

THE CHURCH OF ENGLAND PENSIONS BOARD
Retirement Housing Scheme

Key Features of the
SHARED OWNERSHIP SCHEME

<p>1. Eligibility as a beneficiary and application of scheme.</p> <p>2. Who owns the property?</p> <p>3. How are the respective equity shares determined?</p>	<p>1. "Beneficiary" defined as per p.2 "Information Booklet For Scheme Applicants".</p> <p>Property to be occupied as a retirement accommodation between the age of 65 to 70.</p> <p>Possible to enter scheme aged 62 and let the property – as long as you occupy by the time you retire.</p> <p>2. The Pensions Board purchases and owns the Freehold or Leasehold, but both the Beneficiary and the CEPB share in the equity of the property – the proportion owned by the Beneficiary being directly related to the amount of capital used to purchase a stake in the retirement property. The Board will grant the Beneficiary a long lease to occupy the part of the property which it owns.</p> <p>3. By reference to the open market value of the retirement property when purchased. For example, if the property is purchased at £200,000 and the Beneficiary allocates £60,000 towards the purchase price, the equity share split between the Beneficiary and the CEPB will be 30%:70% respectively. The open market value will be determined by two</p>
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<p>4. What is the minimum equity share that a Beneficiary can own?</p> <p>5. Can the Beneficiary purchase an additional equity share in the future?</p> <p>6. What is the minimum additional share of the property that a Beneficiary can purchase?</p> <p>7. Is there a limit to the proportion of the property that can be owned by the beneficiary?</p>	<p>valuations and agreed with the Church Commissioners, where the latter provides the funding.</p> <p>4. 25% of the purchase price.</p> <p>5. Yes, through a process known as "staircasing". Subject to the property being in a good condition, the Board will require the market value to be determined by two valuations - one by a RICS valuer; the other by an NAEA Agent. The market value price will also need to be agreed with the Church Commissioners in advance of the purchase of the share if they assisted the Board to fund the original acquisition.</p> <p>6. 10% of the prevailing open market value of the property. Should you increase your share in the property the proportion of rent that you pay will decrease. However, service charges will remain at the same level as they relate to property costs irrespective of shares owned.</p> <p>7. No – the Beneficiary will be able to purchase additional shares, at different times, until the property is owned outright.</p> <p>In practice, this will depend on the amount of capital at the Beneficiary's disposal and a desire to make such incremental purchases, given that any surplus capital may be required to meet other financial commitments in retirement.</p>
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<p>8. Maximum amount of share funding that CEPB will put into a property.</p> <p>9. Are there any types of properties that would be considered unsuitable for Shared Ownership?</p> <p>10. Financial commitments relating to the part of the property owned by the CEPB.</p> <p>11. Other financial outgoings.</p>	<p>8. £150,000.</p> <p>9. Yes – Some examples include:</p> <ul style="list-style-type: none"> • Privately owned retirement (Sheltered Housing) properties • Properties of timber-frame construction. • Thatched or timber shingle roof properties. • Leasehold properties with less than 90 years remaining on the lease. • Properties which require extensive ingoing works. • Properties which significantly exceed the size parameters of approximately 900 square feet. <p>(Please refer to p.9 “Information Booklet For Scheme Applicants” for the comprehensive list of properties deemed unsuitable).</p> <p>10. The CEPB grants the Beneficiary a 90 years lease to occupy the property. The lease requires the Beneficiary to pay:</p> <ul style="list-style-type: none"> ➤ the rent; ➤ a maintenance service charge; ➤ sinking fund contribution; ➤ building insurance contribution; ➤ central heating maintenance charge; ➤ cyclical redecoration fund contribution; and ➤ legal and surveyor fees charge. <p>11. The Beneficiary will need to pay for :</p>
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<p>12. CEPB's obligations under the lease.</p> <p>13. Sale of property.</p> <p>14. Death of Beneficiary – no dependants.</p> <p>15. Death of Beneficiary with dependants.</p>	<ul style="list-style-type: none"> ➤ utility bills – water, gas and electricity; ➤ Council Tax; ➤ Contents insurance; and ➤ daily living expenses. <p>12. The CEPB is required to:</p> <ul style="list-style-type: none"> ➤ maintain and keep in good repair the structure of the retirement property occupied by the Beneficiary; ➤ ensure the property is maintained and keep in good repair external boundary walls, drives and paths etc.; and ➤ ensure that Quinquennial Inspections are carried out every 5 years. The Sinking Fund and Cyclical Redecoration Fund will be applied against the costs of necessary works. <p>13. Proceeds from the sale at open market value will be distributed according to the proportion of equity owned by the Beneficiary and the CEPB respectively.</p> <p>14. Property is sold at open market value, as above, and the proceeds relating to the deceased Beneficiary's share will form part of his or her estate.</p> <p>15. Widow(er) or surviving civil partner (with or without children) will continue to pay rent to the CEPB and share in any possible appreciation or depreciation in the value of</p>
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<p>16. Choosing where to live in retirement.</p> <p>17. Costs associated with the purchase and sale of a retirement property.</p> <p>18. Stamp Duty Land Tax - (Please note: this information is Current at the time of going to print, but may be subject to change. By HMRC).</p>	<p>the property on a pro rata basis until they decide to vacate the property, when it will be sold as outlined in 13. above.</p> <p>16. The Beneficiary can choose to live anywhere in the U.K. – subject to the funding and size parameters applicable to the scheme. (Refer to 8 & 9 above).</p> <p>17. Costs such as surveyor fees will be incurred, by the Beneficiary and the CEPB, on a pro rata basis according to the split in equity owned at purchase or sale.</p> <p>18. A Stamp Duty Land Tax liability may apply to both the Capital Premium which applicants contribute to the purchase of a Shared Ownership property and to the Core Rent element of the Lease over the period of the Lease. Appendix B of the Booklet on Shared Ownership Provides further comprehensive explanations with examples.</p>
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