

Shared Ownership Allocations Policy

Version Number: V4.0

Effective From: December 2024

Applicable To:

- Bernicia

Associated Documents:

The following resources support the Shared Ownership Allocations policy and Bernicia colleagues to deliver excellent customer service and fair allocation of shared ownership properties. These can be found in the policy folder on the intranet:

- Sales Exclusion Policy
- Shared Ownership Sales Policy
- Shared Ownership Application Form
- Shared Ownership Application Process

Equality, Diversity & Inclusion: An ED&I Assessment was completed in December 2024. Please contact the Governance team if you require a copy.

Approved By: Director, Development

Policy Author: Home Ownership Manager

Policy Owner: Director, Development

Next Review: December 2027

Reference Number: POL-0066

1. Policy Scope

This policy sets out how Bernicia will assess applicants and allocate shared ownership properties to purchasers. This applies to both new build sales and resales. It is the aim of Bernicia to ensure that in allocating shared ownership properties, reasonable preference is given to those in housing need and to contribute to the maintenance and development of safe, balanced and sustainable communities.

All front-line staff are required to signpost customers, so that they can access information on the shared ownership application and allocation process. This policy will be monitored by the Home Ownership Manager and supporting information relating to successful applicants and subsequent sales will be recorded.

Shared Ownership Allocations will be in line with all relevant regulation and legislation including but not limited to:

- Capital Funding Guide

2. Policy Standards

Standard 1: Application

To establish eligibility, interested purchasers are required to complete a Bernicia application form which requests details of their household, current housing situation, employment, earnings, any other income and consent for Bernicia to carry out further checks and request references as necessary.

During the application stage, we will ensure that customers are aware of the rights and responsibilities of becoming a homeowner, including associated costs.

Bernicia will always provide customers with high quality information, explaining the shared ownership process. This will include relevant Homes England Key Information Documents, if applicable.

Standard 2: Eligible Criteria

Applicants are required to fit the basic Homes England eligibility criteria for the shared ownership initiative, which includes:

- Household income of less than £80,000 per annum
- A first-time buyer, or
- Used to own their own home but cannot afford to buy a suitable property for their needs on the open market now, or
- An existing home owner or shared owner, with a sale agreed on their current property but cannot afford to buy a suitable property for their needs on the open market

In addition we are only able to sell to shared ownership applicants:

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All policies must be printed from the Intranet only – please make sure it is the latest version.**

- In accordance with Bernicia's Adverse Credit Policy (as per Sales Exclusion Policy)
- In accordance with Bernicia's Surplus Monthly Income Policy (as per Sales Exclusion Policy)
- In accordance with Bernicia's Cash Buyer Policy (as per Sales Exclusion Policy)
- Who can demonstrate ability to afford the total monthly outgoings of a shared ownership purchase including mortgage, monthly rent, buildings insurance, service charge and any other committed debt (established by referral to Bernicia's appointed Financial Advisor).
- Have sufficient savings or mortgage deposit to purchase the share and also sufficient funds to meet the one-off costs of buying a home such as legal fees, moving costs etc.
- Can evidence that they have at least a 5% deposit at the time of applying. Bernicia will not consent to mortgages greater than 95% of the value of the share being purchased.
- Who are able to obtain a mortgage Decision in Principle for the share calculated to be purchased (this will form part of the Financial Assessment)
- Some schemes may have further specific restrictions in terms of applicant eligibility, for example Local Connection criteria. Such restrictions may depend on Bernicia's funding arrangements, Section 106 planning conditions, property constraints or scheme design. Where relevant, Bernicia will detail such conditions when advertising the property for sale.
- We will consider applications from existing owner occupiers or existing shared owners providing they have already accepted an offer on their current home i.e. it is already "Sold Subject to Contract". The sale of the applicant's existing property must also be completed either before or at the same time as legal completion of the new shared ownership property.

After meeting the general qualifying criteria set out by Homes England, any specific planning conditions and our own assessments, if we receive more applications on the same date than the number of properties left available, priority will be given as follows:

- Applications from military personnel, or any other priority group that may be set out from time to time by Homes England

In accordance with our Sales Exclusion Policy, we will not consider any person who has been involved in proven anti-social behaviour, has current or previous landlord or mortgage debts, or has been excluded from any housing association or local authority waiting lists.

No offers to reserve a property will be made to Board Members, staff, their relatives or where a close connection exists, without prior approval from the Bernicia Executive Team.

Standard 3: Progression of Application

If an applicant meets the basic eligibility criteria and our initial headline assessment, we will refer their application to Bernicia's appointed Financial Advisor. The Financial Advisor will make initial contact with the applicant and detail all of the supporting documentation they will need to carry out the assessment such as ID, payslips, bank statements, credit reports etc.

The Financial Advisor will make initial contact with each applicant in the order of referral by Bernicia. The Financial Advisor will assess the applicant who supplies all of the requested information first. If the Financial Advisor is unable to progress the first application, they will move on to the second to provide all of their requested supporting documentation, and so on.

Bernicia may also carry out enquiries concerning the character of the applicant and relating to current or previous tenancies which they may have held. These checks may include, but are not limited to the Police Force, Probation Service, Social Services, Education Departments of Local Authorities and previous Landlords. The information received will be used for the sole purpose of assisting the application and will be held in the strictest confidence and destroyed once the assessment is complete.

Standard 4: Offer

In the case of new builds, if an applicant is successful following the financial assessment, they will be able to make their selection of chosen plot from those left available. Where more than one plot is available, applicants will be given 24 hrs to make their selection. An offer letter describing the property, share to be purchased, price and associated rent will then be issued. Within 7 days of the date of the offer notice the applicant will be required to pay their reservation fee and provide details of their appointed conveyancing solicitor.

In the case of resales, it is expected that the current shared owner's Estate Agent will make the initial necessary checks in terms of the applicant's funding arrangements to ensure that they are in a position to proceed. Once the applicant is assessed as being eligible and a successful affordability assessment is complete by Bernicia's appointed Financial Advisor, the current shared owner and the applicant will be notified of the approval. The current shared owner can then choose to formally accept the applicant's offer to purchase the property.

Standard 5: Training and Awareness

Bernicia will ensure that all those involved in allocations either directly or indirectly are provided with appropriate training in the application of this and the relevant supporting documents. All training and awareness raising activities will be logged.

3. Definitions

Word/Phrase	Definition
Shared Ownership	Homes England initiative offering new homes for sale on a part buy/part rent basis.

4. Change Control

Version Number	Effective Date	Amendment made by	Version approved by	Description of changes
V4.0	November 2025	Policy & Governance Advisor	Director, Development	Transferred policy to new template. Removed previous 2.1 statement as now referenced in policy scope.