



Shared Ownership Resales Policy

Version 1

Approved by: Executive Team

Approved date: 6 August 2018

1.0 Introduction

- 1.1 This Policy sets out our approach to shared ownership resales. A resale is where a shared owner wants to sell their shared ownership interest in a property. This is sometimes known as “assignment” of the lease.
- 1.2. This Policy is consistent with the Homes England guidance on shared ownership (the [Capital Funding Guide](#)).
- 1.3 The terms ‘you’ and ‘your’ in this Policy mean shared owners. The terms ‘we’, ‘our’, and ‘us’ mean Optivo.

2.0 What happens if you want to sell your home?

- 2.1 Your lease will say whether you must give us time to nominate a buyer if you choose to sell your home. The nomination period is eight weeks, unless your lease says otherwise.
- 2.2 We’ll try to find a buyer within the nomination period, in accordance with our standard Terms & Conditions (see [Appendix A](#)).
- 2.3 If you don’t sign and agree to our Terms & Conditions, we won’t exercise our right to nominate a buyer¹. You can then sell on the open market (see [section 9.0](#)).
- 2.4 We’ll follow the terms of the shared ownership lease² and any other legal / regulatory arrangement that may affect our approach to resales, including:
- Covenants on the land (e.g. Section 106 agreements)
 - Nominations agreements with local authorities
 - Head leases.
- 2.5 If there isn’t a nomination period in your lease, you can still ask us to help find you a buyer.
- We’ll market your home in line with our standard Terms & Conditions (see [Appendix A](#)).
- 2.6 We’ll give you the option to extend your lease at the same time as selling (see our [Lease Extension Policy](#)).

¹ Unless we are required to nominate a buyer under the lease, or for other legal reasons

² This does not apply to the resale fee if it differs from our standard Terms & Conditions

2.7 By law, we need a valid Energy Performance Certificate (EPC) to market your home. You are responsible for arranging this, and for paying any costs involved.

3.0 How much will it cost you?

3.1 You'll need to pay us a non-refundable administration fee upfront. See our Terms & Conditions ([Appendix A](#)) for details.

3.2 If we're successful finding a buyer, we'll charge you a resale fee of 1.5% plus VAT of the sale price of your share on completion. And we'll deduct the administration fee you've already paid from the final amount.

3.3 You are responsible for paying our legal fees; you'll do this via your own solicitor at the point of completion.

4.0 How will your home be valued?

4.1 The value of your home must be assessed by a Royal Institution of Chartered Surveyors (RICS) qualified surveyor, unless your lease says otherwise. You must sell your share at this value.

4.2 You can choose one of the valuers from our approved list. When you've paid our administration fee, we'll instruct them on your behalf.

4.3 You must let us know if you intend to use a valuer not on our list. You will instruct them, but we need to ensure they satisfy all our requirements for the valuation.

4.4 The valuation is valid for three months. If it expires before the sale completes, you may need to get an updated valuation, at your own cost.

4.5 If you're not happy with the valuation, you can ask for a second valuation, at your own cost, from another RICS qualified surveyor.

If you disagree with the second valuation, you have the right to appeal, at your own cost, to the District Valuer Service. Their decision is final.

5.0 How will we market your home?

5.1 We'll draw up the sales particulars for your home when we've received:

- Our administration fee (payable before the valuation is done)
- Your Request to Sell form
- Your signed agreement to our Terms & Conditions
- The valuation report (including photographs of your home)
- The EPC.

We'll ask you to confirm the accuracy of the sales particulars.

5.2 The nomination period begins when we receive your signed agreement to the sales particulars. We'll start marketing your home within five working days of this.

5.3 We'll market your home on our website, the [Share to Buy](#) website, and the local Help To Buy agent website.

For an additional fee, we're also happy to market your home on websites such as Rightmove.

5.4 You will carry out the viewings. We will give potential buyers your contact details to arrange this directly.

6.0 Who's eligible to buy a resale home?

6.1 Applicants must:

- Be accepted and registered for shared ownership with the relevant Help to Buy agent.
- Meet the eligibility criteria to buy a resale property (see Appendix B).

6.2 We will consider applications from individuals connected to Optivo, or related parties, in line with our [Probity Policy](#).

7.0 How will we choose a buyer?

7.1 Where there's more than one applicant, we'll give priority, in this order, to:

1. Applicants prioritised under any local authority or planning criteria
2. Armed Forces personnel, in line with government guidance (Appendix C)
3. Applicants who live or work in the property's area.

We'll then consider the following factors:

- Other local connection (e.g. family already live in the area)
- Housing need
- Affordability.

7.2 Where there's more than one applicant, the Resales Officer must gain approval from the Resales Manager before offering the property.

8.0 How will we make sure the buyer can afford it?

8.1 We want to make sure buyers can afford the initial and ongoing costs of a shared ownership home.

8.2 We'll refer the successful applicant to an independent mortgage advisor for an affordability assessment. Applicants will choose an advisor from our approved panel.

8.3 We'll allow the buyer to purchase more shares at the same time, if they can afford it and would like to do so.

9.0 What if we don't find a buyer?

9.1 If we don't find a buyer within the nomination period, you're free to sell your share on the open market.

You should market your share at the value stated on the RICS valuation, and you should sell at no more than this value.

9.2 Alternatively, you can choose to sell your home with outright ownership (unless your lease doesn't allow this). You'd need to staircase to 100% ownership and sell at the same time (this is known as a 'back to back sale'). You'll have to pay additional fees if you choose to do this.

You may sell your property for higher than the RICS valuation if you're selling with 100% ownership. You'd need to pay us at the same rate for the share we own.

10.0 What happens next?

10.1 Buyers

10.1.1 Within one week of an offer, the successful applicant must send us their:

- Formal acceptable of offer
- Reservation fee
- Solicitor details
- Mortgage in Principle document (if applicable)
- Reservation fee. We'll refund this on completion.

10.1.2 Before or on completion, we may ask the buyer to make a payment for rent, service charge and ground rent in advance.

10.1.3 The buyer, through their solicitor, must formally register the purchase with us within one month of completion.

10.1.4 We'll update our records with the new owner's details within five working days of receiving the Notice of Assignment from the buyer's solicitor.

10.2 Sellers

10.2.1 You'll need to make sure your rent and service charge account is clear on completion.

10.2.2 You'll be responsible for handing over the keys to the new owner on completion day.

11.0 Review

- 11.1 We will review this Policy to address legislative, regulatory, best practice or operational issues.

Appendix A – Terms and Conditions



Terms and Conditions for Selling your Shared Ownership Home

Name(s)

Email Tel.

Address of the home you're selling

.....

Correspondence address (if different)

.....

1. Valuation

- i. A Royal Institution of Chartered Surveyors (RICS) qualified surveyor will value your home.
- ii. We'll instruct the valuation on your behalf.
- iii. We will not instruct the valuation until you've paid our administration fee (£400 incl. VAT).
- iv. If you want to use a surveyor not on our list, we'll need to ensure the valuation meets our requirements.
- v. If you're not happy with the valuation, you'll discuss this directly with the surveyor. You may obtain a second valuation at your own cost.
- vi. You have the right to appeal the second valuation to the District Valuer Service. Their decision is final. You will need to pay their fee.
- vii. If your valuation expires before the sale completes, you may need to get an updated valuation / desktop report at your own cost.



2. Marketing

- i. We have the sole marketing rights of your home during the 'nomination period'.
- ii. Unless stated otherwise in your lease, the nomination period is eight weeks.
- iii. The nomination period starts from the date we receive your signed agreement to the sales particulars.
- iv. You must not instruct an Estate Agent during the nomination period.
- v. We'll market your home on our website, the Share to Buy website, the local Help to Buy agent website, and any other affordable housing websites available.
- vi. We will market directly to people registered with the local Help to Buy agent.
- vii. You will carry out the viewings. We'll give your contact details to potential buyers to arrange this directly.

3. Fees

Fee	Description	Payable
£400 (incl. VAT)	Administration fee	Upfront
1.5% of share sale price (+ VAT) (minus £400)	Resale fee	On completion
£300³ (incl. VAT)	Pre-sale enquiry pack	Through your solicitor
Est. £300 (no VAT)	Optivo's legal fees & disbursements	Through your solicitor

- i. You'll still have to pay our legal fees if you, or the buyer, withdraw from the sale at any point.
- ii. You'll only pay us the resale fee if we nominate the buyer.
- iii. If there are any rent or service charge arrears on your account at completion, we'll ask your solicitor to deduct them from the proceeds of sale.

³ This fee may increase if we have to get information from third parties; for example, if we're not the freeholder of your building



4. Getting started

We'll start work once you've sent us the following:

- ✓ The Request to Sell form, completed and signed
- ✓ The Terms and Conditions form, completed and signed
- ✓ The £400 administration fee
- ✓ A valid Energy Performance Certificate (EPC)
- ✓ The RICS Valuation Request form **or** your own RICS Valuation report.

5. What if we don't find a buyer?

- i. If we're unable to nominate a buyer, you can either:
 - Instruct us to solely continue marketing your home
 - Instruct an Estate Agent to solely market your home
 - Ask us and an Estate Agent to jointly market your home.
- ii. If you decide to instruct an Estate Agent you must:
 - Tell us in writing
 - Provide us with their contact details
 - Tell us if you'd like us to continue marketing your home alongside the agent.
- iii. Your buyer must be registered as eligible for shared ownership with the local Help to Buy agent, and approved by Optivo, before the sale can proceed.⁴
- iv. Where there's more than one applicant, we'll choose the buyer with the highest eligibility. Under Data Protection regulations, you may not be party to all information used to choose the buyer.

⁴ Only applicable if you sell your share, not if you sell your home with 100% ownership



6. Consumer Protection from Unfair Trading Regulations 2008 (CPRs) / Data Protection (or any updated or replacement Regulations (CPRs))

- i. Under the CPRs, the particulars/advertising for any home must be accurate.
- ii. Neither Optivo nor you must make any false statements in the final marketing details. This includes orally or in writing.
- iii. No statement/written information can be false or may mislead a purchaser.
- iv. We must use our best endeavours and ‘due diligence’ to avoid the commission of an offence.
- v. We’ll ask you to check and approve the sale particulars. You’ll need to sign to confirm their accuracy before we can start marketing.
- vi. You must also:
 - ✓ Notify Optivo with any relevant changes which occur during the sales process. In particular any changes which occur after approval of the sale particulars which may affect their accuracy.
 - ✓ Instruct your solicitor to answer any legal points raised about the property or its legal title.

I/we have read and accept the terms and conditions above:

Signature		Date	
Name			

Signature (joint owner)		Date	
Name (joint owner)			

Appendix B – Eligibility of applicants

Applicants must be accepted and registered as eligible for shared ownership with the relevant Help to Buy agent.

They must also meet our eligibility criteria:

Shared Ownership eligibility criteria
• They must be aged 18 or over
• Their annual household income must be less than £80,000 in areas outside London, and less than £90,000 in London (these amounts are set, and updated, by the government)
• They must be unable to purchase a suitable home for their needs on the open market without assistance
• They must demonstrate good credit history, show they can afford the regular costs of buying a home, and have savings of about £4,000 to cover legal and other related costs
• They cannot already be a home owner or be named on the deeds of another property. Existing owners (including shared owners) must complete the sale of their property before, or at the same time as, buying a shared ownership property.
• They should be a UK or EEA citizen, or have indefinite leave to remain in the UK. If not, they must show they can raise a mortgage with an acceptable lender, and afford the property in the long term.

Appendix C – Armed Forces personnel

The government's Capital Funding Guide says we must give priority to serving military personnel and former members of the British Armed Forces discharged in the last two years.

Ministry of Defence personnel must meet one of the following requirements:

- They have completed their basic (phase 1) training and they are one of the following:
 - regular service personnel (including Navy, Army, and Air Force)
 - clinical staff (except doctors and dentists)
 - ministry of Defence Police Officers
 - uniformed staff in the Defence Fire Service
- They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years. They must apply within two years of the date of discharge from service, and supply a Discharge Certificate (or similar) as proof.
- They are the surviving partner of regular service personnel who have died in service within the last two years.