



Ongo Homes

Shared Ownership Policy & Guidance

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		Page
1.	Our policy is...	2
2.	It applies to...	3
3.	Because we want to...	3
4.	Guidance	3-5
5.	Making sure we do what we say...	5
6.	Other things to bear in mind...	5-6
7.	We'll look at this again...	6
8.	Jargon buster	

1. Our policy is...

- 1.1 To provide opportunities for individuals to access home ownership through a Shared Ownership scheme.
- 1.2 To advertise available properties (off-plan where possible) through marketing channels that are accessible to our target market. We will carry out sales and marketing assessments with private sector estate agencies or the Valuation Agency in order to determine indicative open market sales value for the area the properties are situated within.
- 1.3 The Shared Ownership scheme gives those who can't afford to buy a home on the open market the opportunity to purchase a percentage share of a property. The remaining share will be owned by Ongo Homes which the shared owner will be obligated to pay towards in the form of rent, plus annual service charges.
- 1.4 Operate in accordance with HCA guidelines:
 - Where Shared Ownership properties are HCA funded, all initial applications must be submitted through the Help to Buy Agent for the Midlands. Eligible applicants will then be forwarded onto Ongo Homes.
 - Where properties are not HCA funded applications will be received directly by Ongo Homes but processes in line with HCA guidance
 - Applicant (s) will need to have an annual household income of less than £80,000
 - Applicant(s) should not be in a position to purchase a home outright on the open market
 - In exceptional circumstances, applicants who do own their own home may be considered. All cases will be assessed on individual circumstances
 - Applicant(s) must have a good credit history
 - Properties will be sold on a first come first served basis. Applications will be prioritised primarily on affordability then on whether the applicant falls into any of the following categories: first time buyers, existing social tenants, serving military personnel and applicants who are registered for housing on the Choice Based Lettings waiting list
 - Applicants will also be assessed on their level of housing need, with specific regard given to their current accommodation and its suitability, ability to afford the cost of shared ownership rent and mortgage, suitability of the available property to their current needs and the availability of other housing options that will meet their needs
 - Certain properties may become available that require a local living/working connection to the area

2. It applies to...

- 2.1 This policy applies to all interested and active applicants for Shared Ownership properties.

3. Because we want to...

- 3.1 The aims of this policy are to ensure that:
- Customers who apply for the Shared Ownership scheme are provided with relevant and up to date information relating to Ongo Homes' available properties
 - Customers are sign-posted to the correct advice and services
 - Applicants are made fully aware of the scheme that they are applying for and the responsibilities of becoming a home owner
 - Ongo Homes operates within the Homes and Communities Agency (HCA) guidelines, this also applies to properties not funded by the HCA
 - Applications are processed using a fair and transparent eligibility and financial assessment

4. Guidance...

- 4.1 Purchasing a shared ownership property:
- Applicants will be encouraged to purchase the maximum share which will be determined by the HCA affordability calculator. This is available on the Help to Buy website
 - Purchasers will be referred to the Help to Buy Midlands approved panel of mortgage advisors – Ongo Homes are not permitted to provide mortgage advice
 - Ongo Homes will issue an Application Form and Guidance Notes to interested parties subject to an initial eligibility check
 - Rent charged on the unsold share of the property will be set at the HCA recommended level of 2.75% of the capital value of the unsold equity at the point of initial sale.
 - Rent charged on the unsold share of the property will be reviewed annually and increases will be set in accordance with the terms of the lease agreement
 - Where services are provided to shared ownership properties, these will be referenced in the lease and the charge will be set and administered in accordance with current legislation and produced in an annual statement of account. All shared ownership properties will be charged an annual service charge for buildings insurance and management (may also incur other charges dependent on site facilities)

- In order to secure interest in the share offered for the property, applicants will be required to provide a copy of their mortgage offer and pay a £250 administration fee within a given timescale. This fee is non-refundable should the application be terminated at a later date but will be deducted from the sale price upon a successful completion
- Once the administration fee and mortgage offer has been received, Ongo Homes will state a timescale of 8 weeks for completion and reserve the right to decline the application should this timescale be exceeded without just cause

4.2 Once a shared ownership property is sold:

- Where relevant, all warranty and defect period information will be provided to new owners
- Once any defect period has expired, the owner will become fully responsible for all maintenance costs for the property regardless of the share purchased. In the case of flats, Ongo Homes will remain responsible for any external or communal maintenance and/or services but these will be recharged to the shared owner in accordance with the terms of their lease
- Shared owners are not permitted to sub-let their property
- If or when an applicant wishes to buy a further share of their home (this is known as ‘staircasing’) a valuation carried out by a **qualified RICS surveyor** must be obtained at the owner’s expense. Shares can be purchased in multiples of 10 up to 100%
- Certain developments may restrict 100% staircasing due to preservation of affordable home ownership stock
- Shared owners cannot sell part or all of their property without complying with the terms of the lease agreement. Ongo Homes will have the right of first refusal indefinitely on the property
- Rent arrears will follow our normal home ownership arrears policy
- If rent arrears accrue over 3 months, Ongo Homes reserve the right to inform the shared owners mortgage lender of the position
- Ongo Homes will take any necessary action if a breach of lease occurs while the property is occupied by a shared owner, including the involvement of third party enforcement agencies. A breach can risk the lease agreement being forfeited and the shared owner losing their home.

4.3 When a shared owner chooses to sell their property:

- Ongo Homes must be contacted first should a shared owner wish to sell their share of their home. A fee will be payable by the shared owner in advance to obtain a valuation of the property

- Valuations will be carried out by an independent Royal Institute of Chartered Surveyors qualified valuer
- The valuation will be used to determine the value of the share being sold
- Ongo Homes will (during an agreed timescale stated within the lease agreement) nominate a purchaser for the property
- If Ongo Homes is unable to find a nominated purchaser within the agreed timescale the shared owner will then be able to sell the freehold on the open market (once the Ongo Homes' share has been paid).
- If Ongo Homes are successful in nominating a purchaser, the shared owner will be required to pay a 'sale fee' on completion. They will also need to pay solicitors fees in respect of selling their share. Additional administration fees will also be payable including but not limited to a notice of assignment and notice of transfer
- Where properties are HCA funded the proceeds of sale must be reinvested into Capital Grant Funding

5. Making sure we do what we say...

5.1 The Director of Operations will make sure this policy is implemented

5.2 The Head of Customer & Support Services and the Home Ownership Manager will make sure:

- All staff are aware of this policy
- All staff are trained relevant to their role
- Monitoring records are collected in line with this policy
- Customer are adequately informed of the policy and support is given where required to understand it

5.3 We will measure our performance through customer satisfaction surveys, along with operational management information that will indicate whether our processes are working effectively to deliver this policy.

5.4 Where required, we will provide Government departments with statistics on sales through the Shared Ownership scheme.

6. Other things to bear in mind...

6.1 This policy also links to our:

- Home Ownership Policy

6.2 The main pieces of legislation and regulation relevant to this policy include:

- HCA Capital Funding Guide

7. We'll look at this again...

- 7.1 This policy will be reviewed every three years. We will review earlier if any regulatory or legislative changes occur that have an impact on this policy.