

# Shared Ownership Sales Policy

## 1. What this policy is about

- 1.1 This policy provides clarity and guidance for customers, staff and stakeholders on our approach to shared ownership sales, including Older Person Shared Ownership (OPSO).
- 1.2 The policy seeks to outline our position to shared ownership sales (whether grant funded or section 106 Agreement) in response to legal, funding and regulatory requirements, along with matters that are not made entirely explicit in such requirements and/or are subject to discretion or interpretation.
- 1.3 We will provide shared ownership sales in a way that meets all relevant legal, regulatory and funding requirements and our charitable objectives.

## 2. Our approach

### Valuations

- 2.1 We will obtain a RICS independent valuation prior to marketing for all shared ownership properties and this will be updated every three months.

### Marketing and promotion

- 2.2 We will adopt a market insight led approach to what is developed, where it is developed and for whom. A bespoke marketing plan will be put in place for each shared ownership development scheme. We will seek to market properties in an honest and informative way in keeping with Consumer Protection and Unfair Trading Regulations (2008).

### Shared Ownership Lease

- 2.3 We will use the Homes England suite of model shared ownership leases for our shared ownership homes and Older Person Shared Ownership offer.

### Rent Setting

- 2.4 Shared ownership rents will not exceed 2.75% of unsold equity. For OPSO properties no rent will be charged on the remaining 25% if a customer purchases 75% equity in the property.

## **Service & Management Charges**

- 2.5 Service charges and buildings insurance will be extra to the specified rent. A management fee will be applied to our shared ownership properties. This is to cover our cost of management, in accordance with the terms of the lease.

## **Eligibility**

- 2.6 Eligibility criteria may vary depending on the context of the scheme. For example, on some Section 106 schemes local people may be a priority as a condition of the planning approval. On older person schemes a minimum age will constitute part of the eligibility criteria and there may be some additional prioritisation applied related to care, social needs (for Extra Care schemes), in line with the scheme objectives.
- 2.7 Eligible applicants must demonstrate they need the shared ownership option, can afford to sustain shared ownership rent and mortgage payments (see Affordability Section below) and cannot purchase a suitable home outright in the local area. In addition to this, eligible applicants must not earn more than £80,000 as a household (an exception would be the income of children under 18 and any other household members whose residence in the home is unlikely to be permanent). Applicants must not have an interest / ownership of another property when they purchase and must intend to occupy the property.
- 2.8 Applicants must meet the above criteria and will be one of the following groups:
- First time buyers.
  - Homeowners who've suffered a relationship breakdown and will have disposed of their interest in the property prior to purchasing.
  - Older people or disabled people moving to a more suitable home and will have disposed of their interest in the property prior to purchasing.
  - Existing shared owners who have sold their former home at the point of purchase.
  - Other households identified as being in exceptional housing need for whom shared ownership would help, if nominated by the local authority.
- 2.9 If an applicant owns a commercial property, such as a shop, as part of their business and livelihood then this may be permitted if it is their main source of income and not a residential property.

## **Affordability**

- 2.10 Applicants can expect their financial assessment to be carried out free of charge by a [qualified and experienced paneled mortgage advisor](#) that is regulated to give mortgage advice who will assess that the share level being purchased is suitable for the applicant's affordability, needs and circumstances.
- 2.11 We will follow the advice provided by the advisor in respect of all mortgage matters.
- 2.12 Applicants will be encouraged to purchase as large a share as is suitable based on their individual circumstances and affordability, taking into consideration any known or foreseeable changes in the future. Applicants will be expected not to overcommit themselves financially. Whilst applicants are expected to use any savings, assets,



investments, etc., in their purchase, this does not mean that they are not permitted to retain a level of savings.

- 2.13 Applicants will require a deposit of 5% or above and any gifted deposit will only be accepted from a close family member e.g. parent, grand parent, sibling. The cash must be traceable, in accordance with anti-money laundering protocols, and supported by a letter stating it is a gift and not a loan. When cash is being gifted to an applicant, the person providing the gift must be able to demonstrate they have the funds available (6 months bank statements) and able to evidence where the money has come from (e.g. savings, pension drawdown). We may cancel the sale if the documentation provided is not deemed adequate to explain the source of the money.

### **First Come First Served**

- 2.14 Homes are allocated on a first come, first served basis to Shared Ownership applicants providing that they meet the relevant eligibility and affordability criteria.

- 2.15 We will base the allocation on:

(a) Receiving the Livv Homes application

(b) At Point of Full Mortgage (if you are using a mortgage) sign off. This will involve you providing all required documents, including a valid Agreement in Principle. Or on cash funds being evidenced

### **Application Surplus Income**

- 2.16 Applicants are required to have a minimum of 10% of net income after commitments and housing costs remaining at the end of each month following the assessment of all elements of their income and expenditure.

- (A) Gross income
- (B) Less gross deductions (tax, National Insurance, student loan, etc)
- (C) Less known commitments (loans, credit cards, childcare, etc)
- (D) Less housing costs of the Shared Ownership purchase (rent and service charges)
- $(A - B - C - D) =$  income available to support a mortgage, other essential expenditure (identified through a budget planner) and to meet the provider's surplus income policy.

### **Conflict of interests**

- 2.17 We will seek to uphold the highest standards of probity, fairness and transparency.

### **Help and Support**

- 2.18 Our Sales Team will provide support and advice for any customers interested in the scheme before applying and throughout the process.

- 2.19 Further information on the scheme is available at <https://www.gov.uk/shared-ownership-scheme>



## Appeals Process

- 2.20 Customers can appeal our decisions where they feel that we have not taken all information into consideration, or they are unhappy with the outcome we have reached.
- 2.21 We will inform customers how to appeal a decision and how we will consider it. A manager who has not been part of the decision process will consider the appeal. Their decision will be final.

## 3. Responsibilities

- 3.1 The Head of Sales & Home Ownership is responsible for the overall implementation of this policy. Specific responsibilities are set out below:

Head of Sales and Home Ownership	Responsible for overseeing the day to day operational application of the policy
Sales Team	Responsible for the day to day operational application of the policy.
Leasehold Team	Responsible for implementation of the lease and after-sales.

## 4. Monitoring and review

- 4.1 In order to ensure that the policy is effective and delivering the intended outputs, the following Key Performance Indicator's (KPI's) are in place to monitor the performance of the policy:
- Total Sales sold YTD
  - Number of days from handover to completion.
  - Number of unsold units.
  - Number of unsold units over 6 months old
- 4.2 We will review this policy every 3 years, or sooner if our monitoring of the policy identifies that changes are required, for example because of changes to law, regulation or related Livv strategies and policies.



## Control framework

### Compliance

This policy supports compliance with:

- Homes England Regulatory Compliance
- The Capital Funding Guide
- The Requirements of The Shared Ownership and Affordable Homes Programme.

Document control	
Version	3.2
Policy applies from	1 August 2024
Policy applies to	Livv Housing Group; Livv Homes
Approved by	Executive Director – Finance, Risk and Performance
Approved on	31 July 2024
Updated	Shared Ownership Resales Policy 2023-2026 v3.0
Next review due by	April 2026
Responsible Executive Director	Executive Director – Finance, Risk and Performance
Policy author	Head of Sales and Home Ownership
Equality Analysis	February 2023
Environmental Impact Assessment	Not required
Circulation	Intranet & Livv Housing Group website

Version control		
Version	Date of Review	Summary of changes made
3.2	December 2024	Policy document corrected to include Livv Housing Group within scope.
3.1	July 2024	Review of original policy with the addition of Surplus Income information and First Come First Serve Information.
3.0	March 2023	Policy reviewed to align and comply with Homes England Capital Funding Guide AHP 2021-2026. Removal of procedural content

