



## **Our allocation policy for New Build Homebuy sales & the resale of New Build Homebuy (shared ownership) homes**

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### **1.0 Overview**

New Build Homebuy (NBHB), often known as shared ownership, offers you the opportunity to buy a share of a property whilst paying rent on the part you do not own. If you choose to, and if your lease allows it, you may be able to buy larger shares until you own the property outright.

This policy explains how we will allocate the homes we sell under the NBHB scheme and existing shared ownership homes (Resales).

The policy has regard to our status as a charitable housing association. We take into account the guidance on the housing need and affordability of customers for our homes set out in Her Majesty's Revenue and Customs' Charity Commission guidelines. These guidelines require our policy to be based on affordability as well as ensuring those who can satisfy their housing need elsewhere are not assisted by NBHB. For more information about this, please see the Charity Commission's website at:

[www.charity-commission.gov.uk/supportingcharities/homeown](http://www.charity-commission.gov.uk/supportingcharities/homeown) (or ask us for a copy).

### **2.0 Qualifying criteria**

#### **2.1 Who can apply**

NBHB and Resales (of existing shared ownership homes) are intended for eligible people who cannot afford to buy a suitable home in any other way. You are usually eligible, if you can demonstrate a housing need for the property in question and are unable to afford the outright purchase of a similar home on the open market. Households with an income of more than £60,000 a year, are not eligible for the scheme.

For new build homes, you will usually need to have a local connection to the area where the home is for sale. Sometimes this requirement can be strictly imposed by a planning condition. In other cases, you may just have to either live or work in the same district as the property. Whatever the situation, this information will be contained within our sales brochure and our sales team will be on hand to provide you with any further details you may require.

For Resale properties, the restrictions in force when the property is first sold may cease to apply when being re-sold. Whatever the situation, full details will be found in the contract for sale and accompanying legal documentation. We strongly recommend you seek advice from your solicitor before purchasing your home.

For you to qualify for a property you will:

- not currently own another property
- be unable to buy or sustainably rent a suitable property on the open market
- have enough savings or access to sufficient funds to put towards the deposit and other purchasing expenses.

## 2.2 Exceptions to qualifying criteria

In exceptional circumstances and so long as you can demonstrate you have no other reasonable housing options, you may still be considered for a property even if you do not meet all of the criteria. In these circumstances we would ask you to support your application with further written evidence.

Such exceptional circumstances might include (but are not limited to):-

- If you are in the process of discharging your interest in another property due to a relationship breakdown and your equity interest and/ or income are insufficient to support a further outright purchase.
- If you have outgrown your existing property but cannot afford to purchase a larger home to meet your needs.
- If your income would ordinarily be sufficient to support an outright purchase, but your disposable income is severely restricted by commitments such as childcare or maintenance payments.
- If you have a large deposit but an income level that falls below the minimum requirement.

We would then decide whether or not to accept that your application is exceptional and agree to offer you a home. In some circumstances we may decide to ask the relevant local authority or the Homes and Communities Agency (the body responsible for the allocation of government funding) for their view, before making a decision.

## 3.0 Allocations criteria

### 3.1 Ability to afford without hardship

We must be satisfied that you can meet the full costs of home ownership for the scheme you are interested in (see our Affordability Policy). This means being able to pay your mortgage, assuming you require one, on the share you own and the rent on the share retained by us, plus meeting all the other costs of being a homeowner. Applications will also be credit checked. Your application will probably be unsuccessful if you have any County Court Judgements which are not accompanied by a letter of satisfaction.

### 3.2 Housing Need

We are usually able to sell you a home with one bedroom more than your immediate need. This means if you are a single person household or a couple with no children you can usually have the choice to buy either a one or two bedroom home. The table shows the size of home some typical households are able to apply for:

	1 Bedroom	2 Bedroom	3 Bedroom	3 or more bedrooms
Single Person	✓	✓		
Couple (no children)	✓	✓		
Single/Couple + 1 child		✓	✓	
Single/Couple + 2 children, same sex		✓	✓	
Single/Couple + 2 children, diff. sex			✓	✓
Single/Couple + 3 or more children			✓	✓

### 3.4 Equality and diversity

Nectar Homes complies with Knightstone's Equality & Diversity policy and will not discriminate against you on grounds of race, colour, ethnic origin, nationality, religion, sex, sexual orientation, disability or medical condition or age. In order to demonstrate that our policies are fairly applied, we monitor all applications and sales reports via a continuous recording system, although this monitoring will not affect our final decision about how to allocate a home.

## 4.0 The allocation process

### 4.1 Viewings

You will be invited to viewings of suitable properties and will be provided with key information relating to likely monthly outgoings, repair responsibilities and local amenities.

For new build homes, we will organise your visit and the Nectar Homes sales team will show you around the homes on offer. For Resales, we will put you in touch with the owners and provide you with written details of the sale, including the share available for purchase and the rent payable on the remaining share.

### 4.2 After your viewing

Following your viewing, if you wish to apply to purchase, you will be invited to complete an application form and return it to us as quickly as possible, to be considered along with other interested parties.

You will then need to attend a financial interview with one of the Independent Financial Advisors on our panel. We believe it is vital for purchasers to obtain independent financial advice. This ensures you get the best possible deal on your mortgage and that we can be confident you can afford to meet the commitments of home ownership, now and in the future even if the cost of living rises.

### 4.3 Selection of your financial advisor

We will provide you with a list of firms who are knowledgeable about our products and are well placed to offer you independent financial advice. They will be happy to

discuss your needs with you and if appropriate, arrange a meeting with you. You can speak to as many or as few of the firms listed as you wish but you will need to decide which firm to use, based on your judgement of their ability to help you.

#### 4.4 Selection of Applicants for NBHB and Resale homes

##### Stage one

You will be asked to submit your application to an agreed timescale following which you will be ranked alongside all applicants in the order of priority set out below.

1. If you are homeless or at risk of being homeless.
2. If you are a Local authority or housing association tenant.
3. If you are registered on the local Homebuy Agent and/ or Local Authority waiting lists for those who would like to become home owners.
4. If you are a first time buyer.
5. If you have experienced relationship breakdown but you have enough capital to purchase a part share in a home.
6. If, in the case of resales, you have been living in the property for at least a year, but your name is not on the lease.
7. If you need to move for job or social reasons, including existing shared owners.
8. If you are elderly, disabled or with special needs and you are unable to buy a suitable property on the open market.

The above priorities may be varied from time to time for example, where conditions within the planning consent apply e.g. highest priority given to local people living within the community where the homes have been constructed. Should any such special conditions apply, we will make them clear to you when you apply.

##### Stage Two

Following the stage one evaluation, there may be more applicants judged to be in the highest priority need than there are properties available. If this is the case, we will take into account the following factors in deciding how we offer our homes: -

##### *Local connection*

If you have a strong local connection to an area, such as living or working within it or sometimes being born or raised in a particular area, this may help to support your application.

##### *Size of the home you are leaving, if a local authority or housing association rented property*

If you are currently a tenant of a housing association or local authority, the larger the size of home you are leaving for someone else in housing need to occupy, the stronger your application may be.

##### *Suitability for the property you wish to purchase in terms of household size (the number of children you currently have will be important)*

For example, if you are a couple with two children your application for a two or three bedroom home may be stronger than a couple with four children, for reasons of overcrowding, or a single person or childless couple.

#### *Whether any members of the household have any disabilities*

If you have a disabled member of your household, this may strengthen your application for a home which is particularly suitable for their needs.

#### *Current lack of security of tenure*

If your current accommodation, e.g. an assured shorthold tenancy, is coming to an end, this may enhance your application.

#### *Proximity to work*

If the home you are applying for is closer to where you work, or will work, than where you currently live, then we will often take this into account in your application.

#### *Date of application*

Although it is not always an influencing factor, if we receive your application before another which is either similar or identical in terms of your situation, we will give priority to the first application we receive.

#### *Household incomes*

Where two similar applications (in terms of priority and sustainability) are received, we will give more weight to the application from the household with the lower income.

#### *Applicant preference*

Where one applicant has a preference for a particular plot on a new scheme but another applicant may have no preference, we will take this preference for a plot into account where possible.

#### *Affordability*

If you have demonstrated very clearly during your affordability assessment that you have a good track record of financial management, your application may be stronger than that of another applicant who has demonstrated less discipline with their finances in the past and who may have had debt problems.

After we have prioritised the initial list of interested purchasers for a new scheme, should properties remain available for sale we will examine new applications in the order we receive them. These new applications will still need to fulfill the qualification and housing need criteria but will be considered on a first come first served basis following receipt of a fully completed and verified application.

Once a property has been allocated, we do not accept further applications for the home unless the existing sale falls through. In these circumstances we would offer the property to the next highest qualifying applicant.

For Resale homes, the above selection criteria will apply during the the initial marketing period (usually 28 days) and only where we receive more than one application. After this period, we will usually proceed with applications in date order.

Before you can exchange contracts for one of our homes, you will need to register with the local HomeBuy Agent. We will be able to give you guidance on how and when to do this.

#### 4.5 Verification of your application

We can only progress an allocation of a home when we have received all of the following information from you:-

- Proof of addresses (e.g. a Utility bill).
- Proof of identification (e.g. photocopy of passport or drivers licence).
- Proof of landlord (e.g. rent book or letter of confirmation).
- Proof of earnings (photocopy of last three months wage slips).
- Proof of savings (e.g. photocopy of building society pass book).
- The credit history of applicants may be checked with a credit referencing agency. Applicants that have undischarged County Court Judgements against them are unlikely to be considered.

If you are offered a property, we may conduct a Land Registry search (whilst completing the sales transaction) to confirm that you do not own another property. If this check indicates that you do own another property (or did recently), that we are unaware of and is not being disposed of, our offer may be withdrawn and you could lose your reservation fee.

#### 4.6 Joint Applications

If a joint application is made, both applicants must be named on the shared ownership lease and on any mortgage on the property.

#### 4.7 Reservation Fees

For NBHB sales, once you have been offered a property, if you wish to proceed, we will ask you for a non-refundable reservation fee of £250. This will be deducted from the purchase price when you complete the sale.

#### 4.8 Time scales

We will do everything we can to help you into your new home in the shortest possible time and we ask that you do your best to work with us to achieve this goal.

We will normally expect an exchange of contracts (when you are legally committed to the purchase) within four weeks of us receiving your reservation (unless other timescales are specified). Completion of the sale (when you move in) should take place after a further two weeks (subject to the completion date of the development).

Unless there are circumstances beyond your, control, we may be forced to withdraw an offer of sale if these timescales are unreasonably delayed.

For Resale homes, the timescale will be agreed between you and the seller although we will always try to assist with the process where we are able to.

### **5.0 What do I do if I am not happy with the allocation process ?**

If you feel that you have not been treated fairly for any reason, or have any complaint about the allocation process, please contact the Head of Homebuy Sales at Knightstone's central office in the first instance. Knightstone's complaints procedure can also be used. A copy of this is available from any of our offices or on our website at [www.nectarhomes.co.uk](http://www.nectarhomes.co.uk).

### **6.0 Summary**

All our NBHB sales and Resales will be allocated on this basis. There is no limit to the number of applications you can make and our sales team will be happy to advise you on any points which you may be unsure about.

**Approved by KHA Board May 28, 2009**