

Shared equity at Acton Gardens





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L&Q's shared equity offer

Shared equity is a bespoke deal offered by L&Q to existing resident homeowners at South Acton. This is an affordable route allowing resident homeowners to continue living at Acton Gardens even if they can't afford to purchase a newly-built home outright.

Shared equity homeowners will benefit from living in brand new homes at an award-winning regeneration development that have been thoughtfully designed and are warm, modern and well insulated.

In addition, this is a cost effective route as resident homeowners who take up the shared equity offer are not required to pay rent for the share of their new home that they don't own (although a service charge will be payable).

L&Q have one, two and three bedroom homes available for shared equity in each of the new phases at Acton Gardens.

If you are a resident homeowner at South Acton, you can apply to buy a shared equity home with the same number of bedrooms as you currently have. If you are currently under-occupying, you may be eligible to apply for a smaller shared equity home.



Shared equity homes at Acton Gardens (2019)

How shared equity works

Shared equity ownership involves re-investing the full value of your current home into a new-build home at Acton Gardens.

The newly built homes are likely to be of higher value than your current home. This difference in value (between your current home and your new home) will be disregarded when the property is sold to you.

You will not pay any additional rent or interest payments on the share that you didn't buy. This share won't need to be repaid unless you choose to sell your home at a future date.

The table below shows an example of how it would work for a homeowner purchasing a shared equity home at Acton Gardens:

- The homeowner's current home has a market value of £300,000
- The homeowner is moving into a new home at Acton Gardens with a market value of £400,000
- The homeowner sells their home in several years time when the market value is £500,000.

Shared equity model

	Amount	Equity percentage
Payment for old home		
Value of existing home	£300,000	
Home loss @ 10%	£30,000	
Homeowner receives	£330,000	
Payment for new home		
Total market value of new home	£400,000	100%
Homeowner pays	£300,000	75%*
L&Q's discount	£100,000	25%
At point of resale		
Future value of home	£500,000	
Homeowner receives	£375,000	75%
L&Q receives	£125,000	25%

* The resident homeowner reinvests all the value of their existing home, but not the homeless payment. However, if preferred the resident homeowner could invest more money including any home loss compensation to invest in a larger share of the property. In the above example, the resident homeowner's share would increase to 82.5% if all £330,000 was invested.

Eligibility for shared equity

To qualify for the shared equity offer at Acton Gardens you must:

- Have lived at your current home at South Acton for at least 12 months prior to entering into a buy-back agreement with the council
- Purchased your home on or before 24 March 2011
- Not own any other property within or outside the UK
- Reinvest the full buy-back amount of your current home into your new home.

We will send out expression of interest letters and application forms approximately two years before the new shared equity homes in your allocated phase are ready to move into.



Homeowners with an existing mortgage

You need to speak to your current mortgage company to see if they will allow your mortgage to transfer to another property. Alternatively, you can speak with an Independent Financial Advisor to explore taking out a new mortgage. Please consider all your options as you must invest the full value of your current property to be eligible for the shared equity offer.



Buying your shared equity home


Once you have expressed an interest in L&Q's shared equity scheme, you will be invited to meet with a member of the regeneration team to go through:

- The completed application form
- Proof of residency and identification
- Available shared equity floorplans, plot prices and service charges
- Affordability checks, to ensure that this is an affordable option for you.

Following a successful affordability check and once a floorplan has been selected, you will be invited to formally reserve your new home. You will sign a reservation agreement and a payment of £1,000 will be taken (this amount will be deducted from the total sale price once the purchase of the property goes ahead).

Once your new home has been reserved, your appointed solicitor and our legal team will progress the sale of your shared equity home. During this period, you will continue to liaise with Ealing Council to progress the sale of your existing home.

Approximately one month before your new home is ready, you will be invited to a viewing. You will also receive a home induction from L&Q shortly before you move into your new home.



Living in your shared equity home

Here are some important points about living in your Shared equity home.

Lodgers and subletting: You can rent out a room to a lodger, but you cannot sublet the whole property.

Selling your shared equity home: If you decide to sell your shared equity home, you are required to offer L&Q the opportunity to purchase the property from you at the full current market value. We will tell you within 14 days if we are in a position to do this.

There is a waiting list of people looking to purchase resale properties and we will do our best to find a buyer from this list. If it is not possible to find a buyer within an agreed time (usually two months), you will be able to sell your property on the open market. Once sold, you will receive the proportion of the sale proceeds which correspond to the proportion of your original investment.

Passing on the shared equity offer: You can pass on your shared equity home on the same terms to your spouse or children if they have lived at the property for more than 12 months prior to your death. This is called a succession. Only one succession is allowed, and it is not possible to assign or transfer the property on again.


Contact us


For more information about shared equity at Acton Gardens or if you would like to view one of our show homes, please call the regeneration team on: **0300 456 9998** ext 7325

L&Q Group

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www.lqgroup.org.uk

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