

Shared Ownership Rights Policy

Version Number: V4.0

Effective From: December 2024

Applicable To:

- Bernicia

Associated Documents:

The following resources support the Shared Ownership Rights policy and Bernicia colleagues to deliver consistent and customer-focused services throughout the Shared Ownership lifecycle. These can be found in the policy folder on the intranet:

- Shared Ownership Allocations Policy
- Shared Ownership Arrears Policy
- Shared Ownership Sales Policy
- Sales Exclusion Policy
- Shared Ownership Application Form
- Shared Ownership Application Process New Build
- Shared Ownership Application Process Resales
- Shared Ownership Leasehold Guide
- Shared Ownership Staircasing Guide
- Leaseholder Guide to Extending Your Lease

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-0068

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1. Policy Scope

This policy sets out how Bernicia will sell and manage our shared ownership properties in line with our regulatory and statutory obligations. This policy aims to provide shared owners

Home Ownership Officers are responsible for following the policy in relation to the sale and management of shared ownership properties. The Home Ownership Manager is responsible for the effective implementation of this policy.

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

- Housing Act 1985
- Common & Leasehold Reform Act 2002
- Capital Funding Guide
- Data Protection Act 2018

2. Policy Standards

Standard 1: Sale of Property

Bernicia reserves the right to nominate a prospective purchaser. Where we are unable to make a nomination within the specified timescale within the relevant model lease, or we choose not to exercise this right, the shared owner will be free to advertise the property on the open market.

When marketing the property for outright sale, the shared owner must ensure that the market value of Bernicia's share has been determined by an independent RICS Registered Valuer and based on vacant possession of the whole property. The valuation must be less than 3 months old at the time of completion of sale. With the agreement of both parties, Bernicia can arrange the valuation with an independent RICS Registered Valuer, the cost of which is payable in advance by the shared owner. In certain circumstances such as inheritance, we may consider the valuation fee to be repaid on completion of the sale. Shared owners are responsible for any resale costs incurred including valuation, assignment and legal fees.

All initial and resale applications will be processed in line with our Shared Ownership Sales Policy.

Standard 2: Terms of Lease

All shared ownership properties will be sold by way of lease. The lease term and fundamental clauses will be in accordance with the Homes England standard model relevant to the time of issue. The assignment of leases will not be unreasonably withheld and will be authorised in accordance with the relevant covenants contained in the lease agreement.

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Shared owners do not have a statutory right to lease extension. However, where the Freehold of the property is owned by Bernicia, we will voluntarily agree to a lease extension when the term remaining is likely to adversely affect the ability to mortgage or sell the property. Extensions will be granted in line with our Leasehold Guide to Extending your Lease and Board Paper dated 26th May 2015, or any subsequent updates.

Where we have an obligation as per the lease agreement to maintain buildings, where applicable, we will carry out Section 20 Consultation as per the Landlord & Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002.

Upon request, we will forward to shared owners a copy of Bernicia's buildings insurance policy.

Standard 3: Staircasing

Shared owners have the right to staircase in tranches or to 100% ownership, subject to there being no restrictions contained in the lease. A copy of our Shared Ownership Staircasing Guide will be sent to shared owners who are considering this option. The process for staircasing and the tranches in which additional shares can be purchased will depend on the terms in the relevant Homes England model lease at the time it is granted.

Where either former shared owners who have fully staircased or current shared owners, have the post final staircasing right of pre-emption contained within their purchase agreements, we are able to remove this restrictive covenant as since 2015 it has not been a Homes England requirement. Any costs incurred by doing so will be met by the home owner requesting the removal.

Where a shared owner has not staircased to 100%, the obligation to offer their home back to Bernicia before selling on the open market will continue to apply.

For valuations relating to staircasing, any improvements to the property or failure to keep the property in good repair will be disregarded by the valuer.

Standard 4: Rent and Service Charge

Bernicia will provide the following rights in relation to rent and service charges:

- Bernicia will set out the initial rent, service charge and any other fees payable prior to the property being reserved for purchase.
- Bernicia will give at least four weeks written notification of changes in rent.
- Bernicia will allow a recognised Resident Association to appoint a surveyor to inspect the Group's documents in relation to rent and service charges. The associated costs are to be met by the requesting shared owners.

Consent will not be unreasonably withheld for shared owners to carry out improvement works to their property, providing they seek prior written approval. Requests must contain full details of the shared owner's proposed works and payment of Bernicia's

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administration fee for dealing with the consent. Details of our reasonable administration fees are available in our Shared Ownership Administration Fees summary sheet.

If the property is part of a developed estate owned by a third party, there may be restrictions contained in Bernicia and other home owner's transfer documents relating to alterations or additions. In such circumstances Bernicia is bound by the transfer document and cannot provide consent to shared owners if it is a contravention of the covenants.

All recovery action for non-payment of rent or service charges will be taken in accordance with our Shared Ownership Arrears Policy. Shared owners will be advised of Bernicia's complaints policy and the right to refer their complaint to a Designated Person or to the Housing Ombudsman Service, once our internal complaints procedure has been exhausted. Advice will be offered to shared owners regarding their rights to refer disputes about the reasonableness of variable service charges to the First Tier Tribunal (Property Chamber).

Standard 5: Training and Awareness

Bernicia will ensure that all those involved shared ownership 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.
Leasehold properties	Properties purchased through the Right to Buy, Right to Acquire and those who have achieved final staircasing through the shared ownership initiative (in the case of flats).

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. Minor amends to phrasing and removal of Statement 2.21 as referenced in policy scope.

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