

## Shared Equity at New Barnsbury

### 1. Shared Equity Offer

Shared Equity will be offered to eligible resident Leaseholders at New Barnsbury to allow Leaseholders who are unable to purchase outright to continue living on the Barnsbury estate. You will be given a choice of two possible homes to choose from in the relevant phase applicable to you.

Buying a Shared Equity home means you will:

- Benefit from living in a brand new home.
- Be able to buy a home with the same number of bedrooms as your existing home (or fewer if you wish to downsize).
- Purchase a share equivalent to the full market value of your existing home plus the Home Loss payment.
- Only pay for the equity you own and will not be charged rent on the share owned by the Landlord. (Service charge will be payable).
- Be offered a temporary home (subject to our decant policy) in the event that your new home is not ready when you are required to vacate your existing home. We will try to provide temporary accommodation in Newlon stock on the estate. You will not be charged rent while living in the temporary home while your new home is being built.
- Benefit from any increase in value if you choose to sell your Shared Equity home in the future in proportion to the share owned by you (please note values can go up or down).
- Benefit from Newlon and Mt Anvil as your equity partner (Landlord) until you decide to sell.

### 2. How will the Shared Equity work?

You will be expected to invest the full market value of your existing home plus your Home Loss payment into the purchase of a Shared Equity home on the estate. As the price of the new home will be a higher value than your current home you will be buying an equity stake in the property and Newlon and Mt Anvil will jointly own the remaining unsold equity of the property. You will not pay rent on the unsold equity and you will have the opportunity to purchase the remaining equity at its market value at any future point.

As with most leasehold properties, the lease term will be for a fixed period and you will be responsible for 100% of service charges and all other costs associated with the new home, including ground rent if applicable, and repairs. Service charges are not fixed and we estimate they will be higher than costs associated with your existing home.

The new home offered will match the existing number of bedrooms in your current home unless you chose to purchase a smaller property. The actual floor area may be smaller and the layout will differ. Currently we can only show a typical floor plan for the type of property you would be eligible for as we do not have floor plan details at this stage. We will be able to indicate which block and storey we will be able to offer you. The current phasing of the development indicates the first set of new homes that will be available for Shared Equity will be completed in 2027. Additional new homes for Shared Equity will be completed in 2029 and 2032. Your new home offer will depend on which phase of development you are in. We will be able to confirm the price of the new homes twelve months prior to availability. If you chose to purchase a Shared Equity home the proceeds of the sale of your existing home (less any mortgage settlement) plus the Home Loss payment will be held by solicitors in an Escrow account by way of deposit for the future purchase of your Shared Equity home. Any interest accrued on the money held in the Escrow account will also be used towards the purchase. All offers will be subject to contract. You will not be able to proceed with this option if you become ineligible, unable or unwilling to purchase, or if the re-development does not go ahead for any reason.

The Market Value of your existing home will be assessed by an independent Royal Institute of Chartered Surveyors (RICS) Valuer instructed by Newlon. You will have the option to choose from a list of independent RICS Valuers. Valuations are usually valid for three months. If you do not agree with the valuation, you can seek a second valuation from an independent surveyor of your choice. Please note that the surveyor must be a member of the RICS and we will pay their costs up to a maximum of £750.

If the valuations differ, the two surveyors will be asked to negotiate and try to reach an agreement to produce a final valuation. In most similar cases an agreement is usually reached at this stage. If agreement cannot be reached between the two Valuers the matter may be referred to an independent expert appointed by RICS for Expert Determination subject to your confirmation that the decision will be final and binding on both parties. If no agreement is reached at this stage we may seek to rely on the powers of a Compulsory Purchase Order to acquire the property for redevelopment purposes, but our preference is to try and reach an agreement with you.

If your new home is not built at the point of moving from your current accommodation and you currently have a mortgage, you will need to repay this mortgage and arrange a new mortgage for the same amount towards your new home, so that you can purchase the maximum equity share. For Leaseholders moving directly from their existing home to their new Shared Equity home the financial adviser will be able to assist with advice on mortgage transfer.

The offer of a Shared Equity home will be conditional on the resident Leaseholder meeting the eligibility criteria required, outlined below (see point 4).

### 3. Shared Equity Model

The table below is an example of how Shared Equity would work for a resident Leaseholder purchasing a Shared Equity home at New Barnsbury.

- The Leaseholder's existing home has a market value of £300,000
- The Leaseholder is moving into a new home at New Barnsbury with a market value of £600,000
- The Leaseholder sells their home in the future when the market value is £700,000. (increase in value)
- The Leaseholder sells their home in the future when the market value is £500,000 (decrease in value).

	Amount	Equity Percentage
<b>Payment for existing home</b>		
Value of existing home	£300,000	
10% Home Loss	£30,000	
Leaseholder receives (held in trust by solicitors)	£330,000	
<b>Payment for new home</b>		
Open market value of new home	£600,000	100%
Leaseholder pays	£300,000	55%
Plus 10% Home Loss	£30,000	
Equity retained by Newlon	£270,000	45%

At point of future resale (if house prices increase)		
Future value of home	£700,000	100%
Leaseholder receives	£385,000	55%
Newlon receives	£315,000	45%
At point of future resale (if house prices decrease)		
Future value of home	£500,000	100%
Leaseholder receives	£275,000	55%
Newlon receives	£225,000	45%

In addition to your personal mortgage payments (if applicable) you will be required to pay service charges, building insurance and any repairs and maintenance required. These costs will form part of the Financial Assessment carried out by the IFA.

#### 4. Eligibility for Shared Equity

To qualify for the Shared Equity offer at New Barnsbury you must:

- Be a current resident Leaseholder on the estate and have lived at your existing home as your main or principal home at the date we receive planning permission and continue to live in that home from that date until your home is required to be vacated.
- Prove that this property is your main or principal home.
- Not own any other property within or outside the UK
- Re-invest the full buy-back amount (market value and full Home Loss payment) into your new home.
- Have a financial assessment confirming that the minimum amount of equity you would be able to purchase is equivalent to the full market value of your property and Home Loss payment, and ability to make service charge payments.
- Be prepared to clear or transfer any current mortgage or loan on the existing property if you still have one.
- We will write to you inviting you to express your interest when your property is required under the phasing plan and discuss what this means for you in more detail.

## 5. Homeowners with an existing mortgage

If you are unable to transfer your mortgage you will need to arrange to repay your outstanding mortgage sum to your lender as part of the sale of your property to Newlon. Any fees incurred as a result of early repayment will be paid by Newlon on production of a Redemption Statement.

## 6. Buying your Shared Equity home

Once you have expressed an interest in purchasing a Shared Equity home, you will be invited to meet with a member of the BEST sales team to go through:

- The details of the offer
- The completed application form
- Proof of residency and identification
- Typical Shared Equity floorplans, estimated plot prices and service charge information. We expect the first new homes to be available during 2027 and therefore the prices and service charges will be subject to confirmation twelve months prior to completion of the homes.
- Affordability assessment by an Independent Financial Adviser to ensure that this will be an affordable option for you at the point of purchase.

Following confirmation of eligibility and a successful affordability assessment you will be invited to confirm you wish to proceed with a Shared Equity purchase. We will ask you to sign a contract confirming your decision, arrangements for temporary accommodation if required, and agreement that the proceeds of the sale may be held in an Escrow account for your future purchase. Once you have reserved a new home, your appointed solicitor and Newlon's solicitors will progress the sale of your Shared Equity home. During this period, you will continue to liaise with Newlon to progress the sale of your existing home.

You will be invited to view your new home at the earliest opportunity.

## Timescale for Decision making

Information pack sent out to resident Leaseholders	Week 1
Meeting to discuss Shared Equity home and process	Week 3
Assessment of eligibility – qualifying criteria and financial check	Week 6
Valuation of property and offer of purchase by Newlon	Week 12
Agreement for sale of home and purchase of Shared Equity	Week 20
Agree vacant possession date	Week 20
Discuss and agree temporary housing arrangements	Week 24

## 7. Living in your Shared Equity home

Some important points to note about living in your Shared Equity home:

- Lodgers and subletting:** You can rent out a room to a lodger, but you are not permitted to sublet the whole property as the Shared Equity offer is on the basis that this is your main or principal home and not for investment purposes.
- Buying more shares:** You have the option at any time to buy part or all of the equity share owned by the Landlord. This is known as staircasing; any additional share can be purchased but the minimum will be 10% and multiples of 10% if a larger purchase is required (unless the purchase is for the remaining share). Any additional equity purchase will be based on the market value of the property at the time, and you will be responsible for all costs relating to the transaction including valuation, legal and any disbursements costs, whether you complete the purchase or not.

- **Selling your Shared Equity home:** If you decide to sell your Shared Equity home, you are required to offer Newlon and Mt Anvil (jointly) first refusal to purchase the property from you at the full current market value. We will tell you if we are in a position to do this as soon as we can. Selling on the open market requires the incoming buyer to purchase 100% of the property. You will not have the option to sell only the share you own. You will receive the percentage share owned (as set out in the table above).
- **Passing on the Shared Equity offer:** The offer of Shared Equity is specific to you and you will not be able to pass on the Shared Equity to anyone else except in the event of your death, when a spouse/civil partner/long-term cohabiting partner who can provide evidence of living with you for a period of 12 months prior to your death, and subject to being able to afford to retain the same level of equity in the property. If they are unable to retain the same level of equity including service charge payments, the property will need to be sold. You are permitted to purchase the Landlord's equity share jointly with your spouse/partner or as tenants in common, where each owner has their distinct share. In the event of the death of the original owner, the equity that you do not own becomes payable under the following circumstances:
  - When the property is sold.
  - A change in ownership occurs or the lease is assigned to another person or persons other than the Leaseholder's spouse/civil partner/long-term cohabiting partner (repossession by the lender).
  - The property is inherited by any person or persons other than the Leaseholder's spouse/civil partner/long-term cohabiting partner who has evidenced 12 months residency.

## 8. Offer of Temporary Home

If you choose the Shared Equity offer Newlon will assist with arranging temporary accommodation if required. Note the following:

- You will have confirmed you intend to remain on the estate and purchase a Shared Equity home when they become available.
- You will be offered two options of temporary accommodation.

- Accommodation offered will be a home similar size to your current home either on the estate or Newlon stock elsewhere.
- If you wish to arrange your own accommodation, we will contribute towards the rent equivalent to a social housing rent of a similar home on the Barnsbury Estate.
- Any contribution by Newlon will stop once a replacement home is available for you to move into.
- If you decide not to proceed with the Shared Equity purchase, Newlon reserves the right to deduct any costs incurred as a result of your temporary re-housing from the money held in the Escrow account for the new Shared Equity purchase. These costs include rent for your temporary home, plus any other costs incurred, including for legal action to terminate your temporary tenancy.

While you are in temporary accommodation we will review cases regularly and work with you throughout this stage to keep you abreast of timescales and any change in circumstances.

If you are unable to purchase a new home suitable for your needs, we will make every effort to assist you, including assessment of your needs and financial circumstances at the time your existing home is required.

## 9. Contacting us

For more information about Shared Equity at New Barnsbury email:  
[NewBarnsburyLeaseholders@newlon.org.uk](mailto:NewBarnsburyLeaseholders@newlon.org.uk)