Shared Equity Scheme

Policy details

This document outlines further details on the shared equity scheme. For further information, please contact our dedicated mailbox: SharedEquityScheme@admin.cam.ac.uk

Contents

1. Eligibility

The scheme is available to those who meet all of the listed eligibility criteria:

- New member of staff at Grade 7 or above.
- Must apply within three years of starting their permanent employment at the University.
- Holds a permanent or open-ended employment contract.
- Does not currently own any property in the Cambridge area.

2. Mortgage provider

- The University's participation must be linked to a mortgage with the Cambridge Building Society.
- The member of staff is expected to take independent financial advice with regard to their borrowing as necessary.
- The University while having a charge over the property has no responsibility for any mortgage payments to the provider.
- Where the member of staff is a non-UK resident, they will need to satisfy themselves with regard to the workings of the UK property market and the overriding ethos of ‘buyer beware’ by taking appropriate expert advice (for which they may be charged).

The Cambridge Building Society is able to provide some limited advice on the UK process for purchasing property and the legal implications.

3. Conditions of acceptance

- Valuation by the lender's valuer.
- Unless buying a new build property, the member of staff must obtain a full building survey, an open market valuation and a reinstatement valuation for insurance purposes, all three to be shared with the University. The University will then decide if the property is suitable to be included in the scheme.
- The purchase is also subject to a satisfactory environmental assessment and flood report having been obtained. These should be obtained prior to any other solicitors work being carried out. The purchaser is recommended to first check with Environment Agency's website.

4. Excluded property

- Properties being bought off-plan from a builder/developer.
- Leasehold properties with a lease of less than 90 years.
- Plots that are bought to develop an individual property.
- Properties requiring major redevelopment or refurbishment.
- Properties subject to major environmental matters (e.g. untreated contaminated land, extreme risk of subsidence).
- Properties for which buildings' insurance cannot be obtained.

5. Insurance arrangements

- As part of its conditions of shared ownership, the University will arrange buildings insurance as part of its block property policy.
- Contents insurance is separate from the block buildings insurance policy and will not be arranged by the University. Arranging contents cover is the responsibility of the participant. Participants are encouraged to arrange contents insurance.
- The individual will need to arrange life insurance upon purchasing a property under the scheme.

6. Participation in other shared equity schemes

- Staff cannot participate in the University shared equity scheme and any other college shared equity or loan scheme simultaneously. These schemes are separate and mutually exclusive. College loans schemes cannot be used together with the University shared equity scheme.

7. Tax

- It is likely that the Inland Revenue will regard the arrangement as conferring a taxable benefit for income tax purposes on the member of staff. This liability is entirely the responsibility of the individual, legal advice should be sought on this matter.
- Please see the participant's pack for further details.

8. Legal costs

- The member of staff is responsible for all their own costs.
- In addition, the member of staff is responsible for all legal fees, estate agent's costs, Stamp Duty Land Tax, Land Registry fees and any expenses incurred by the University in connection with the purchase and subsequent disposal of the property or any other dealing under the shared equity scheme.
- Please refer to the participant's pack for full details.

9. Confidentiality

- The scheme is to be kept confidential and members of staff must agree not to make any announcement in relation to it, or otherwise publicise its existence or its contents without the prior written approval of the University.

10. Leaving the University

- If the individual leaves the employment of the University for any reason, they must give notice of sale, or alternatively they must buy the University's share of the property within 24 months.
- Please see the participant's pack for full details.

11. Divorce or separation

- If the member of staff becomes divorced or separated from their spouse, or becomes estranged from their partner or co-owner, then they must arrange to buy out their interest (if any) in the property. This would be at the member of staff's own expense. Legal costs are the responsibility of the participant.
- If legally obliged to do so under matrimonial homes rights legislation, the individual must arrange to have their spouse/partner/co-owner re-housed.
- Alternatively, the member of staff can give notice to sell the property, in line with the terms of the Trust Deed.
- Whichever of the above actions is pursued, it must be completed within 24 months of the divorce/separation.

12. Death

- In the event of the death of the member of staff, the University's share will need to be bought out or the property sold within 24 months. It is recommended that participants arrange life insurance so that such costs can be met.

13. Termination of the scheme

- The University reserves the right to close the scheme to new entrants at any time.