




# Do-It-Yourself Shared Ownership Scheme Guide



## **Take your first step onto the property ladder with our Do-It-Yourself Shared Ownership Scheme**

### **Do-It-Yourself Shared Ownership**

Do-It-Yourself Shared Ownership (DIYSO) is a part buy, part rent scheme designed to help people get on the housing ladder.

It is very similar to other shared ownership schemes except for one key element. Under most shared ownership schemes the buyers usually choose a home provided by Solihull Community Housing or a housing association.

With DIYSO buyers can choose a home on the open market giving far more choice of a property to buy. DIYSO allows you to buy a share in a home of your choice and pay an affordable rent on the part you don't own.

This information leaflet provides an overview of the scheme but detailed advice will be available on everything to guide you through the process.

## Who is eligible to apply?

- Solihull Council tenants

## Am I eligible?

- Your household income should be less than £50,000
- You must be able to fund a 10% deposit of the share you purchase
- Have a mortgage and savings to fund at least 35% of the purchase price

All applicants will have a financial assessment.

## How do I apply?

In the first instance, after reading through this guide, you will need to fill in an Expression of Interest Form and return it to SCH. We will then carry out some initial checks before passing your information to Waterloo Housing who are acting as our agents.

Waterloo Housing will then contact you and send you an application form, which will need the following supportive information:

- Proof of your identity (copy of passport, photo driving licence or birth certificate);
- Proof of savings;
- Proof of your income (payslips covering the last three months or three years' accounts if you are self-employed and your latest P60);
- Bank statements covering the last three months;
- Documents showing details of any loan agreements;
- Credit card statements for the last three months;
- A copy of your rent statement for the past three months;

Once we have your application, with all the supporting information, an Independent Financial Advisor will assess whether you can buy a home and invite you to come to an interview to make sure you can afford and fully understand all the costs of owning a home. If your application is approved we will send you an offer to take part in the scheme. The

offer will set out the price guidelines of the property you can afford to choose on the open market and the share you will be expected to buy.

Please note that the share percentage and the price of the property you can buy is linked to your income and is subject to a financial approval from an Independent Financial Advisor (IFA).

You can now begin your search for your home!

You buy a share, between 35% and 75%, and pay rent on the part that you do not own. You will need to get a mortgage, or have personal savings for the share of the property you are buying.

## What can I buy?

You can look at properties for sale on the open market, but there are some important rules,

- It must be 'freehold' in the Solihull Council area
- The purchase price cannot be above £250,000
- The property cannot be a new build or less than 12 months old
- It cannot have attracted any previous government grant funding for shared ownership

The property must be in good mortgagable condition, confirmed by a satisfactory Homebuyers report and must not be of a size that would make the household statutorily overcrowded.

The Council will have the right to reject a property under the Scheme if there are any specific concerns relating to longer term asset value.

Once you have found a property you would like to buy under the DIYSO scheme please contact us.

Subject to the property meeting the terms and conditions of the scheme we will check that the price is correct and will ask you to arrange a full structural survey by an independent surveyor.

The purchase of the property will be subject to a satisfactory survey. Once the purchase of the property has been agreed and we have a satisfactory survey, Solihull Council will purchase the property and then sell to you the agreed percentage of the property.

## Mortgage repayments

Your monthly mortgage repayments will depend on the size of your mortgage and interest rates.

You will pay rent on the share of the property you do not own. The rent is charged at 2.49% of unsold equity. Solihull Council will review rents each year.

## Repairs

You will be responsible for the upkeep of your property, both inside and outside.

Although initially the property is not owned outright by you, you will have all the normal responsibilities of a full owner. This means for example that you will be obliged to pay 100% of the outgoings relating to the property and you will have full responsibility for repairing and maintaining your property in the same way as if you owned the property outright.

## Buying more shares in your home ('Staircasing')

When you increase your share in the property you must buy a minimum of 10 per cent each time. As you buy further shares the rent will be reduced proportionately to reflect the fact that our share in the property has reduced.

The value of any additional shares you buy is based on the market value of the property at the time. When you have staircased to 100% the lease agreement between us will no longer exist and we will transfer the freehold title to you.

## Making changes to the property

You must get written confirmation from Solihull Community Housing before you carry out any work. You may also need to get approval from your mortgage lender, as well as any legal/planning permission you need.

## What if I decide to sell?

We will help sell your share. We have an exclusive option on the sale of the property, and will seek to find a buyer within six weeks of the property coming onto the market. After the six week period, if the property remains unsold, you will be free to sell your share of the property on the open market.

**If you do not keep up your rent and mortgage repayments, your home could be at risk.**



# Get in touch

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### **Freepost RLSS-UEBA-RTUZ**

Solihull Community Housing  
Endeavour House  
Meriden Drive  
Solihull  
B37 6BX

**Phone:** 0121 717 1515

**Typetalk:** 18001 0121 717 1515

**Text:** 07781 474 722

**Email:** [info@solihullcommunityhousing.org.uk](mailto:info@solihullcommunityhousing.org.uk)

**Website:** [www.solihullcommunityhousing.org.uk](http://www.solihullcommunityhousing.org.uk)



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