



“Offering our community more than a home”

Shared Ownership Policy

Management Committee submission:	25 April 2023
Last Approved:	12 May 2020
Date Approved:	25 April 2023
Review date:	March 2026

CHA Objectives:

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
- To manage the houses provided, in a professional and cost-effective manner, for the benefit of our local community and the environment.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do.

Regulatory Standards:

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation’s purpose.
- The RSL conducts its affairs with honesty and integrity.

Any breach or non-compliance with legislation/regulatory requirements in relation to this Policy constitutes a Notifiable Event and the Regulator will be informed via the SHR Portal.

This policy can be made available on request in a variety of different formats, such as on CD, in large print and translated into other languages.

POLICY AIMS AND OBJECTIVES

This policy has been developed to set out the guidelines of Clydebank Housing Association (CHA) in relation to shared ownership property transactions, outline the principles of Shared Ownership and help customers to decide if Shared Ownership Housing via Clydebank Housing Association will meet their housing needs.

This Policy and associated procedures will take into account relevant legislation and follows best practice including the Scottish Government, the Scottish Housing Regulator (SHR), and the Scottish Federation of Housing Association guidance.

OVERVIEW

Shared ownership is the term given to a form of home ownership. Shared Ownership is intended to help people who wish to buy their home but do not have the means to buy a suitable property outright. Sharing owners purchase a share in the property (25%, 50%, 75%) whilst paying an occupancy charge to the Association for the remaining portion until they can afford to purchase the whole property. Sharing owners have exclusive occupancy of the whole property.

Shared ownership allows the owner to increase the share after they have been in the property for a year or more. Shares are purchased in multiples of 25% and can lead to outright purchase in the future.

POLICY REQUIRMENTS

The Association recognises that shared ownership properties are designed primarily to help people onto the property ladder by providing accommodation to individuals principally on low incomes and who could not otherwise afford to purchase a property outright, e.g. first time buyers.

With this in mind, the Association will only permit shared ownership applications whereby the property would be the applicant's principal and only home. Under no circumstances will the Association permit an applicant to purchase a shared ownership property with a view to sub-let to a third party. Nor will we grant permission to sub-let subsequent to purchase other than in exceptional circumstances and this would only be permitted for a limited/specified time period.

The Association must be satisfied that any shared ownership property purchase will be the applicant's principal and only home before consent is granted. If an applicant already owns their own property, the Association will not consent to their purchase of a shared ownership property until their own property is sold.

All potential sharing owners, either identified through the Association or by the outgoing sharing owner, must complete and return our application form prior to any offer being made to an outgoing sharing owner (see attached).

Individuals buy a share (or tranche) of the property, usually raising a mortgage to pay for it. They pay an occupancy charge for the share they do not own. The higher the share of the purchase, the lower the occupancy charge. Charges are reviewed annually and sharing owners will be given at least 4 weeks' notice of proposed changes. It is the Association policy to maintain all charges at an affordable rate. Charges are set in accordance with the Association's Rental Policy, at levels which represent value for money and are comparable with those set by other social housing providers in the area.

Shares can be bought at 25%, 50% or 75% of the current market value of the property. The Sharing Owner can increase their share by “staircasing” up to 100% (in multiples of 25%). Only one staircasing transaction is allowed each year. Any application by a sharing owner to increase the percentage tranche owned will only be accepted after one year of ownership.

REPAIRS, MAINTENANCE AND FACTORING

Sharing owners will be responsible for all repairs including major works. Like any other homeowner, a sharing owner has the responsibility for organising and paying for all repairs and maintenance to the property, both internally and externally. A detailed 5-year Major Repairs Programme will be issued to all sharing owners outlining the planned communal repairs.

The Association will provide buildings insurance for all shared ownership properties and will insure the property through the block policy. All new sharing owners will receive a copy of the insurance certificate from their Solicitor. The Management Fee relating to this will be included in the monthly occupancy charge payment. Any claims are made direct to the insurance company and not through the Association.

The Association will also provide factoring services to some sharing owners. Information on the services provided will be contained in the sharing owners’ Written Statement of Services.

RESALES

Scottish Government Procedures allow for alternative routes should a sharing owner wish to remove from the property in which he/she has purchased a share:

- The Association assists in marketing the property to help identify a potential sharing owner from its Shared Ownership Reserve List (a marketing fee is applicable), or the sharing owner identifies a suitable prospective sharing owner, and the sharing owner makes a direct sale of the shared ownership tranche with the Association’s agreement.
- The Association agrees to join with the sharing owner in the open market sale of the property.

The sale price will be determined by a valuation undertaken on behalf of the sharing owner and the Association will confirm this figure along with current occupancy charge details to the prospective sharing owner.

The cost will be met by the sharing owner and the valuation will remain valid for 3 months.

The prospective sharing owner will also be provided with details regarding their obligations in terms of the Occupancy Agreement including repairs and maintenance responsibilities and occupancy charge payments. A copy of the model Occupancy Agreement can be issued if required so that the prospective sharing owner can discuss the contents with their Solicitor.

The Association will liaise with both the outgoing sharing owners' Solicitor and the prospective sharing owners' Solicitor to ensure all parties are aware of the procedures involved. Prior to the sale settling, the Association's Solicitor will draw up an Occupancy Agreement for the new sharing owner and forward this to their Solicitor for signing.

In exceptional circumstances however, the Association may consider buying back the shared ownership property in line with the requirements outlined in the Association's Shared Ownership Buy Back Policy.

STAIRCASING

After being in Occupancy for one year, the sharing owner can exercise their right to buy further shares, always in multiples of 25%. This involves a revaluation of the property, paid for by the sharing owner, with each party being responsible for its own legal costs.

The Association receives an allowance to cover its costs including legal fees. Once a sharing owner has staircased up to outright ownership then she/he is free to dispose of the property without any further recourse to the Association.

The sharing owner will be required to meet the costs of valuing the property.

The Association will amend the occupancy payments according to the new percentage owned.

REVIEW

This policy will be reviewed at least every three years. The review will take account of legislative changes, new policy guidance, and changes in economic and social climate, best practice advice, and the performance of the Association in delivering its objectives. The Association will review Shared Ownership Occupancy Agreements, in line with legal requirements, as and when required.

EQUAL OPPORTUNITES

Our commitment to equal opportunities and fairness will apply irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

An Equality Impact Assessment was carried out in conjunction with the preparation of this policy. It is deemed that this policy will not unduly affect any person(s) with the above-mentioned characteristics.

For Office Use Only – Actions

Customer Consultation Required/Arranged	No
Intranet Update	Yes
F Drive Update	Yes
Website Update	Yes
Leaflet change required?	Yes
Newsletter Promotion?	Yes
Other information updated, e.g. posters, automatic email responses, post cards, answering machine messages, etc.	No
Equality Impact Assessment completed	Yes
Policy Declarations signed by staff	N/A



SHARED OWNERSHIP APPLICATION FORM

Name

Address

.....Postcode.....

Telephone (Home)(Work)

Age

Occupation

Employer

Address

Are you a first time buyer YES/NO

Are you an Owner/Occupier (if yes, please see overleaf) YES/NO

Are you a tenant of Clydebank Housing Association YES/NO

Are you a tenant of another Housing Association YES/NO
If yes, name

Are you a tenant of West Dunbartonshire Council YES/NO

Are you a tenant of a private landlord YES/NO

Are you living with relatives or friends YES/NO

Number of bedrooms required

Signature Date

- Please remember to tell us if you move house and wish your details to be amended.