

Shared Ownership Sales and Allocation Policy

Contents

1. Document Overview	1
2. Document Version History	1
3. Introduction	2
4. Scope/Objectives of the Policy	2
5. Definitions	2
6. Our Approach	3
7. Application Process	4
8. Allocations	5
9. Resales	6
10. Completion	7
11. Appeals Process	7
12. Compliance	7
13. Thrives Core Behaviours	7
14. Treating Everyone with Respect	8
15. Other Related Policies and Guidance	8
16. Policy Approval	9
17. Support and Further Guidance	9
18. Appendices	9

1. Document Overview

Purpose	Shared Ownership Sales Allocations Policy – a framework through which shared ownership sales and resales and determined.		
Audience	New and existing customers		
Data Classification	For Internal & External Use		
Review Cycle	36 months		
Last Review	19/07/2024	Next Review	19/07/2027
Relevant Legislation	Section 6 (Affordability Guidance) of the Shared Ownership chapter in their Capital Funding Guide		

2. Document Version History

Version	Date	Author	Reviewer	Changes & Additions
V1.0	19/7/2024	MKY	CB, AG, JB	

3. Introduction

The purpose of this policy is to set out the eligibility criteria for Thrive shared ownership homes and how we allocate properties. The policy also explains how we work with applicants to ensure they can afford the home they wish to purchase, increase their equity share and resell their home.

This policy applies when Thrive, and any subsidiary of Thrive Homes, markets a home for sale as Shared Ownership or Rent to Home Buy. Sales can occur when we have newbuild properties, when we are asked to support the re-sale of an existing Shared Ownership home, or when we refurbish a existing home suitable for shared ownership. It applies to customers of our shared ownership properties; this includes applicants and existing shared owners.

If there is any variance between this policy and a Section 106 agreement or nominations agreement, the Section 106 agreement or nominations agreement will take precedence.

It ensures fair, transparent, and consistent allocation in accordance with the latest guidelines from Homes England, including how we financially assess applicants and how we ensure we are following the Capital Funding Guide requirements.

4. Scope/Objectives of the Policy

This policy is in place to ensure we:

- Allocate shared ownership homes equitably and transparently.
- Prioritise applicants based on need, local connection, and financial eligibility.
- Comply with the requirements of the S.106 agreement where applicable.
- Comply with Homes England's requirements and in line with the Capital Funding Guide.
- Comply with other financial and regulatory controls Thrive Homes has to satisfy.

5. Definitions

Shared Ownership is a part buy/part rent scheme that makes it possible for first time buyers and those that currently do not own a home, to purchase a home that otherwise would not have been affordable. The purchaser pays mortgage on the share they own and pay rent to on the remaining share.

Staircasing is a process where a shared owner purchases additional ownership shares in the lease.

Reverse (downward) staircasing is where a shared owner sells an agreed share of the lease back to us.

Resales is where a shared owner wishes to sell their shared ownership interest in the lease.

Term	Description
Shared Ownership	Is a part buy/part rent arrangement that makes it possible for first time buyers and those that currently do not own a home, to purchase a home that otherwise would not have been affordable. The purchaser pays a mortgage on the share they own and pays rent to Thrive on remaining share.
Staircasing	Is a process where a shared owner purchases additional ownership shares of the home in line with the lease.
Reverse (downward) Staircasing	Is a process where a shared owner sells back to Thrive an agreed share of an owned amount, in line with the lease.

Resales	Is the process where an existing shared owner sells their ownership proportion, in line with the lease.
Homes England	Is a non-departmental public body that funds new affordable housing in England.
Capital Funding Guide	It provides the rules and procedures for all providers delivering affordable homes through one of the Homes England's affordable homes programmes.
First Tranche Sale	Percentage and value of the home ownership acquired at initial purchase of the Shared Ownership home.
Office for National Statistics' UK House Price Index (HPI)	The Office for National Statistics' UK House Price Index (HPI) captures changes in the value of residential properties. It applies a statistical method to various sources of data on property price and attributes to produce estimates of the change in house prices.

6. Our Approach

6.1 Valuation

We require a Royal Institution of Chartered Surveyors (RICS) qualified surveyor to provide Red Book valuation of the property to be sold as Shared Ownership. A valuation is usually valid for three months, after which a new valuation will be needed.

6.2 Eligibility criteria

Where the home has been developed with grant from Homes England, customers looking to purchase a shared ownership home must meet the eligibility criteria set out in the Capital Funding Guide, as set out in accordance with the prioritisation below:

1. Income Requirements
<ul style="list-style-type: none"> • Households with an annual income of up to £80,000 outside London and £90,000 within London, or within the prevailing guidelines on income as set out by Homes England. • Customers must meet lending criteria set out by their chosen mortgage lender. • Customers must be able to demonstrate a surplus monthly income of between 10-25% after mortgage and rent commitments, unless in exceptional circumstances and with approval from Thrive Homes. • Customers must be able to purchase the minimum first tranche sale value as specified by Thrive Homes. This may vary depending on the funding nature of the development and if it contains any Homes England Grant Funding. Your Sales Manager will advise you of this at the time of enquiry and we will advertise the relevant minimum initial first tranche share value on our marketing material. • New Shared Ownership homes that are grant funded by Homes England must be sold at a range of shares applicable to the funding programme (either 10% to 75%, or 25% to 75%). This is a condition of Homes England's grant funding. An exception to this is Shared Ownership resales where the minimum share available for purchase is the existing owner's share. • When a customer can secure a mortgage through an approved lender but has negative credit markers or an undischarged County Court Judgement (CCJ), approval to proceed can only be given by Thrive's Head of Sales & Marketing. Approval will be subject to a credit reference and a documented compelling case.

2. Local Connections
<ul style="list-style-type: none"> • Priority will be given to customers with a strong local connection, including residency, employment, or close family ties within the local authority area
3. First Time Buyers
<ul style="list-style-type: none"> • Preference for first-time buyers or those who do not currently own another property.
4. Existing Shared Owners
<ul style="list-style-type: none"> • Consideration for existing shared owners looking to move to another shared ownership property due to changes in personal circumstances (e.g., need for more space).
5. Armed Forces Personnel
<ul style="list-style-type: none"> • Priority for current and former members of the Armed Forces, as per government policy.
6. Other additional factors
<ul style="list-style-type: none"> • Additional preference may be given to customers who are key workers (as defined by the relevant local authority for the region in which the home is located) or who have a specific housing need (e.g., disability). • Additional preference may be given to customers who are residents currently living in a Social or Affordable home.

7. Application Process

The following explains how we work through each part of the application process:-

7.1 Step 1 – Initial Application:

- Interested parties must complete an initial application form available on the Thrive Homes website or in-person at our marketing suite.
- Applicants must provide proof of identification, income, savings, and local connection.

7.2 Step 2 – Assessment and Shortlisting:

- Applications will be assessed by Thrive Homes and in accordance with any requirements as set out by the Local Authority or S.106 agreement.
- If required, applicants will be prioritised based on their local living or working connection.
- Allocation will be decided by Thrive Homes based on the allocation criteria table below in Section 8.

7.3 Step 3 – Financial Assessment:

- All financial assessments are conducted by an Independent Financial Advisor (IFA) appointed by Thrive Homes, to ensure applicants can afford and sustain the costs associated with shared ownership. Mortgage Advisors are required by the Financial Services Act 2021 to undertake identity checks for Anti Money Laundering purposes including proof of address, and the source of savings. Mortgage Advisors are required to advise the client appropriately about affordability of the home they wish to purchase.

The assessment will include a full review of income, savings, debts, and living expenses.

Applications are assessed by an appointed mortgage advisor from Thrive Homes independent panel. This process is to determine affordability and eligibility.

- The appointed mortgage advisor from our panel will provide a Budget Planner which must meet the current eligibility criteria set out by the mortgage lender and any current guidance from Homes England.
- Thrive Homes will consider 100% LTV Mortgages in circumstances where the applicant is not able to afford to fund their deposit by any other means, and as long as supported by a budget planner which meets the criteria set out in the policy.
- Applicants wishing to purchase a share in cash, without a mortgage, will still be required to have a financial assessment and sign off by a Thrive Homes appointed mortgage advisor and demonstrate that the costs are affordable. The reasons for cash purchases must be validated and checked in line with Anti Money Laundering requirements.
- CPI (where relevant pre Oct. 2023) and RPI will be assessed based on a 5 year rental payment.

8. Allocations & Criteria

- Allocations will be prioritised in accordance with the s106 Agreement/Local Authority nominations Agreement or Capital Funding Guide as appropriate and set out in this policy.
- Thrive Homes will utilise an allocation criteria table as described below where we have more applicants for a home than number of homes available.
- Exception to the allocation criteria may be valid when we have more available homes for sale through Shared Ownership than applicants, in which case, allocation will be met through the original application process without need to refer to the table below. However, this may not be applicable in the event of specific requirements in the S.106 agreement.
- Eligible applicants are prioritised based on the criteria outlined in this policy.
- Once approved to proceed by our independent mortgage advisor, offers will be made by Thrive Homes on a first-come, first-served basis. This criteria is based on the date that the applicant receives a successful pass decision from their financial assessment carried out by our appointed mortgage advisor, and has also supplied an application form and all relevant supporting documentation which has been approved by Thrive Homes.
- Offers are made subject to final approval from Thrive Homes Sales team and property availability.
- Allocations will be checked and signed off by the Sales Manager unless they fall within defined categories such as where an applicant has poor credit history or an undischarged CCJ. In this instance approval may be required by the Head of Sales & Marketing.
- If applicable, we will prioritise wheelchair users in the allocation of wheelchair adaptable/adapted units.
- Shown below, we will use priority one and two of our selection and allocation process to award a priority scoring to each applicant. Priority three will only be used to further determine priority in the event we receive multiple applications for a home with equal priority scores. Criteria set at each stage is in line with Capital Funding Guide.

Priority One	A.	<p>Military Personnel*</p> <p>*Regular Service Personnel (including Navy, Army & Air Force)</p> <p>Clinical Staff (with the exception of Doctors & Dentists)</p> <p>Ministry of Defence Police Officers</p> <p>Uniformed staff in the Defence Fire Service</p> <p>Ex regular service personnel (a minimum of 6 years' service)</p> <p>Ministry of Defence surviving partners</p>
	B	Other first-time buyers or those not currently owning a home
	C	Current homeowners/shared owners – anyone currently owning a home must have their current property under offer and will have to exchange & complete on their current property prior or simultaneously to the new property
Priority Two	1	Households that live or work within the same Local Authority or Borough in which the property we are selling is situated
	2	Any other eligible Local Authority or Borough
Priority Three (optional)	a.	Household size – those in need or family sized home will be prioritised over a couple or single applicant.
	b.	Affordability (i.e. the household on the lowest income but still able to afford the property)

9. Reservations

- Key information documents are provided to the solicitor and purchaser with the Memorandum of Sale at the point of instruction of sale.
- Reservation fees will be deducted from the purchase price at completion. The reservation deposit is not refundable once the application has been approved and contracts issued.
- Any incentives offered will be agreed at the point of reservation.

10. Resales

- **Pre-Emption** – As part of the requirements, all shared owners will give Thrive the first right of refusal to repurchase the property where the lease allows for this. Thrive may consider doing this in few situations such as for development purposes, or if you (the customer) may have tried to sell and have been unsuccessful due to staircasing or allocation restrictions within the lease.

- **Nomination Rights** – Under most leases, Thrive is given the right to nominate a buyer within a particular time frame, and this will be set out in the lease. In these cases Thrive will consider if it can recharge the cost of doing so or waive its rights where it cannot.

11. Completion

- We require the buyer to pay the rent element, service charges and ground rent for the period covering any remaining part of the calendar month when the transaction completes, plus the next full month. These are to be collected by the solicitor before the sale can be completed.
- Anyone forming part of the application who already owns, or part owns, a home must sell it on or before completion of a shared ownership home.

12. Appeals Process

- For an existing Rent to Home Buy or Resale customer, our Complaints Policy is applicable.
 - Applicants have the right to appeal the allocation decision within 14 days of notification.
 - Appeals must be submitted in writing, detailing the grounds for appeal.
 - Appeals are reviewed by a panel independent of the initial assessment team.
 - The decision of the appeals panel is final.
- An exception to this will be in the case of an application for Shared Ownership and where a customer has not yet bought a home from us, then Thrive Homes complaint process and policy is not applicable.
- In all circumstances, no appeal will be considered against the financial assessment decision made by a Thrive Homes appointed independent mortgage advisor.

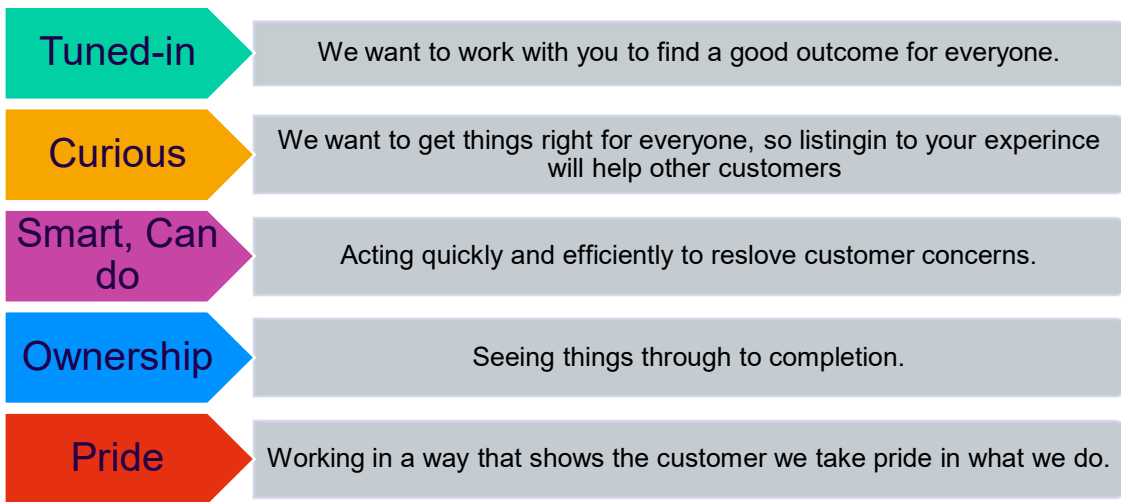
13. Compliance

By adopting this policy, Thrive Homes aims to provide a fair, transparent, and effective system for the allocation of shared ownership homes, supporting the diverse needs of our community while adhering to national guidelines and best practices. As part of delivering this policy we will:-

- Comply with the Capital Funding Guide issued by Homes England and any subsequent amendments.
- Follow the guidance from Homes England as they relate to changes to Section 6 (Affordability Guidance) of the Shared Ownership chapter which comes into effect from 1st August 2024.
- Regularly train staff on allocations and updates in shared ownership sales procedures.
- Ensure a budget planner and sign off sheet is completed by a Thrive Homes appointed Independent Mortgage Advisor, and that it will be retained on file for 6 years.
- Ensure applicants are not connected to a Thrive employee or have any conflict of interest with Thrive Homes.

14. Thrives Core Behaviours

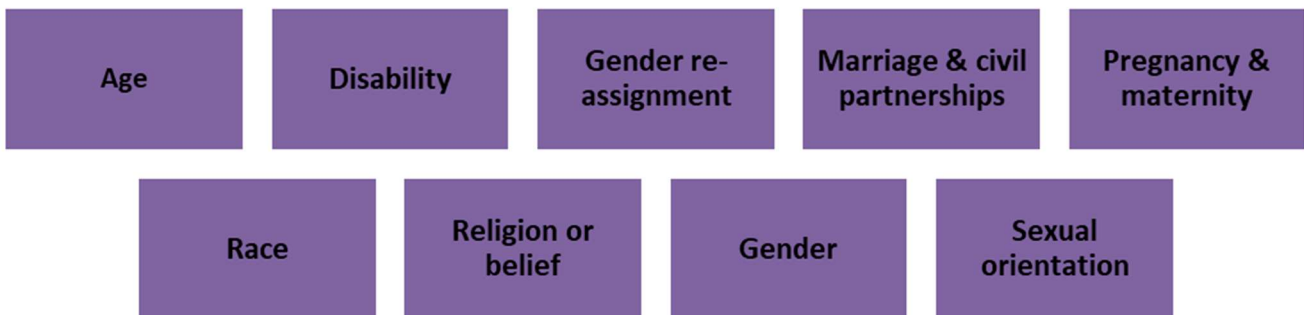
Working with colleagues across Thrive, we have established 5 core behaviours we believe support the culture Thrive strives to foster. To demonstrate how our behaviours can support the delivery of this policy we have set out below some examples:



Customers and colleagues are entitled to hold us accountable if we behave in a manner that isn't in keeping with the statements above. To be clear that doesn't mean we can always deliver exactly what is being sought. but it does mean we demonstrate empathy and provide clarity.

15. Treating Everyone with Respect

This policy has been impact assessed in line with Thrive Homes' obligation to comply with the Equality Act (2010). We aim to design inclusive services, policies and behave in a way that does not discriminate on the grounds of:



While we are not required by law, we seek to ensure we do not discriminate on any basis that is rooted in prejudice, for example we are not influence by:



Every effort will be made to ensure that decisions made reflect this commitment.

16. Other Related Policies and Guidance

This policy links to other polices Thrive has in place, including but not limited to:

- Information Governance Policy
- EDI Statement of Intent
- Financial Regulations
- Privacy Policy

- Shared Ownership Policy/process

As a business we try hard to keep all these related policies aligned with each other. Anyone spotting inconsistency or contradictory statements, is asked to contact the Author and make concerns known. Supporting us to keep information clear and consistent will always be welcomed.

17. Policy Approval

As this policy forms part of our operational framework, the document will be evaluated by the Leadership Team as part of any review process.

This policy is subject to annual review to ensure it remains aligned with Homes England guidelines and meets the needs of applicants.

Feedback from applicants and stakeholders is regularly sought to improve the allocation process.

18. Support and Further Guidance

This policy has been drafted with input from colleagues across Thrive. Any concerns on how to interpret or follow its requirements, can be raised with members of the Development Team.

19. Appendices

Appendix Number	Name
N/A	