

**SPECIAL REPORT
FOR INDIVIDUALS AND FAMILIES
THINKING ABOUT
PART BUY PART RENT SCHEMES**



***"Find out how to own 100% of a property
within 3 to 5 years"***

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*** SPECIAL REPORT ***

PART-RENT PART-BUY

"How to own 100% of a property within 3 to 5 years by taking advantage of a little know, simple to follow, part-rent part-buy system..."

Thank you for accessing this special report from
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As you probably already know, most part-rent part-buy schemes offer you a **25%** to **40%** share of a property...

But I want to help you focus on owning **100%** of a property using a little known, simple part-rent part-buy system

Lets go through some frequently asked questions about Part-Rent Part-Buy schemes with some standard industry answers. After each answer I'll share my perspective and how my system can benefit YOU

QUESTION: What is Part-Rent Part-Buy and how does it work?

GENERAL ANSWER: 'Part-rent part buy', traditionally known as Shared Ownership and now formally called 'New Build HomeBuy, is a scheme for first-time buyers and people who don't currently own a property. It allows them to buy a share in a flat or house and rent the remaining share at an affordable rate. The minimum share you can purchase is 25-30%, up to 75% on the first sale. You need to be able raise a mortgage for your purchased share. Homes

are sold as leasehold properties on shared ownership terms. As you are able to afford it, you can buy additional shares until you own 100% - a procedure known as 'staircasing'. When you want to sell the property, if you are still a 'shared owner', you can sell the share you own at full market value, and you will benefit from any equity which has built up on your share. If we are unable to find you a purchaser, you are then able to sell your home via an estate agency in the normal way. If you have staircased to 100% you just sell your home the normal way.

What I say: There's a slightly different, little known approach to part-rent part-buy. And here's the big thing...you don't actually need a mortgage to get started. You might look a little confused now, so let me explain.

You only need to view and like the property enough to put down a 3.5% deposit before any one else does. You can then move in and pay 'rent' (monthly payments) as normal. This is usually slightly higher than standard 'rent' as it gets you a pre-agreed price for the property.

This is an essential part of the plan to set you on target for getting a mortgage without much hassle in 3 to 5 years, at which point you will buy and own 100% of the property you've moved into. (Not just 25% to 40% as with most part buy part rent schemes)

QUESTION: What does it cost to buy?

GENERAL ANSWER: This depends on the value of the property you buy and how large a share you purchase. There is usually a service charge, which covers your building insurance, and other services such as block maintenance (cleaning, gardening, repairs in the communal areas) and a ground rent payable to the freeholder. Before you purchase, we will give you costs along with other information about each property that we are selling. Remember to keep in mind that most of the cost will depend on the mortgage rate offered by building societies and this tends to change regularly. We suggest that you take a fairly cautious view of costs so that you do not get into difficulty if interest rates rise.

What I say: Everything is fixed from the start until you buy the property so you won't be affected by interest rates etc. You pay 3.5% of the property price, and a fixed level of 'rent' for the first 3 to 5 years.

And as the property is normally freehold, there will be no ground rent or service charge to pay. In fact, there is a good chance the amount you pay every month will go *down* once you take on a mortgage (subject to interest rates)

QUESTION: How do I get a mortgage?

GENERAL ANSWER: If you need a mortgage you will need to approach a building society, bank or mortgage broker. They will expect you to be in regular employment. You will not be able to buy if you are receiving Housing Benefit. Most building societies or banks will lend on shared ownership

properties but tell us if you have any problems. You will need to shop around for the best offer and it is often useful to get independent advice, as there are lots of different types of mortgage available. An IFA (Independent Financial Advisor) can give you impartial advice, but check before you speak to them to get a full breakdown of their consultation fees (if applicable).

What I say: When the time is right for you to buy the property you're living in...the deposit for a mortgage is normally completely taken care of. We set the level of deposit required to buy the property at the start before you move in.

The 'rent' payments you make contribute to this, plus they can also be provided as evidence of your 'credit history'. (So you can see how extremely important it is that all your 'rent' payments are made on time). When the time comes for you to apply for your mortgage, the printout of your payments supports your ability to keep up repayments on a new mortgage to a mortgage provider.

The aim is to make sure everything is in place so everything is as smooth and pain free as possible. You can then apply for a mortgage in the normal way, and I'm also here if you want help looking for an independent mortgage broker.

QUESTION: What are the costs of buying?

GENERAL ANSWER: There are usually valuation and administration fees charged by building societies, but these vary depending on your mortgage provider. You will also need to pay for solicitors and legal fees during the sale process. You will normally need to allow for immediate payment of these one-off bills, as well as removals and other moving in costs. We typically advise our purchasers to have around £3,000 saved (separate from your mortgage deposit) to cover these extra costs.

What I say: Agreed. The costs mentioned in the answer above should all be factored into your calculations.

QUESTION: Will I need a deposit?

GENERAL ANSWER: You don't need to provide us with a deposit, apart from the £400 cheque you'll give us when applying, but most mortgage providers will ask for a deposit before they lend you the money to buy your share. The amount will depend on your particular provider and current market conditions. You must also be able to cover stamp duty (if applicable), legal fees and any other costs involved in buying a home (see above).

What I say: A 3.5% deposit is all you will normally need to secure a property. After this just make your agreed monthly payments as normal for 3 to 5 years, and the deposit to buy the property and get a mortgage will be taken care of.

QUESTION: Are there any other costs that I need to be aware of?

GENERAL ANSWER: Yes, you should budget for contents insurance for your belongings, water rates, council tax, gas, water, electricity bills, and any other services you may require such as telephone, satellite/cable TV, or broadband. There is usually also a service charge to cover the maintenance of shared communal areas. It is also important to remember that as a homeowner you are responsible for repairs and maintenance to your home.

What I say: All of the items in the above answer but not the service charge, and any applicable ground rent. Also, if you have already put down your 3.5% deposit and then you are unable to move in to your chosen property, then to cover the costs involved a sum of £585 will be held back when returning your deposit.

QUESTION: Do I have to pay stamp duty?

GENERAL ANSWER: It depends. As of the 2008 Budget, stamp duty on shared ownership homes will not be requested until the purchaser owns 80 per cent or more of the property unless the property is over a certain value. You can visit HM Revenue & Customs website (search online for HM Revenue & Customs) for further information or speak to your solicitor regarding your personal circumstances.

What I say: Currently, if you are buying a property for less than £250,000 then you will not have to pay stamp duty. As mentioned in the above answer, the HMRC website will have the most up to date info.

QUESTION: Does the rent ever go up?

GENERAL ANSWER: Yes, the rent will increase each year linked to inflation. On most properties this will be RPI +0.5%, but check with our Sales team for more information regarding your chosen apartment. Full details are in your lease and will be explained at your financial interview.

What I say: No.

QUESTION: When can I buy more shares in my home?

GENERAL ANSWER: You can usually buy more shares whenever you want to, and as soon as you like after moving in, as long as you can afford the extra cost. Normally you will need to increase the terms of your mortgage loan. You should bear in mind that solicitors costs and legal fees will apply on each 'staircasing' transaction.

What I say: Remember you won't need to buy more shares. I help you focus on owning 100% of the home. The moment you take out a mortgage you will own 100%, meaning you are free to sell, stay, rent out, or leave to your family.

QUESTION: How do I increase my share in my property?

GENERAL ANSWER: In our experience, we have found that most people buy their home in two stages. The price that you will have to pay to increase your share is based on the market value of the new share at the time you buy it. An independent valuer fixes the value so that we can be sure it is a fair

price. There are some costs that you will need to pay, such as the valuation fee and administration charges.

What I say: This won't apply to you with my little known, simple part-rent part-buy system.

QUESTION: Does the rent change if I buy another share?

GENERAL ANSWER: Yes. You only ever pay rent on the share that you don't own, so if you buy a larger share then your rent is reduced. If you buy your home completely then you pay no rent at all. However, you do not have to buy more shares if you don't want to.

What I say: Again, this won't apply to you with my little known, simple part-rent part-buy system. Your 'rent' doesn't change throughout the whole process.

QUESTION: Can I sell my share even if I have not bought the property outright?

GENERAL ANSWER: Yes. If you want to move you will need to find a buyer, just like any other home owner. An independent valuer decides the sale price, and when you sell your home you receive the value of your share at that time. We will not buy your property back from you, but we can try to help you find buyers interested in buying part-buy part-rent properties. If we do not succeed in finding a buyer, then you will need to advertise or use the services of an Estate Agent.

What I say: You'll be able to sell 100% of the property as soon as you own 100% of the property. And you get to keep all the equity.

QUESTION: How long does the whole process take?

GENERAL ANSWER: The process of purchasing one of our new-build properties depends on a number of outside factors, such as the length of time required to arrange mortgage financing and the speed at which the solicitors involved can process the sale. Usually we find that it takes around two months from start to finish, however it can take as little as 28 days if everything proceeds quickly. Although, if building work has yet to be completed on the development this may lengthen the process.

What I say: Providing all references are approved, with the simple part-rent part-buy system, you could be moving into a home in as little as a few weeks. And when the time comes for you to buy, you're already living in the house so there is no chain.

QUESTION: What is a Key Worker?

GENERAL ANSWER: A Key Worker is someone who is employed in a vital public sector role. Generally Key Workers are defined as NHS Staff, teachers, Police officers, Prison Service & Probation Service staff, Fire & Rescue Service staff, Ministry of Defence staff, and some Local Authority workers; however this list is not exhaustive and can change from time to time. For a comprehensive list of what constitutes a Key Worker role please contact your local HomeBuy Agent.

What I say: This simple part-rent part-buy system is open to anyone who can comfortably make the repayments, so you don't have to be a Key-Worker to benefit.

So with this simple part-rent part-buy system here's what you get:

- ✓ Move into a property that you want to buy (sometimes within weeks)
- ✓ No need to arrange a mortgage before moving in
- ✓ Only 3.5% of the property price required as a deposit
- ✓ Peace of mind knowing that payments and prices are fixed

Plus:

- ✓ No rent increases
- ✓ No need to worry about interest rates for the first 3 to 5 years
- ✓ No chain to deal with
- ✓ No shared ownership (your aim is to buy 100%)
- ✓ No ground rent to pay
- ✓ No service charges

And to top it all off:

- ✓ Deposit for the actual purchase is taken care of (amount decided upfront)
- ✓ If you decide to sell, 100% of the equity is yours
- ✓ Peace of mind knowing that solicitors are still involved in the process

What to do next

Make sure I know the area(s) you would like to live in, so that when these rare opportunities come along you can be the first to know.

Simply go to www.partbuy-partrent.co.uk