

# Shared Ownership Sales Policy

**Date written:** March 2011

**Date reviewed:** September 2021

**Purpose:** To set our policy with regard to the sale of Shared Ownership properties across the Bernicia Group

**Scope:** All Bernicia Shared Ownership Properties

**Definitions:** Shared Ownership is a Homes England initiative, offering new homes for sale on a part buy/part rent basis

**Date for review:** September 2021

**Policy**

## 1. Introduction

- 1.1 Bernicia provides shared ownership properties throughout the North East of England. The Group builds or purchases the properties specifically for allocation via low cost home ownership initiatives.
- 1.2 We support the development of shared ownership as one aspect of helping to create places where people want to live and our policies represent the current guidance from Homes England.
- 1.3 We aim to improve the image of Bernicia's homes and change existing market perceptions of social housing and low-cost home ownership
- 1.4 This policy document sets out how we will sell shared ownership properties in line with good practice, our regulatory and statutory obligations.

## 2. Policy statements

- 2.1 We will ensure that all sales are in accordance with the Capital Funding Guide and any other regulatory requirements or guidance by Homes England (or any other appropriate body).
- 2.2 We will ensure that all properties are developed in accordance with Bernicia's agreed specification.
- 2.3 The lease will be in accordance with the relevant Homes England standard model at the time it is granted, which may be varied from time to time to suit individual or unique scheme requirements.
- 2.4 We will consider options for marketing shared ownership properties including:
  - The Group's website
  - Newspaper Advertising
  - Posters/sign boards
  - Sales brochures
  - Help to Buy Agent and any associated websites
  - External Estate Agencies
- 2.5 We will endeavour to commence advertising not less than 12 weeks prior to the first handover of the first property.
- 2.6 We will provide high quality advice and support to customers who are considering the purchase of their home from initial enquiry through to completion and after sales.

- 2.7 We will provide an appropriate information pack to all interested applicants informing them of the property type, property particulars, sales price, rent and service charge.
- 2.8 If required, a range of incentives may be considered to encourage sales including: -
- Providing white goods
  - Providing carpets
  - Payment of solicitors fees and/or stamp duty
  - Discounts, which may include payment or assistance with deposits
  - Payment of moving expenses
- 2.9 All incentives must be in accordance with Bernicia's financial regulations.
- 2.10 We will encourage purchasers to buy the maximum share that it is established they can afford. We will adopt a flexible approach to the minimum and maximum initial purchase allowed, dependent on the purchaser's specific circumstances and the Homes England affordability calculator.
- 2.11 We will confirm any offers of sale to eligible purchasers in writing, specifying the relevant percentage and purchase price. We will request the purchaser provides us with written acceptance of the offer along with a reservation fee within 7 days of the offer letter.
- 2.12 Once the property has been reserved, we will forward the sale file to Bernicia's appointed solicitors and request they act in connection with the sale.
- 2.13 A copy of the necessary certification required to allow the sale to progress will be forwarded to Bernicia's appointed solicitors at the earliest opportunity. This will include: -
- Energy Performance Certification
  - New Home Warranty
  - Building Regulation/Building Control Certification
  - Council of Mortgage Lenders Incentives Form
  - Any other legislative documentation
- 2.14 We will promptly provide any additional information which Bernicia's appointed solicitor or the buyer's solicitor may require to progress with the sale.
- 2.15 In accordance with the Mortgagee Protection Clause, we will provide written approval of the buyer's lender and terms of the mortgage, providing the amount being borrowed is a maximum of 95% of the share value (i.e. a minimum 5% deposit from the buyer). We will not consent to additional borrowing if this exceeds the market value of the share being purchased. We will not consent to additional borrowing under any circumstances to consolidate personal loans or other debt.

2.16 On completion of sale and receipt of funds, arrangements will be made for the handover of keys and supply of welcome pack information. This information will include:

- Shared Ownership Leaseholders Guide which explains about owning a leasehold property and what it means to be a resident of Bernicia Group.
- Rent payments letter confirming payments due in line with the lease agreement
- Various leaflets including instruction manuals for items installed within the property (new build only)
- Gas and electrical certification (new build only)
- Electrical Performance Certificate (if available)
- Structural & Building Control Certification (if available)

2.17 We will provide the purchaser with details of any remaining defect period and if applicable the process for reporting any defects, which they may identify.

### 3. Responsibility for implementation

3.1 All front-line staff are required to signpost customers so they can access information on shared ownership where necessary.

3.2 Home Ownership Officers will be responsible for following the policy in relation to the sale of shared ownership properties.

3.3 The Home Ownership Manager will be responsible for the effective implementation of this policy and for ensuring that staff are aware of and appropriately trained in Bernicia policies and procedures relating to the sale of shared ownership properties.

### 4. Actioning the policy

4.1 This policy will be actioned when preparing shared ownership properties for sale.

### 5. Monitoring the policy

5.1 This policy will be monitored by the Home Ownership Manager and all applications and sales documentation will be recorded internally.

### 6. Resources

- 6.1 There should be no additional resources required in order to fulfil the commitments of this policy.

## 7. Equality and Diversity

- 7.1 An equality and diversity impact assessment has been undertaken in relation to this policy. In carrying out its services, we are committed to:
- Treating all customers and employees positively regardless of any personal characteristics including gender, age, ethnicity, disability, sexuality, gender reassignment or religion.
  - Taking seriously all complaints and investigating and responding accordingly.
  - Using plain language and providing information in other languages, large print, audio and braille on request.