



Dunbritton Housing Association Limited

Name of Policy	Shared Ownership
Responsible Officer	Operations Manager
Date approved by Board	18 April 2018
Date of next Review	April 2021
Section	Customer Services
Reference	CS9

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Appendices N/A

1. INTRODUCTION

- 1.1 The purpose of this policy is to set out the way that Dunbritton Housing Association will market, sell, allocate and manage shared ownership properties. The Policy also includes the criteria Dunbritton will use for assessing applicants who want to apply for a shared ownership property.
- 1.2 The details contained within the policy complies with guidance set out in SHGN 2000/15, issued by the then regulatory body Scottish Homes and adopted by the current regulatory body the Scottish Housing Regulator, and updated and refreshed by the Scottish Government Housing Supply Division Guidance Note HSGN 2012/02, issued in August 2012. These documents reflect a policy aim to extend tenure options and help fulfil peoples' aspirations to home ownership.
- 1.3 This policy statement is supported by detailed operational procedures for marketing, selling and allocating and managing shared ownership properties.
[Not included for the purpose of committee/board approval]
- 1.4 Shared ownership is aimed at helping people in housing need who are unable to purchase a property in the open market. Priority will be given to existing tenants of Registered Social Landlords and Local Authorities and to people who are on the waiting list for social housing. In circumstances where two offers are received the deciding factor will be the category of need as defined in the Association's Allocations policy.
- 1.5 The Association does not normally exercise its right to buy back tranches of shared ownership properties or buy back former shared ownership properties, which have become full ownership properties when they are marketed for re-sale.
- 1.6 A shared ownership property may not be marketed as shared ownership with a lesser tranche than that already owned by the sharing owner.
- 1.7 The Association will repay any Housing Association Grant due to the Scottish Government on the settlement of a sale of a shared ownership property.
- 1.8 A sharing owner must part own the property for at least 12 months before they can apply to buy further tranches in the property. A minimum of 12 months must elapse between purchases of tranches. As part of this process the property will be valued by the office of the District Valuer.

- 1.9 Where a sharing owner intimates their intention to sell their share the Association will initially contact any requests for shared ownership from registered parties on the HOME Argyll housing list. If there is no demand or response within 4 weeks the Association will proceed with selling the property for sale at 100%.

2.0 PRINCIPLES AND OBJECTIVES

2.1 This Policy aims to meet the following objectives:

- To meet local housing need for affordable home ownership as shown in the Local Housing Strategies of West Dunbartonshire and Argyll and Bute Council
- To allow shared owners the opportunity to buy more of their property as their circumstances change
- To assist in the reduction of the HOME Argyll waiting list by giving priority to social rented tenants and applicants
- To allow households on lower incomes to become owner occupiers.
- To provide affordable home ownership for first time buyers and households unable to afford to buy on the open market
- To make sure as far as possible that applicants approved for shared ownership are able to afford shared ownership
- To ensure that shared ownership assists with creating sustainable communities
- To ensure shared owners receive a high level of service from the Association in relation to all aspects of the management of their property
- To ensure that properties are allocated openly and fairly and without discrimination
- To provide good quality homes built to a high standard which meet or exceed current building standards in respect of economy and the environment
- To ensure that owners are consulted in relation to annual occupancy charges in line with the relevant occupancy agreement
- To monitor Dunbritton's policy outcomes with a view to continuous improvement

3.0 LEGAL AND GOOD PRACTICE

Dunbritton will make sure that this Policy takes into account and complies with:

- 3.1 Any issues relating to the land reform legislation.
- 3.2 The Occupancy Agreement signed between the sharing owner and the Association.
- 3.3 A shared ownership occupancy agreement between Dunbritton and the occupier, the main provisions of which govern:
 - The sharing owners' right to exclusive occupancy.
 - The sharing owners' liability for the maintenance obligations of full owners.
 - The sharing owners' right to buy further multiples of a 25% pro indiviso interest up to full ownership.
 - Pro rata responsibility for costs of sale (**normal practice is the joint sale of a 100% interest**).
 - The sharing owner's right to let their property should they be unable to sell it after a pre-determined period of time.¹
 - The sharing owner's right to take any dispute over the level of the occupancy payment to an independent valuation service
 - Voting rights are in law exercisable by the majority sharing owner or by agreement where the sharing owner has a 50% tranche. The main power is to vote on the appointment of a managing agent. It is Dunbritton's practice not to seek to exercise its own voting entitlement.
 - In terms of the guidance shared ownership occupancy agreements are for a fixed term of 20 or 21 years. No contractual provision is made for renewal on expiry. The Association's policy is to maintain its dealings with sharing owners on the basis of the Scottish Government guidance notes referred to at 1.2 and to agree to renew expiring shared ownership agreements after 20 or 21 years on current terms, until such time as remaining shared ownership interests convert to or are replaced by full ownership, in keeping with the intentions of the shared ownership scheme.
- 3.4 The Minute of Agreement which the Association enters into with the mortgage lender.

4. AFFORDABILITY & SUSTAINABILITY

To meet our commitment to support the creation of sustainable communities and offering affordable accommodation the Association will:

- 4.1 Ask applicants to complete a form that asks for details about household

income and savings.

- 4.2 Make sure as far as possible that an applicant can afford shared ownership (Mortgage promise from Lender or proof of funds if cash buyer) in the short and medium term and that the applicant fully understands all the financial commitments associated with home ownership.
- 4.3 Make sure shared ownership contributes to community sustainability within the area it is located in.

5. WORKING IN AN OPEN & FAIR WAY WITHOUT DISCRIMINATION

- 5.1 The Association will ensure equality and fairness in the marketing, allocation, sales and management of shared ownership properties.
- 5.2 Our Shared Ownership Allocations policy will be made available on request in an easy to understand format and also in appropriate minority ethnic languages, in braille, on audio tape, as required.
- 5.3 Shared owners will be made aware of their responsibilities under the terms of their occupancy agreement not to discriminate, harass or adversely affect the 'quality of life' of their neighbours.
- 5.4 Allocations to current or former employees, members of the Board of Management and their close family will meet current regulatory requirements in terms of approval, reporting and recording. All such allocations will require to be approved by the Board of Management before the allocation can proceed.

6 ASSESSMENT AND ALLOCATION

- 6.1 The Association has detailed procedures on assessment and allocation of shared ownership properties. Reference should also be made the Home Argyll Allocations Policy.
- 6.2 Shared ownership properties will be allocated to the following client groups on the waiting list in the following order:
 - Our own tenants and shared owners, other social rented tenants,
 - people who are on a waiting list for a social rented property,
 - first time buyers,
 - older home owners in need of more suitable accommodation and

- all other category of applicants in point order

7. EQUALITY & DIVERSITY

7.1 As a service provider and employer we recognise the requirements of the Equality Act 2010, oppose any form of discrimination and will treat all customers, internal and external, with dignity and respect. We recognise diversity and will ensure that all of our actions ensure accessibility and reduce barriers to employment and the services we provide.

8. LINKS WITH OTHER POLICIES

8.1 Our Shared Ownership Policy is supported by and links to a number of other Policies and strategies – details of these are shown below

- Allocations Policy
- Data Protection Policy
- Equality and Diversity Policy
- Legislative requirements relating to Data Protection and Equalities
- The Association's Procurement Manual
- Complaints Handling Procedure