



# Partial Ownership in Guernsey

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## What is Partial Ownership?

Partial Ownership is a scheme offered by Guernsey Housing Association (GHA), which provides first-time buyers with the opportunity to get a foot on the property ladder.

In essence, rather than owning the property outright, you may own a percentage interest (of between 40% and 80%) of it. The remaining interest is retained by the GHA and you will pay rent to them for this. What you are actually buying is a 125-year lease in the property.

The GHA have a wide number of developments throughout the island which offer properties for Partial Ownership.

## Am I eligible?

To be eligible for entry to the scheme, you must:

- be a first-time buyer;
- be eligible to live in Local Market housing;
- and satisfy the GHA that you cannot afford to purchase a suitable property in the private housing market.

## Can I get a mortgage to finance my purchase?

Yes, you will need to make your own financial arrangements to fund your purchase. The Guernsey Housing Association will be able to advise you as to the banks offering mortgages in respect of the partial ownerships.

## What are the costs?

Because you are not buying the property, but leasing it, you will not have to pay document duty or court fees, as you would in a normal conveyance. This results in a saving of thousands of pounds. You will, however, need to cover your legal fees and loan arrangement fees with your lending bank. Please contact us and we can provide an indication of the level of our fees.

Following the purchase, your ongoing costs will include:

- the loan repayments to your bank;
- the rent to the GHA for the share of your property which you rent from them (which will be reviewed at regular intervals);
- the upkeep and maintenance of your property (e.g. normal household bills such as water and electricity, your contents insurance, etc.); and
- an annual service charge payable to the GHA in return for the maintenance and upkeep by them of the common areas

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within your development, amongst other things.

## Can I increase my share?

Yes. You can increase the share that you own in the property, 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% ownership of the property;
- You cannot increase your share in the first year; and
- Rent, service charge, or mortgage arrears may be taken into account, as may breaches of the terms of your agreement with the GHA.

Clearly, you must also ensure that you can afford it. However, as you increase your share, the rent paid to the 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 to secure a sale.

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.

## How can Collas Crill help?

We act regularly for Partial Ownership owners, and we have a detailed knowledge and understanding of the entire process, providing you with the guidance necessary to make your purchase straightforward.

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