

---

# Social HomeBuy Policy

---

Department: Citystyle

---

Author: Performance, Improvement & Policy

---

Date Issued: 2014

To be reviewed: 2017

---

Version Number: 1

---

<b>CONTENTS</b>	<b>PAGE NO</b>
1. INTRODUCTION .....	2
1.1 Definition .....	2
2. AIMS & OBJECTIVES .....	2
3. POLICY STATEMENT .....	2
3.1 Properties to be sold under Social HomeBuy.....	2
3.2 Tenant eligibility for Social HomeBuy .....	3
4. LEGISLATION REGULATION & GUIDANCE .....	5
5. CONFIDENTIALITY.....	5
6. EQUALITY & DIVERSITY .....	5
7. MONITORING & REPORTING .....	5
8. HEALTH & SAFETY .....	5

## 1. INTRODUCTION

### 1.1 Definition

Social HomeBuy is a scheme that allows Registered Providers (providers of social housing registered with the Homes and Community Agency) to sell rented social housing homes to the tenants of those homes. Homes can be sold to tenants either outright, or on a shared ownership basis. Homes sold under the scheme are sold at an open market value, with tenants being able to claim defined discounts on the market price.

The Homes and Communities Agency sets and enforces rules which govern which properties Registered Providers can sell, and which tenants are eligible for the scheme. This policy sets out how One Housing Group will implement Social HomeBuy in accordance with those rules.

## 2. AIMS & OBJECTIVES

### Aims:

- To increase the tenure mix in the areas in which One Housing Group operates
- To increase the routes to home ownership for One Housing Group tenants

### Objectives:

- To provide the Social HomeBuy scheme effectively and efficiently

## 3. POLICY STATEMENT

### 3.1 Properties to be sold under Social HomeBuy

One Housing Group is using Social HomeBuy to introduce a greater tenure mix to areas where our stock is overwhelmingly rented social housing. One Housing Group believes that areas which have a mix of property tenures such as owner-occupation, private rented as well as rented social housing will create balanced and sustainable communities. We are therefore using the discretion allowed to us, under the rules of Social HomeBuy, to target our Social HomeBuy sales (of our social rented homes) in the following local authority areas:

- Barnet
- Bracknell Forest
- Camden
- Ealing Council
- Enfield
- Hackney
- Haringey
- Havering
- Islington Council
- Newham
- Reading
- Slough
- Tower Hamlets
- Waltham forest
- West Berkshire
- Westminster
- Winsor & Maidenhead
- Wokingham

The following types of properties will be excluded from our Social HomeBuy scheme:

- Properties managed by One Support (supported housing homes)
- Homes that are not self-contained (i.e. properties that do not have their own bathroom and/or kitchen facilities)
- Properties that are not being used for social rented accommodation
- Properties that are currently part of a major works or major refurbishment programme

### **3.2 Tenant eligibility for Social HomeBuy**

One Housing Group tenants, living in a social rented home, can buy their home through Social HomeBuy if:

- They have been a tenant of One Housing Group (or another housing association and/or public sector landlord such as a local authority, hospital trusts or the armed services) for 5 years. The 5 years do not need to have been in sequence, except in cases where One Housing Group has bought the tenant's home under a mortgage rescue arrangement
- Their One Housing Group home is their main or principal home
- Under the Social HomeBuy tenants can make joint applications with:
  - Joint tenant of their tenancy
  - Up to 3 family members who have lived with them for at least 12 months before their application to use Social HomeBuy

Subject to the above criteria, tenants on fixed term tenancies will be eligible for Social HomeBuy except in the following circumstances:

- Their tenancy has a fixed term of less than 2 years
- They are renting an intermediate rent property
- They reside in a property acquired by One Housing Group under a mortgage rescue scheme

The following tenants cannot use Social HomeBuy:

- Tenants being made bankrupt
- Tenants who are subject to an existing court order relating to their tenancy
- Tenants who have been ordered to leave their home by a court

N.B. Tenants with rent arrears will be required to clear them before any sale is completed.

In addition where we believe tenants are engaged in antisocial behaviour, One Housing Group will suspend a tenant's application to purchase their home under Social HomeBuy.

Where tenants are applying to buy their home on a shared ownership basis, One Housing Group will appoint an Independent Financial Advisor to review the tenant's financial circumstances to assess whether the purchase is affordable for them. This assessment will factor in the discounts that tenants can receive under Social HomeBuy. If it is assessed that a tenant's application to buy their home on shared ownership basis is unaffordable for them, their application will be declined.

### **3.3 Shared ownership purchases**

Where a tenant cannot afford to buy the property outright, they can use Social HomeBuy to buy a share of their home. The minimum initial equity share that can be purchased is 25%, and the maximum is 90%

### 3.4 Discounts available under Social HomeBuy

The discounts available through Social HomeBuy are the same as those available for the Right to Acquire scheme.

Tenants buying their home through Social HomeBuy are entitled to a discount of between £9,000 and £16,000 on the price of their home. The amount of discount awarded depends on:

- Where the property is located in the United Kingdom
- Whether the tenant has benefitted from a Right to Buy or Right to Acquire discount in the past. If they have, the discount will be reduced by this amount
- A cap on discounts awarded on purchases, which means that the maximum discount that can be awarded is 50% of the property's value
- The discount available to a shared ownership purchaser will equal the percentage share being purchased, e.g. a tenant buying a 25% share of their home will be entitled to 25% of the stated discount available.
  
- If a shared owner subsequently buys further shares, they will be again be entitled to receive an equal percentage share being purchased, e.g. a tenant buying a 20% additional share of their home will be entitled to 20% of the stated discount available.

### 3.5 How One Housing Group will process Social HomeBuy applications

One Housing Group's Social HomeBuy service will be provided by our Citystyle department.

- We will provide a documented response to all expressions of interest from our tenants in Social HomeBuy.
- We will send tenants an application form with estimated value of their home and discount information based on the assumption that they are eligible.
- The tenant can apply for Social Homebuy by filling in and returning the provided application form. We will assess the application and let the tenant know whether they are eligible or not. They will then have four weeks to decide if they want to proceed or not and you must confirm in writing. During this period they are required to meet our independent financial advisor to discuss the product and undergo a formal affordability assessment.
- The Independent Financial Advisor will send the financial assessment report to us.
- We will instruct a Surveyor to carry out a formal valuation of the property and send the tenant a formal offer. The date of the valuation will be the date of inspection of the property for valuation purposes.
- The tenant has 3 months from the date of valuation to exchange contracts and a further month in which to complete the purchase. If the tenant fails to exchange and complete the purchase during the prescribed period their application may be deemed withdrawn and new valuation will have to be carried out if the tenant wishes to proceed and complete. The new valuation may be higher than the original valuation depending on the property market.
- Where a tenant is unable to exchange contracts within the 3 month deadline, but are able to exchange and complete within 4 months from the date of the valuation, this will be allowed at the discretion of the Head of Landlord Services.
- All property valuations will be provided by One Housing Group using an independent valuer, qualified with the Royal Institute of Chartered Surveyors.
- One Housing Group will not offer Social HomeBuy applicants properties other than their home with which to pursue their application.
- One Housing Group will not process Social HomeBuy sales funded by mortgage providers who are not approved by the Financial Conduct Authority.

### 3.6 Future resale of a property bought under Social HomeBuy

One Housing Group has the right to nominate the next buyer of a home where a leaseholder wishes to sell their share. In addition One Housing Group will have the Right of First Refusal, for both houses and flats sold under the Social HomeBuy scheme. However in Westminster and Slough, One Housing Group has agreed to give the local authority the right to nominate the next buyer of a property sold under Social HomeBuy. The terms of the nomination arrangements, for resales of Social HomeBuy homes, will be set out in the lease.

Any discount received under Social HomeBuy must be repaid to One Housing Group if the home is sold within 5 years. All of the above restrictions will be reflected in the Land Registry documents for properties sold under Social HomeBuy.

## 4. LEGISLATION REGULATION & GUIDANCE

Government legislation and regulation has an impact on how One Housing Group can implement its Social HomeBuy policy. Listed below are the key papers that have been acknowledged.

- The Homes and Community Agency's Capital Funding Guide, which is available on their website [www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk)
- The current Right to Acquire discounts are set out in the Housing (Right to Acquire)(Discount) Order 2002 (SI 2002 No 1091), which is available on the Government website [www.legislation.gov.uk](http://www.legislation.gov.uk)

## 5. CONFIDENTIALITY

Under the Data Protection Act 1998 and the Human Rights Act 1998, all personal and sensitive organisational information, however received, is treated as confidential. This includes:

- Anything of a personal nature that is not a matter of public record about a resident, client, applicant, staff or committee member
- Sensitive organisational information

Officers will ensure that they only involve other agencies and share information with the consent of the resident concerned, unless:

- The information is necessary for the protection of children
- One Housing Group is required to by law, for example we cannot withhold information if being questioned by the Police during a criminal investigation.

Please refer to the One Housing Group [Data Protection Policy](#) for further information.

## 6. EQUALITY & DIVERSITY

OHG recognises the needs of a diverse population and always acts within the scope of its own [Equality and Diversity Policy](#), the Human Rights Act 1998 and the Equalities Act 2010. One Housing Group works closely with its partners to ensure it has a clear understanding of its resident community with clear regularly updated service user profiles. One Housing Group will record, analyse and monitor information on ethnicity, vulnerability and disability.

## 7. MONITORING & REPORTING

One Housing Group will record data on Social HomeBuy scheme within its comprehensive Performance Management Framework. All of OHG's key performance indicators can be resourced within in this document.

## 8. HEALTH & SAFETY

Officers will follow OHG's [Health and Safety Policy](#) and [Lone Working Policy](#), at all times when managing Social HomeBuy.