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1. Purpose

- 1.1 The purpose of this policy is to set out London Borough of Lewisham's (LBL) approach to the re-sale of shared ownership homes.
- 1.2 The objectives of this policy are as follows:
 - To comply with our commitment to provide affordable homes, whilst helping to create and support sustainable and diverse communities; and to work in line with LBL's aim to retain as many properties as possible in the affordable homes sector.
 - To comply with all financial and regulatory controls including those set out in the Homes England – Capital Funding Guide.
 - To provide clear information on the shared ownership resale process, including transparency on the cost involved and eligibility.
 - To enable a shared owner to move quickly and within required timescales.
 - To provide information with regards to probate for a shared ownership property.

2. Context and Scope

- 2.1 Lewisham Homes (LH) manages properties on behalf of London Borough of Lewisham (LBL/Lewisham Council). As part of our management and contractual duties, we provide affordable homes through the shared ownership scheme to meet the housing needs of those who are not able to purchase homes on the open market.
- 2.2 The policy was developed in line with the Homes England (HE) - Capital Funding Guide with regards to allocation.
- 2.3 This policy operates in line with Lewisham Council's Shared Ownership policy, which sets out the eligibility criteria and prioritisation that has been agreed for sales and resales. This includes members of the armed forces, and others in housing need who meet the qualifying criteria, including affordability.
- 2.4 This document focuses on the resale of shared ownership properties up to 100% share. It excludes the first-time sale of a shared ownership property, and the sale of additional shares in the property to an existing shared owner (staircasing). This information is set out in separate but related documents.

3. Seller's responsibilities and Costs

3.1 Responsibilities

- 3.1.1 This applies where an existing shared owner wishes to sell their shared ownership property. It works on a similar principle to buying a new build Shared Ownership home, except that a purchaser is required to purchase as a minimum the percentage share that the seller currently owns, or a higher percentage share.
- 3.1.2 Where a shared owner has not stair-cased to 100%, they must first offer the home to LBL. LBL has 4 or 8 weeks to find a buyer, depending on the terms of the lease.

This is called the nomination period. If LBL refuse or are unable to find a buyer during the nomination period, the seller is free to sell on the open market.

3.1.3 Where the seller owns 100% of the lease, it can usually be sold on the open market, however, the lease should be checked for any clause regarding buy back.

3.1.4 If LBL finds a buyer during the nomination period, the sale price will be no more than the current market value of the seller's share. It will be based on a valuation provided by a registered Royal Institution of Chartered Surveyor (RICS).

3.1.5 By law, the seller must provide us with a valid Energy Performance Certificate (EPC) to market the property. The seller is therefore responsible for arranging this, and for paying any costs involved. Check if the property already has an EPC: <https://www.gov.uk/find-energy-certificate>

3.1.6 Lewisham Homes will not agree to the sale of the property if there are rent or service charge arrears before or at completion.

3.2 Costs

Shared owners are required to pay fees or costs associated with the selling of the property. These include but are not limited to:

- Assignment fee – This is payable if we find a buyer within the nomination period and is for the work we do in connection with the sale. Details of this fee is usually contained in the lease. (If the lease does not contain the fee, we will still charge a reasonable amount to cover the cost of this work).
- Administration fee – This is payable if LBL purchase the property from the shared owner within the nomination period, and it is to cover legal, sales, marketing and other administration costs incurred or to be incurred in buying back the property. (If the lease does not contain the fee, we will still charge a reasonable amount to cover the cost of this work).
- Commission - The shared owner may be liable for estate agent commission, for works carried out by the estate agent during the nomination period.
- Valuation - Shared owners are required to provide us with a RICS valuation with their written notice to sell, the cost of which must be met by the shared owner.

4. Buyer Eligibility and Allocation

4.1 LH complies with the 'London Borough of Lewisham Shared Ownership policy' - which details the eligibility and allocation for shared ownership sale and re-sale.

4.2 Financial Assessment

Prospective buyer/s will be referred to an Independent Financial Advisor (IFA)/ Mortgage Advisor (MA). The IFA/MA will assess the applicant's income and expenditure to ensure affordability. LBL will provide a 'Key information document' about the cost involved before a home is reserved.

5. Rent

- 5.1 Rent on resale shared ownership homes is calculated in line with the lease and/or other legal documents associated with the property. Details of the rent applicable to individual resale properties will be included in the marketing material for the property.

6. Marketing

- 6.1 Shared ownership properties are advertised for sale through Lewisham Homes and LBL websites. These websites provide information about where and how to apply for advertised properties. We may also, advertise properties on other appropriate websites, such as Homes for Londoners and Share to Buy.
- 6.2 Lewisham Homes will draft sales particulars for the property once the required documents have been received. The nomination period begins when the signed agreement is received. Properties will be marketed within five working days.
- 6.3 Any applicant wishing to purchase a shared ownership property advertised must register their application with Lewisham Homes online.
- 6.4 Lewisham Homes will provide the seller with contact details of those interested, and the shared owner will organise and manage the viewing.

7. Death of a Shared Owner

- 7.1 If a shared owner dies, the part of the property that is owned by the shared owner passes to the beneficiary of the will, or under the law of intestacy (if no will).
- 7.2 The beneficiary may sell, staircase, or retain, the property upon meeting the eligibility criteria and qualifications for the property.
- 7.3 Legal advice should always be sought in the event of the death of a shared owner.

8. Monitoring and controls

- 8.1 Lewisham Homes will implement this policy through our resale procedure, and in conjunction with the London Borough of Lewisham Shared Ownership Policy.
- 8.2 Lewisham Homes will monitor the implementation of this policy to ensure that it is applied and administered correctly.
- 8.3 This policy and connected procedures will be reviewed every three years, unless there are any significant changes in legislation, regulation, or other requirement to review this information at an earlier point.

9. Data Protection

- 9.1 The Data Protection Act (DPA) 2018 defines a set of rules and principles that we must follow to ensure that personal data is protected. The legislation defines personal data as any information that could be used to identify an individual (an actual person).

9.2 LH will only hold personal data obtained from application forms which have been processed in compliance to the DPA 2018. We do not hold mailing lists.

9.3 Prior to purchase, all shared ownership applicants are required to provide information to an independent IFA/MA, to comply with money laundering regulations. If the information is not supplied or the IFA/MA cannot confirm the applicant's financial eligibility, then the application will not be considered for shared ownership.

10. Legislation and regulation

10.1 We considered relevant legislation, regulation and good practice in the development of this policy. Such sources include but are not limited to:

- Homes England – Capital Funding Guide
- Mayor of London Service Charge Charter - Greater London Authority (GLA) 2021
- Landlord and Tenant Act 1985
- Commonhold and Leasehold Reform Act 2002
- Immigration Act 2014
- Data Protection Act 2018

11. Equality, diversity and inclusion

11.1 We conducted an Equality Impact Assessment in the preparation of this document. The policy is not expected to have an adverse impact on any protected characteristic for an individual or group. While we acknowledge not everyone will meet the eligibility criteria for shared ownership, this is determined by law, contract and LBL's existing policy, therefore nothing new has been introduced by way of this policy.

11.2 As part of the assessment, we considered that:

- We are able to offer information in large print
- We offer interviews where we can use interpreting
- We can adjust our service where particular circumstances and vulnerabilities are known, and an agreed solution is in place. For example, communication with a person who has been given authorisation to act behalf of a shared owner, such as an Appointee or a solicitor.

12. Communication and consultation

12.1 Complaints regarding the application or handling of this policy will be managed in accordance with Lewisham Homes' Complaints policy. (**Note:** Complaints and queries for matters out of our scope, which relate directly to the London Borough of Lewisham's Shared Ownership policy will be redirected to LBL to deal with directly – for example matters relating to eligibility criteria).

12.2 This policy will be available on our website. A hard copy can be made available on request.

12.3 This policy and the procedure that accompanies it will be available through our staff intranet, and staff will receive training in its implementation.



Shared Ownership Re-Sale Policy

12.4 Additional information/requests for information, as required throughout the resale process will be communicated to buyers and sellers in a professional and timely way, to enable the sale to progress.

New Policy	
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Approved by: Lewisham Homes Executive Leadership Team	
Policy owner: Head of Home Ownership and Independent Living	