

● **PARTIAL OWNERSHIP IN GUERNSEY**

WHAT IS PARTIAL OWNERSHIP?

Partial Ownership is a scheme designed to allow first-time buyers the opportunity to get a foot on the property ladder.

Rather than owning the property outright, you may own between 40% and 80% of it, the other part being retained by Guernsey Housing Association (GHA). What you are actually buying is a 125-year lease.

You will take responsibility for the percentage you own, and rent the remainder from GHA at a discounted rent.

ARE YOU ELIGIBLE?

Broadly speaking, you must:

- be a first-time buyer, or not currently own a home
- be locally-qualified
- satisfy GHA that you cannot afford to purchase a suitable property on the housing market

WHAT ARE THE COSTS?

Because you are not buying the property, but leasing it, you will not have to pay to the States document duty, or pay court fees, as you would in a normal conveyance. This results in a saving of thousands of pounds.

You will, however, need to have enough money to cover legal fees and loan arrangement fees with your bank.

Your ongoing costs will include the loan repayments to your bank, and the rent to GHA for the share of your property which you rent from them, which will be reviewed at regular intervals.

In addition to this, you will have to pay for the upkeep and maintenance of your property as if you owned it outright, e.g. normal household bills such as water and electric, your contents insurance, etc. There will also be an annual service charge payable to GHA in return for the maintenance by them of the common areas within your development, amongst other things.

CAN YOU INCREASE YOUR SHARE?

Yes. You can start out at 40%, but increase the share you own, 10% at a time. This is known as "staircasing".

The cost of this additional share will be valued at the time of purchase.

There are, however, certain conditions:

- You may not exceed 80%
- You cannot do it in the first year
- Rent, service charge, or mortgage arrears may be taken into account, as may breaches of the terms of your agreement with GHA

Clearly, you must also ensure that you can afford it. However, as you increase your share, the rent paid to GHA will decrease.

WHAT ABOUT SELLING?

You must sell the property back to GHA so that it can be offered to somebody on the Partial Ownership waiting list.

The upside for you is that you don't have to go to the trouble of marketing the property.

The property will be valued by a surveyor appointed by GHA, and you will have to pay all costs associated with the sale, including advocates' and surveyors' fees, as well as GHA's administration fees.

WHAT IF YOUR CIRCUMSTANCES CHANGE?

In some circumstances, you may be able to move into another Partial Ownership property, and, in limited circumstances, GHA may repurchase shares in your property.

Upon your death, your share will be repurchased by GHA from your estate.

CAN WE HELP?

Of course. We act regularly for Partial Ownership owners, and have a detailed knowledge and understanding of the entire process.

FOR MORE INFORMATION, PLEASE CONTACT:



SUE VAUDIN

CONVEYANCING EXECUTIVE

t: +44 (0)1481 734209

e: sue.vaudin@collascrill.com



PAUL NETTLESHIP

SENIOR ASSOCIATE

t: +44 (0)1481 734235

e: paul.nettleship@collascrill.com

Collas Crill Guernsey

Gategny Court, PO Box 140,
Gategny Esplanade, St Peter Port,
Guernsey, GY1 4EW

t: +44 (0) 1481 723191

f: +44 (0) 1481 711880

e: guernsey@collascrill.com

w: www.collascrill.com