SP29 Sales and Home Ownership Policy

1. Scope of policy

This policy sets out Soha's approach to the selling and management of shared ownership housing. Shared ownership is a part-buy part-rent scheme allowing people to buy a share of a property (usually between 25% and 75% initially) and pay a subsidised rent on the remaining share. Soha develops and buys shared ownership housing, sometimes using public money, to provide home ownership opportunities for those who would not otherwise have access to them.

2. Aim

Soha aims to deliver quality, affordable Shared Ownership properties primarily across the Oxfordshire area. Soha aims to identify applicants who qualify for Shared Ownership and ensure they are assisted throughout the purchase and for the duration of their ownership.

3. Policy Statement

Soha is a charitable housing association and will deliver, administer and manage shared ownership homes to help those who aspire to be homeowners but who cannot afford to purchase on the open market. Soha will continue to manage these homes and provide assistance with the purchase of further shares and the resale of the property.

• Soha will have robust procedures which set out our approach to marketing and selling our shared ownership homes.

• Soha will base our Lease on the Homes England model Shared Ownership Lease to ensure our properties are acceptable to mortgage lenders.

• Soha will assess applicants both for general eligibility, and financially to ensure that they can meet the ongoing costs of home ownership under our schemes.

4. Implementation

4.1 Property Valuation – Soha will ensure that all new build properties are priced fairly and accurately based on local market conditions. All prices are approved by the Director of Housing and Communities prior to sale.

4.2 Marketing – All new build properties should be released for sale prior to handover (the date that the Development team hand the keys to the Home Sales team and the property is ready for occupation). Properties can only be released if the Sales team have the following information:

• Final Sales Values

• Service Charges

• Care Charges (if relevant)

- Conveyance Plans

New build properties will be advertised on the Soha Home Ownership website (www.sohahomeownership.co.uk) and property particulars sent to all registered buyers. We may also consider using additional property portals such as SharetoBuy.com

Regular marketing reviews will take place by the Sales Manager and if a property remains unreserved for more than three months, the use of a local estate agent will be considered. Agents will be chosen based on their experience and success at selling in the area concerned, this decision being made by the Sales Manager or Head of Sales & Home Ownership.
4.3 Rent Setting - Rents will be calculated based on a rental percentage of between 2.25% - 3.00% of the amount of unsold equity. The rental percentage is normally set at the planning stage by the local authority. Rents will be reviewed annually and will increase in line with the Retail Price Index (RPI) plus 0.5%, or the Consumer Price Index (CPI) plus 1.0%, as set out in the individual lease.

4.4 Eligibility and affordability criteria – All applicants are assessed for eligibility using the current Shared Ownership eligibility criteria and are financially qualified to ensure they are purchasing the most suitable percentage share.

An application form must be completed by the potential purchaser so that a financial review can take place. All applications are reviewed by one of our panel of specialist shared ownership mortgage brokers.. If the application is declined, the broker will give full feedback. All declined applications can be appealed to the Head of Sales and Home Ownership and a decision will be made within 10 working days.

In addition, Soha will consider occupancy levels when approving shared owners. To ensure households are not overcrowded, we may reject applications where the number of people that will reside in the property is in excess of the number of people that the property was intentionally built for. If we reject an application on this basis, applicants will have a right to appeal through our complaints process.

Applicants will be required to have a minimum of a 5% deposit to purchase a new build shared ownership home, as well as complying with our Adverse and Surplus Income Policies.

4.5 Allocation of Properties – Properties will be allocated on a first come, first erved basis, as per Soha's First Come, First Serve Policy.

4.6 Share Percentage – Soha will offer shares of between 25% and 75% (10% and 75% when using new 2021-2026 AHP model lease) on all new build shared ownership properties.

Buyers will be required to purchase the optimum share amount affordable to them, based on guidance from our mortgage brokers.

4.7 Money Laundering Policy – Soha will follow best practice. Our mortgage broker will complete the standard anti-fraud and money laundering checks as part of the qualification process and raise any concerns to us prior to approval.

4.8 Staircasing – Please refer to the Soha Staircasing Process (Appendix 1) for further information. Staircasing is a contractual right within the terms of the lease.

4.9 Arrears – Soha will follow the Rental Income Policy SP04.

4.10 ASB (Anti-Social Behaviour) - Soha will act in accordance with SP21 AntiSocial Behaviour Policy.

4.11 Service Charges – Soha will act in accordance with SP12 Service Charges

Policy.

4.12 Lease Extension – Soha will follow the Lease Extension Policy (Appendix 2).

4.13 Lease Buy-Back – Soha will follow the DPA Lease Buy Back Process (Appendix

3)

4.14 Re-Sales – Soha will follow the Resales Process (Appendix 4).

4.15 Sub-leting – Soha will only permit sub-letting if the individual lease allows.

4.16 Repairs - Shared owners are responsible for the repair and upkeep of their property. If the property is a flat, external and structural repairs will be carried out in accordance with the Landlord and Tenant Act 1985, where Soha will arrange for works to be carried out and recharge through the annual service charge. Any works over £250 per leasehold property will be notified to leaseholders under Section 20.

4.17 Alterations and improvements – Permission must be obtained from Soha for any alterations and improvements other than cosmetic decorations. Permission will be granted where possible, subject to the individual lease. Failure to notify Soha may result in additional costs. Structural changes are not permitted e.g. loft extension and conservatories.

4.18 Defects – Soha inspect all new build properties prior to sale. Any defects identified after sale completion should be reported to the Home Ownership team. Defects will be repaired by the developer for 12 months from the date of handover to Soha. After this period all repairs of defects are the responsibility of the shared owner.

5. Resident Involvement

We will consult with shared owners on each review of this policy to ensure that it meets customers' expectations. We will also consult shared owners where there are other proposed major changes to policy or practice.

6. Appeals

Applicants have a right of appeal under Soha's Complaints Policy if they feel that Soha has not treated them fairly.

7. Responsibility

The Head of Sales and Home Ownership is responsible for the effective implementation of this policy.

8. Monitoring and review
This policy will reflect good practice and always meet legal requirements. Soha will continually monitor good practice and statutory requirements. We will continue to survey shared owners and use their feedback to monitor and improve the services we provide.

9. Context
This policy reflects the rules regarding:

Data Protection for applicants, Data Protection Act 2018 (implementing the General Data Protection Regulation)
https://www.gov.uk/data-protection

Shared Ownership by Soha's regulator: Homes England Capital Funding Guide

Please note - available on request but Soha operates shared ownership on the key principles of this guide

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DPIA Checklist completed			