

A photograph of a family moving. A man in a dark blue t-shirt and red pants is carrying a large cardboard box. A woman in a light-colored t-shirt and glasses is standing next to him, looking at the box. A young child in a polka-dot shirt is sitting on the box, looking at the man. There are other boxes stacked in the background.

YOUR FIRST STEP
TOWARDS HOME
OWNERSHIP

Shared
Ownership from

heylo



With Home Reach, your time is now

Home Reach is a Shared Ownership home buying initiative that allows first-time buyers and movers to buy a share of a newly built home and pay a rent on the part that isn't purchased.

Your budget decides the size of the share you buy, rather than the total price of the home and this means you can buy the home that is right for you.

Home Reach allows you to buy an initial share of up to 75%, and affordability will determine what share you are able to buy.

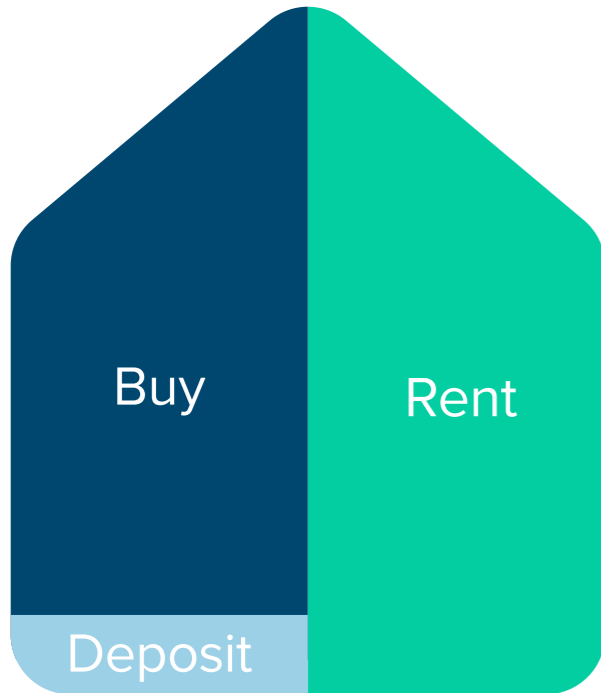
Once you have purchased your initial share you are able to buy further shares, all the way up to 100% ownership. This process is known as Staircasing and more information on this can be found in this guide.

At Home Reach, we understand the importance of finding a place you can truly call your own. We're here to support you every step of the way on your journey towards owning a home that's just right for you!

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How Home Reach works



Buy

With Home Reach Shared Ownership you buy a share of a new home that you can afford. You can use a mortgage to fund the share you wish to purchase and your lender will confirm the monthly mortgage cost to you.

Shares up to 75% are available when making the initial purchase. The size of your share is calculated from an affordability assessment.

Rent

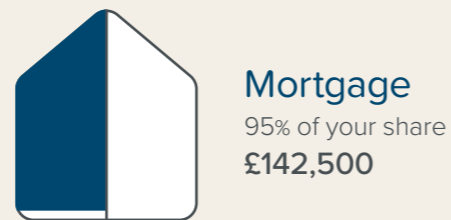
Rent is charged at 2.75% of the share you don't own and will increase annually in line with Inflation. The formula for determining the rate rent increases by will either be the Retail Price Index (RPI) measure of inflation plus 0.5%, or the Consumer Price Index (CPI) plus 1%.

Deposit

Deposits with Home Reach are smaller than most outright ownership as you can reserve with a deposit from just 5% of your share.

Example

Buying a **50%** share of a **£300,000** property with Home Reach



The Home Reach buyers journey

Step 1. Financial Assessment

Complete a financial affordability assessment with an independent financial advisor or mortgage adviser to work out what share of the home you can afford.

Step 3. Choose

Once you know how much you can afford, you can choose the home you want to purchase with Home Reach.

Step 5. Reserve

Pay a reservation fee to the sales team to secure your home.

Step 7. Exchange

Pay your deposit, sign your contracts and agree a moving in date.



Step 2. Eligibility

Register with Heylo to access your eligibility for the Home Reach scheme. See Eligibility section on page 6 for full details.

Step 4. Mortgage

Apply for a mortgage (if you need one). The sales team can help guide you to an appropriate specialist if you need.

Step 6. Legals

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

Step 8. Move in

On the agreed completion day, collect the keys, move in and enjoy your new home!

Eligibility

To check you qualify for the scheme you'll need to complete two assessments:

1. A financial assessment
2. A scheme eligibility assessment

Completing both assessments is mandatory and ensures you qualify for the Home Reach Shared Ownership scheme, and can afford the home you are looking to reserve. They are quick to complete and we are here should you require additional support.

Financial affordability

To understand how big a share you can buy in a home, you will need to speak to an independent financial advisor or a mortgage adviser. They will understand your household finances and be able to confirm your affordability status. The housebuilder can arrange this appointment for you, or you are free to choose your own independent financial advisor or mortgage adviser.

Once you know your affordability status you will be able to speak to the housebuilder and choose the eligible home you wish to purchase through Home Reach.

Shared Ownership eligibility

Shared Ownership eligibility is assessed by Heylo. You need to register with us using an online form to access your eligibility for the Home Reach Shared Ownership scheme.

- Your household income does not exceed £80,000 per annum or £90,000 in London
- You have a good credit history*
- You have a cash deposit (at least 5% of the share value)
- The property will be the only home you own at time of purchasing
- You are a first-time buyer or used to own a home but cannot afford to buy 100% of a property now
- You are a British citizen or have a settlement status share code to allow you to live in the UK
- or you currently occupy a Shared Ownership property and are looking to move
- You are 18 years of age or older

Please note - some developments may also require a local connection.

*You should have no bad debts or County Court Judgements and can afford the regular payments and costs involved in buying a home. Full details of our credit criteria can be found at homereach.org.uk

Home Reach
isn't just for first
time buyers



The benefits of Home Reach



New homes

All new build homes available through Home Reach are covered by a 10-year structural warranty.

Security

Home Reach is an established Shared Ownership initiative rated Excellent on TrustPilot.

Staircasing

You can increase your level of ownership at any time until you own the home outright**.

Stamp duty

No Stamp Duty Land Tax to pay for first-time buyers purchasing a Home Reach property, valued up to £500,000.

** You may not be able to staircase to 100% in some Section 106 properties, this will be detailed in the lease.

* You may need the permission of the managing agent or developer to keep pets.

Affordable

A more affordable way to get on the housing ladder with a smaller deposit and less income needed than with outright ownership.

Aftercare

Heylo are here for you. The property management team are on hand to answer any questions you have about your new home and point you in the right direction.

Choice

A wide range of houses and apartments available across the country with new locations added regularly.

Energy efficiency

All homes available through Home Reach are new build and must meet modern efficiency standards, making them more energy efficient than most traditional homes.

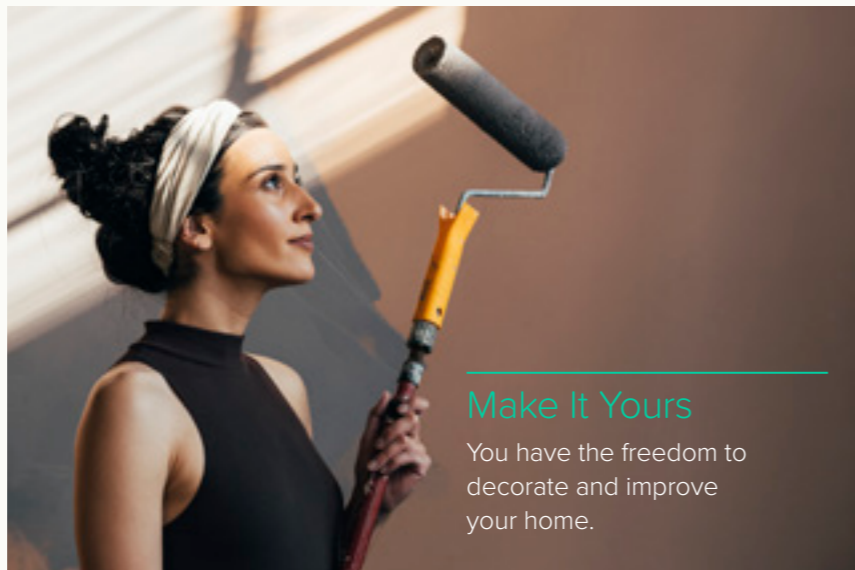
Investment

You will benefit from any increase in the value of your share of the home when you come to sell*.

* Changes to house prices means the value of your share can go down as well as up.

Moving on

You choose when you want to sell your share of the home.



Make It Yours

You have the freedom to decorate and improve your home.

Pets

We know what they mean to you so we are happy for you to have pets in your home†.



The key facts about:

Heylo

Heylo are a registered provider of Shared Ownership homes, supplying affordable housing since 2014. Home Reach is Heylo's Shared Ownership scheme.

The unsold share in a Home Reach property is owned by Heylo Housing Registered Provider Limited (Heylo), who will be your landlord.

The share you buy

You are able to purchase your share in either cash savings or by taking out a mortgage. If you are taking out a mortgage to finance your share, you will need to allow for a minimum of 5% deposit. The larger your deposit (typically 10%) the lower your mortgage repayments are likely to be.

To start with, you can purchase up to 75% of your chosen home and Heylo will become your landlord granting you a lease. This means you will be able to live in the home as if you had bought it outright.

Starting shares vary across developments. The housebuilders sales representatives at the development will be able to give you more information on your chosen home.

You can purchase more shares in the future until you own the whole property and stop paying rent altogether, this is known as staircasing.

The share you rent

You pay rent on the share of the home you don't buy. Rent is initially charged at 2.75%* of the unsold share

Rent is reviewed annually and increases by either RPI +0.5% or CPI +1.0%. Please check with a sales advisor to confirm the formula used to calculate the annual rent increase on the home you are looking to reserve.

Rent is paid monthly by direct debit to Heylo. On completion you will pay the rent for the remainder of the current month in addition to the following month.

* In some Section 106 properties the rent may differ.

The lease

The home you are purchasing is sold as leasehold as there is a Shared Ownership Lease and more than one party (you and Heylo) involved in the process. Home Reach uses a Government standard Shared Ownership lease.

The lease is 999-years less 6 days for freehold properties but apartments can differ. Please speak to your solicitor for more information.

Lease management

Heylo collects a monthly lease management fee which is collected via direct debit. The fee is increased every April by RPI (per the rate at the previous September).

On completion you will pay the lease management fee for the remainder of the current month in addition to the following month.

Buying more shares

You can increase your share in the property at any time after you complete your initial purchase. This is known as 'staircasing'. In most cases you can staircase all the way to 100% ownership. Once you staircase to 100% ownership you no longer pay rent.

Selling your share

You can sell your share of the property at any time. Initially, the home needs to be advertised as a Shared Ownership property for a nominations period detailed in your lease. If unsold, after this period has passed the home can be offered for outright purchase on the open market.

Deed of Covenant

On completion you will enter into a Deed of Covenant or will have given notice to the developments management company, this direct agreement will allow you to pay any service or estate charges directly to the housebuilder (or managing agent).



Costs associated with Home Reach

Here, we've outlined the costs associated with Home Reach. It's important to consider these costs and factor them into your budget.

Reservation fee

You pay a reservation fee to secure your Home Reach home. This is normally £500 but please speak to the sales team at your development for confirmation.

Lease management fee

There is a monthly fee for managing your lease. This is paid via Direct Debit and is around £28.00. For the exact cost please check with a sales advisor. The lease management fee is reviewed annually in April and increases by the RPI measure of inflation. On completion, you pay the fee for the rest of the month you completed in, plus the following month.

Buildings insurance

As the landlord, Heylo insures the building and collects this cost monthly. Your solicitor will be able to advise on the exact cost. The buildings insurance covers the whole of the property, so you won't need an additional policy for your share. On completion you will need to pay for buildings insurance until October. If you are purchasing an apartment with buildings insurance already included in your service charge, Heylo will not charge additional insurance.

Rent

You pay a rent on the unsold share of the home. This is collected monthly via direct debit.

Rent is charged at 2.75% of the share you don't own, spread over the year.

The rent increases annually in April by either the Retail Price Index (RPI) plus 0.5% or Consumer Price Index (CPI) plus 1.0%. Please speak to a sales advisor to confirm the formula used to calculate the rent increase on the home you wish to reserve. The formula for calculating the annual rent increase will also be cited within the Shared Ownership lease.

On completion, you will pay rent on the rest of the completion month and for following month.

Rent example

Rent cost on a **50%** share of a **£300,000** property

Value of share not owned	£150,000
2.75% of £150,000	£4,125
£4,125 ÷ 12 (months)	£343.75
First year rent per month	£343.75

Rent increase example

Rent increase on a **50%** share of a **£300,000** property if RPI is 8.9%*

Previous year monthly rent	£343.75
RPI 8.9% + 0.5%	9.4%
9.4% of £343.75	£32.31
Second year rent per month	£376.06

*Based on RPI measure as of September 2023



Content insurance
Don't forget, Heylo insures the building but you will have to set up your own contents insurance.

Service charge or estate management fee

You will need to pay the housebuilder / managing agent directly for any estate or service charge fees associated with your home. The sales team on site will be able to assist you in providing more information.

On completion you will enter into a Deed of Covenant or Notice to the management company, this direct agreement will allow you to pay any service or estate charges directly to the housebuilder / managing agent. Your solicitor will also need to serve notice on the management company confirming the buyer's details; following completion.

If there is an opportunity to join a management company which is made up of the owners at the development, that opportunity will also be given to you, your solicitor will be able to advise you further.

Mortgage broker fee

Please refer to your broker for more information.

Legal fees

You will need to pay your standard legal fees agreed with your Solicitor, and cover the cost of your searches; your Solicitors will advise you of these costs.

Engrossment fee

An engrossment fee is what the seller's solicitor charges for producing the legal document that transfer ownership from the seller to the buyer.

The average fee is £150-£250, but will vary depending on the housebuilder.

Staircasing

Heylo charges a staircasing administration fee of £200 + VAT payable at the time of completing on your additional shares.

You will also need to factor in solicitors' fees, mortgage fees, the cost of a RICS survey, management company fees and Stamp Duty costs when looking to buy a bigger share of your home.



Heylo homeowners high fives

We are hugely grateful for the feedback we get from our homeowners as it helps us find ways to improve our service as well as letting us know when we have reached the high standards that we set for ourselves.

Our overall TrustPilot score has consistently been 4.5 - 5 stars for over 3 years and we will continue to try our best to make your home buying journey as easy as possible.



We now have the security of our own home. Heylo housing provided us with the opportunity of investing in our own home. Something we thought we would not be able to do having sold our last property in negative equity and having to rent for the last 10 years...the process of buying was very straightforward. we now have a lovely new build property in a lovely area. We are so pleased with our new home.

Tony
Feb 2023



So easy all the way through the purchase of our new home...Thank you Heylo for making us achieve our dreams of owning a house for the first time

Stuart
Jun 2022



Honest, reliable and trustworthy! Heylo have been absolutely incredible since I purchased my Shared Ownership home...I would highly recommend using Heylo for a reliable, honest and trustworthy service.

Olivia
Apr 2023



I cannot thank Heylo homes enough for everything that they have done in order to help us complete the purchase of our home... (I) would not hesitate in recommending, thank you so very much,

Angela
Apr 2023



No problems at all. Our applications went through smoothly and we were updated as much as needed. We look forward to being in our first home and without Heylo Shared Ownership it would never have been possible

Katie and Paul
Jan 2023



Bought my first home on my own and it has been nothing but smooth sailing. Everyone warned me moving can be stressful but Heylo and all others involved have done everything they could to avoid that happening. I've been informed throughout the whole process, received lots of emails explaining things to me so that I can fully understand everything and am very happy in my new home!

Sophie
July 2023

If you have any questions
or want to find out more
about Home Reach
please get in touch:

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Visit

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