



SHARED OWNERSHIP HOUSING SOLUTIONS

- *Are you a renter, but wish you could own a home?*
- *Do you own property and wish you could convert some of your asset to cash now, while continuing to live in your home, or share the responsibilities of homeownership?*
- *Would you like to invest in a way that generates a return on your money and contributes to the community?*

If you answered “yes” to any of these questions, shared ownership may be a solution that is right for you.

WHAT IS SHARED OWNERSHIP?

Shared ownership means that two or more individuals or families buy into one property, thereby making the purchase more affordable for each. Tenancy-in-common and shared equity arrangements are two ways to share ownership.

Tenants in Common (TIC)

Tenants in common own a property together, sharing the responsibilities of purchasing, renovating, and maintaining it. By sharing ownership of the property, the cost of acquiring and maintaining is dramatically reduced for each of the co-owners.

In legal terms, TIC is an arrangement under which two or more people or families co-own a parcel of real estate. Each TIC owner owns a percentage of the entire property. Ownership percentages can vary, by agreement of the parties, i.e. ownership does not have to be divided 50%-50%. The owners typically set out their rights, benefits and obligations in a written Tenancy in Common Agreement.

Property taxes are one shared bill, which can be apportioned based on percentage of ownership or other method agreed by the owners. Decisions on maintenance, repairs and major improvements for each owner’s individual house and area and for the common areas are made by agreement of the owners.

While TICs typically share one mortgage loan, fractional loans that allow co-owners to pay separate mortgages are sometimes available. Usually owners agree that each owner can sell his/her interest at any time and may add the requirement that the non-selling owner has a right of first refusal.

Shared Equity

Shared equity is similar to tenants-in-common ownership in that two individuals or families co-own a property. However, in the shared equity model one of the owners occupies the property and the other shares the ownership as an investor. Again, the percentage of ownership can vary and owners' rights, benefits and obligations are determined by a written Shared Equity Agreement,

In the shared equity arrangement, usually the occupying owner takes full responsibility for mortgage payments and maintaining the property. The investing owner's primary role is to help fund the purchase. The terms of the investment would include when it to be re-paid (at sale of property or sooner) and how appreciation is to be determined.

BENEFITS OF SHARED OWNERSHIP

- Shared ownership makes it possible for people to obtain home ownership who could otherwise not afford to. It is a way for people to maximize their purchasing power by the pooling their resources. It also helps people succeed in homeownership, either as a new buyer, or being able to stay in their home.
- Property owners who add a tenant-in-common owner gain usable funds from their equity and a partner to share property ownership responsibilities.
- For investors, shared equity is a vehicle for investing and realizing a return, while supporting the community at the same time.
- Shared ownership benefits the community by making it possible for working people to acquire homeownership they can afford. Affordable homeownership provides long term stability for the community's workforce, and that means the community's viability and character are preserved.

CLAM's SHARED OWNERSHIP SERVICES:

CLAM is working to promote and facilitate shared ownership purchases to create affordable homes in the communities surrounding Tomales Bay. CLAM:

- Provides education for potential homebuyers, property owners, and shared equity investors to help you decide whether and how to make shared ownership work for you;
- Helps interested TIC homebuyers, property owners, and shared equity investors connect with each other to pursue shared ownership purchases;
- Provides helpful resources, such as:
 - Sample TIC and Shared Equity agreements,
 - Names of realtors, lenders, attorneys, contractors with interest and experience working with shared ownership purchases,
 - First-time homebuyer information and resources.

Thanks to CLAM's members and Wells Fargo for support to provide Shared Ownership Services.

For more information, or to get started on shared ownership, contact:

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