

## SHARED OWNERSHIP – STAIRCASING AND RESALES POLICY

### Responsible Officer

Director of Customer Services

### Aim of the Policy

This policy aims to set out the criteria for shared ownership staircasing and our approach to Resales. This policy applies to shared owners only.

### The Policy

Shared ownership is an affordable home ownership product for those who cannot afford to purchase a home at the full market value. The scheme allows for a share to be purchased in a property and paying a rent on the remaining share.

Initial shares start at 25%, up to 75%, of the full value and you can buy additional shares in the future (known as staircasing) until you own the home outright, some restrictions may apply on certain schemes, such as retirement schemes.

#### Staircasing eligibility

Shared owners will be entitled to purchase more shares in their home 12 months after the initial share has been purchased.

It is the responsibility of the shared owner to ensure that the purchasing of additional shares is affordable for them and they should speak with an independent financial advisor or mortgage advisor before applying to staircase.

The minimum additional shares that can be purchased is 10%. This rises up to outright (100%) ownership of your home, except where there are restrictions on the lease that require it to remain in shared ownership for perpetuity or where your lease requires additional shares to be purchased in tranches. (For example some leases require additional shares to be purchased at 10%, 15%, or 20% etc whereas others simply more than 10%, each time).

When you purchase more shares the rent you pay on the shares retained by Phoenix will be recalculated.

The premium of the shares you intend to purchase will be based on the current market valuation of the home. Staircasing will incur an administration charge.

#### Resales

When you want to sell your shares in your home you need to tell us in writing so that we can market it for you and, under the terms of the lease, we have rights to nominate a suitable purchaser for your shares.

When you have informed us in writing you will also need to provide:

- RICS qualified property valuation.
- Energy Performance Certificate.
- Gas Safety Certificate.
- Internal and external photographs of your home.

- Your contact information for viewings to be arranged.
- Resales Marketing Fee.

Once this information is received Phoenix has eight weeks to market your home and nominate a suitable purchaser. If a sale is agreed and proceeds to exchange of contracts you will be invoiced for selling the property (1% of the value of your share + VAT, minimum of £750.00 + VAT) and must settle any invoice within 14 days of the date of invoice.

If we have not nominated a suitable purchaser within eight weeks we will provide you with the authority to market your shares in the property through an estate agent of your choosing.

Any purchasers will be required to complete an application form and will be subject to an eligibility and affordability assessment (see Shared Ownership Eligibility and Affordability Policy) and will need to register with the HomeBuy Agent before the sale can proceed. The outcome will be confirmed to you in writing.

### **Subletting**

Your shared ownership lease and legal charge prohibits subletting. This means that you cannot sublet or under let part or all of your home. As Government funds were provided to assist you with purchasing your home, we have to protect these funds and ensure the home is your main residence.

In extreme financial hardship we will consider a request to sublet or underlet the home. Consent will be subject to Board approval and there is no commitment to approve a request in these circumstances.

## **Monitoring and review**

This policy will be monitored by Key Performance Indicators and will be reviewed every three years or sooner wherever there are changes to legislation or good practice.

## **Legislation**

- Commonhold and Leasehold Reform Act 2002 (as amended)
- The Housing Act 1985
- The Housing (Shared ownership Leases) (Exclusion from Leasehold Reform Act 1967) (England) Regulations 2009

## **Associated documents, policies and procedures**

Including:

- Home Ownership Management Policy
- Home Ownership Arrears Policy
- Shared Ownership Eligibility and Affordability Policy
- Lease Extension Policy
- CIH Shared Ownership Charter
- Shared Ownership Rent and Service Charge Setting Policy
- Shared Ownership Application Form
- Shared Ownership Handbook
- Home Ownership Admin Fees

## Definitions

Term/acronym	Description
Shared Owner	Includes existing shared owners and shared ownership applicants.
Phoenix	Phoenix Community Housing.

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