% partial ownership mortgages)
- Savings to cover legal fees and a valuation fee
- You may have to pay a fee to arrange your mortgage - the bank can advise you about this.

Then, every month you will pay:

- Mortgage repayment to your bank
- Rent to AHA for the 50% of the home we own.

You will also have to pay:

- Service charge to AHA for items such as maintaining shared grounds, insurance of the building, etc
- All the rates on your house
- Your normal household bills including fuel costs, water, contents' insurance etc
- Maintenance - you have to pay all the maintenance costs of your home

It is recommended that your rent and mortgage cost no more than one third of your income after tax. Any more and you could find you cannot keep up your payments long term.

What happens when I want to sell my home?

You must sell your home back to AHA, and it will be sold on to someone on the waiting list. The price will be a fair market value, confirmed by an independent valuer. If you bought 50% of the home, you will get 50% of the total sale price at the time you wish to sell whether the price has gone up or down.

Example

If a 2 bedroom house is valued at £310,000 as its full market valuation then the following is an indication of what the mortgage and rent could be. Bank mortgage rates change constantly so these figures are only indicative and in fact may be lower as at April 2012 due to low interest rates.

The property is valued at £310,000 and the family purchasing it want to buy 50% of the equity. Assuming they do not have enough for a deposit they will need a mortgage for £155,000 over a 20 year term.

The couple's monthly outgoings are:

£ Repayment of mortgage interest and capital *	£920
£ Rent to AHA for 50% of the home *	£141
£ Service charge to AHA for communal maintenance, etc. *	£30
Total monthly	£1,091

As well the family have to budget for rates, maintenance and household bills. They get some help from tax relief on their mortgage interest payments.

***These are estimated figures only and will vary depending on the circumstances at the time.**

Please note, the case above is an example based on past sales. The prices of future partial ownership homes are net yet fixed, neither are rents or service charges.

What next?

If you think partial ownership could be for you, then:

- Consider your finances and decide if you can afford the outgoings. (Think very carefully if your income fluctuates or if your job is short-term)
- Complete an application form, obtainable from AHA at the address below.

To discuss partial ownership further, please contact:

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