

# Home Reach

The key to home ownership





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## Who is heylo . . .

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Launched in September 2014, heylo has created one of the largest home ownership programmes in the UK, offering a number of different routes to ensure owning your own home is accessible.

heylo works in partnership with housebuilders across the country, offering Home Reach, a part-buy-part-rent option on new build properties.

There's no catch, it's not magic, heylo is simply about helping you get on, climb up and stay on the property ladder.

**heylo**

For more information on heylo, please visit [www.heylohousing.com](http://www.heylohousing.com)

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## Home Reach . . . making home ownership accessible

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Like Help to Buy, with Home Reach, you buy a share of your chosen home and pay a low monthly rent on the part you don't buy. You get to choose whether you buy a bigger share of a cheaper home or a smaller share of a more expensive home.

You can initially purchase up to 75%\* of your chosen home and heylo will become your landlord, granting you a 125-year lease. This means you will be able to live in your home as if you've bought it outright. You can buy more of your home in the future and stop paying rent on that part.

\*Starting shares vary across sites, please visit the sales office on site.

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## Why Home Reach . . .

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**1. An affordable way to get onto the housing ladder**

**2. Provides security of home ownership**

**3. Freedom to decorate and improve your home**

**4. Ability to increase the level of ownership at any time**

**5. Flexibility to sell and move at any time**

**6. Benefit from any increase in property prices**

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## Eligibility . . .

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**You are eligible to purchase a Home Reach property in England or Wales if:**

- Your household income does not exceed £80,000 per annum for homes outside of London (£90,000 in London)
- You have a deposit (at least 5% of the share value)
- You are a first-time buyer or used to own a home, but cannot afford to buy outright now
- The shared ownership property will be your principle and only home
- You have passed a Homes England Affordability calculator, demonstrating you are financially able to purchase the share value and support the monthly costs
- You have registered with a Help to Buy Agent (see page 13)

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## Finding Home Reach properties . . .

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All Home Reach homes are advertised on our website:

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

Here you can register your interest for a specific development or property and a member of the sales team will contact you to discuss your requirements and arrange a viewing.





## Home Reach . . . A more affordable way to buy

Smaller deposit requirements and lower monthly payments make it easier to buy the home you've always wanted.

You decide how much of your home you would like to buy, with shares up to 75%, starting shares vary across developments, please see the sites sales office for more information on their starting share options. You are able to purchase your share with either cash savings or by taking out a mortgage. If you are taking out a mortgage to finance your share, then you will need to allow for at least a 5% deposit. The larger your deposit, the lower your mortgage payments will be.

On the share you don't own, you will pay rent of 2.75% of the unsold value. This will be paid monthly by direct debit.

### Example . . .

Property Value	£150,000	£200,000	£250,000
50% Share Value	£75,000	£100,000	£125,000
10% Deposit of Share Value	£7,500	£10,000	£12,500
Mortgage (3.5% interest rate)	£67,500	£90,000	£112,500
Monthly Mortgage Payments	£341	£455	£569
Monthly Rent	£172	£229	£286
Monthly Combined Cost	£513	£684	£855
Indicative Income Requirements	£20,000	£26,000	£33,000

Figures above are based on a 25 year repayment mortgage and a Home Reach lease with an initial rent of 2.75% on the unpurchased property value increasing by RPI + 0.5% each year. Your home may be repossessed if you do not keep up with payments on your mortgage or shared ownership lease. Additional service charges may be payable on properties with communal facilities or services. You will also need to consider the responsibilities and associated costs involved with owning a home (such as insurance and maintenance).

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## Buying a Home Reach property . . .

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### Register

. . . with your local Help to Buy Agent.

You are able to register for a general area or a specific housing development.

### Assessment

. . . you will need to complete a financial affordability assessment with a sales agent or an Independent Financial Advisor

This is to ensure you can afford to purchase and maintain the monthly costs.

### Choose

. . . once you know your affordability, you are able to choose the home you wish to purchase.

### Reserve

. . . now you need to pay a reservation fee to the sales team to secure your home.

They will then take you through the next steps of your purchase, with 28 days to exchange.

### Mortgage

. . . you will need to apply for a mortgage (if you need one)

The sales team will guide you to the appropriate specialist.

### Legals

. . . you will need to appoint a solicitor to carry out the legal work for you and act in your best interest.

### Exchange

. . . this is when you pay your deposit, sign your contracts and agree a moving in date.

### Move in

. . . on the agreed completion day, you will be able to collect the keys, move in and . . .

**enjoy your new home!**



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## What's included in your Home Reach lease . . .

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### The lease sets out:

- A description of the property including its boundaries and a guide to which parts are your responsibility – if a leasehold property, it will also contain any restrictions or obligations flowing from the superior leasehold title, such as the payment of ground rent
  - The start date of the lease and the share that you have bought
  - The amount of rent that you must pay, together with other amounts due under the lease
  - The rent increase, linked to Retail Price Index plus 0.5% each year
  - Your responsibilities as a leaseholder, such as all repairs and maintenance of the property and those of heylo as landlord under the lease, such as building insurance arrangements
  - The method by which you can purchase additional shares to own more of your home in the future
  - The method by which you can move home, either by selling your share or selling the whole property
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## What are your rights and responsibilities . . .

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You are responsible for all utilities bills, repairs and redecoration of your property. It's your place and your space to make your own!

The only exception would be if you wanted to make any structural changes. For this you would need to apply in writing to heylo outlining the changes you would like to make. heylo will review the application to ensure the works are being planned and undertaken properly.





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## Help to Buy agents . . .

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You will need to register for shared ownership with one of the following help to buy agents.

### Midlands

- Derbyshire
  - Leicestershire
  - Lincolnshire
  - Northamptonshire
  - Nottinghamshire
  - Rutland
  - Worcestershire
  - West Midlands
  - Warwickshire
  - Staffordshire
  - Shropshire
  - Herefordshire
- [www.helptobuymidlands.co.uk](http://www.helptobuymidlands.co.uk)  
0345 850 2050

### North East, Yorkshire and Humberside

- Durham
  - Northumberland
  - Tyne and Wear
  - West Yorkshire
  - South Yorkshire
  - North Yorkshire
  - East Riding of Yorkshire
- [www.helptobuynyh.co.uk](http://www.helptobuynyh.co.uk)  
0113 825 6888

### East and South East

- Buckinghamshire
  - East Sussex
  - Kent
  - Surrey
  - West Sussex
  - Bedfordshire
  - Cambridgeshire
  - Essex
  - Hertfordshire
  - Norfolk
  - Suffolk
- [www.helptobuyese.org.uk](http://www.helptobuyese.org.uk)  
0333 321 4044

### North West

- Merseyside
  - Lancashire
  - Greater Manchester
  - Cumbria
  - Cheshire
- [www.helptobuynw.org.uk](http://www.helptobuynw.org.uk)  
0300 790 0570

### South West

- Somerset
  - Dorset
  - Devon
  - Cornwall
- [www.helptobuysw.org.uk](http://www.helptobuysw.org.uk)  
0300 100 0021

### South

- Gloucestershire
  - Bristol
  - Wiltshire
  - Oxfordshire
  - Bath, North East Somerset, Mendip and North Somerset
  - Berkshire
  - Hampshire
  - Isle of Wight
- [www.helptobuysouth.co.uk](http://www.helptobuysouth.co.uk)  
0200 456 1188

### London

- [www.helptobuylondon.co.uk](http://www.helptobuylondon.co.uk)  
0300 500 0996



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## Frequently asked questions . . .

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### **What is a Help to Buy Agent?**

A Help to Buy Agent is usually an appointed Registered Provider who provide a point of contact for people looking for shared ownership. By registering with them, you will be notified about all the shared ownership developments available within your chosen area.

### **What will the upfront costs?**

There is no product fee to purchase a new build shared ownership property through heylo.

However in addition to your deposit, it is suggested that you will need approximately £4,000 to cover solicitor, legal and mortgage arrangement fees.

### **What will the monthly cost be?**

In addition to your household bills, you will pay monthly rent on the unpurchased share and your mortgage payments on the share you own (if you have one).

Monthly rent starts at 2.75% per annum (on the value of the share you do not own). Rent will increase each year with inflation (RPI) + 0.5%.

As well as the rent, you may need to pay a service charge fee. Your solicitor will be able to advise you on the exact costs.

All monthly payments to heylo will be paid by direct debit and collected by heylo.

### **What is the service charge for?**

Service charge is payable to cover the cost of estate, ground fees and buildings insurance.



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## Frequently asked questions . . .

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### **Do I pay Stamp Duty Land Tax (SDLT) on a shared ownership property?**

When you purchase a shared ownership property, you may only need to pay SDLT on the price of your share. Please seek further legal advice.

### **Do I have to insure my property?**

You will need to make sure you have the appropriate insurance in place. All properties purchased by heylo have compulsory buildings insurance, although you will need to insure your contents. If you staircase to 100%, you will be responsible for buildings insurance.

### **Can I sublet my home?**

You are unable to sublet your entire property, however you are able to rent a room within the property.

### **Can I have a pet?**

You are able to apply in writing to heylo, who will either grant permission or request more information.

### **What happens to my property if I die?**

We would recommend you include in your will details of who you would like the share of your property to be passed to.

### **When will I stop paying rent?**

You will stop paying rent when you own 100% of the property. There may still be estate or service charges which you would still have to pay after staircasing.

### **What if I miss a rent payment?**

Your rent is a contractual agreement between you and heylo. If you fall behind with your rent or service charges, heylo will contact you to arrange payment or a payment plan.

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## Frequently asked questions . . .

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### **How do I buy more?**

You can increase your share in your property at any time after you complete. This is known as 'staircasing'.

Each time you staircase, you will need to budget for additional fees;

- Valuation fee
- Legal expenses
- SDLT (if applicable)
- Mortgage fees

### **What happens if I want to move?**

If you would like to sell your home contact heylo who will guide you through the process.

### **Why is my home sold leasehold?**

All shared ownership is sold on a leasehold basis, even if you are purchasing a house. This is because heylo are your landlord for the unsold share. If you staircase to 100%, where possible the freehold will be transferred to you and the shared ownership lease falls away.

If you would like more information, please speak to the heylo team.

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## Once you've moved in . . .

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Once you've moved in, a member of the heylo team will be in contact.

Your welcome letter will outline the basis on which we will collect your rent and who to contact regarding any questions you may have about your property and lease as well as answering any questions you may have on staircasing or selling.

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## 5 tips for moving in . . .

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- Make sure you test your smoke alarm and install a Carbon Monoxide Detector
- Locate your fuse box and main water valves (in case of emergencies)
- Notify your employer, bank, phone provider and any other place you regularly receive mail from of your new address
- Change your address on your driving licence and make sure your vehicle documents are up to date
- Take meter readings when you move in and inform your utility providers of the correct readings to allow them to provide accurate bills





[www.homereach.org.uk](http://www.homereach.org.uk)

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020 3744 0415