

<b>SHARED OWNERSHIP SALES, MARKETING AND ALLOCATION POLICY</b>	
<b>Approved by</b> Chief Executive	<b>Issue number 8</b>
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<b>Previous Version</b> N/A	<b>Responsible Officer</b> Sales Manager/Director of Development

<b>1.</b>	<b>Aims and Objectives</b>
	<p>The purpose of shared Ownership is to enable people to move into home ownership who are currently unable to afford to purchase a property at market rates. This Sales policy sets out the way Hightown sells new shared ownership homes to purchasers who meet the range of regulatory, eligibility and affordability requirements that these properties are subject to</p> <p>In summary, Hightown's objectives are to;</p> <ul style="list-style-type: none"> <li>• Sell shared ownership properties to those who are unable to purchase on the open market;</li> <li>• Ensure that purchasers have the financial resources to afford the cost of buying a shared ownership home;</li> <li>• Ensure that the selling price for the share purchased has been independently assessed and is at market value.</li> <li>• Minimise the period that the properties remain unsold</li> </ul>
<b>2.</b>	<b>Definitions and Scope</b>
	<p>This policy applies to all staff involved in the sale, marketing and allocation of shared ownership homes.</p> <p>Hightown has to comply with the Homes England requirements and guidance set out in the Capital Funding Guide for Shared Ownership homes which are grant funded. To maintain consistency when allocating properties, the same affordability calculator and allocation process is applied for non-grant funded schemes.</p>
<b>3.</b>	<b>Policy</b>
<b>3.1</b>	<p><b>Sales Values and Rent</b></p> <p>Hightown must sell the shares in its shared ownership properties at market value (as assessed by an 'independent' valuer). Valuations are reviewed every three months. There must be a valid valuation of the property at the time the property reservation is made. Where no validity period is given, it is assumed the valuation is valid for a 3 month period. Once the property is reserved that valuation is valid for a further 3 months from the date the reservation fee was taken, in accordance with Homes England's requirements.</p> <p>Any shared ownership properties valued lower at time of practical completion than they were when the scheme was approved, must be signed off by the Chief Executive before they can be released for sale.</p>

	<p>The initial percentage share to be sold is set out in the Board appraisal and confirmed on the 'Sales Release Form'. This will usually be 50% although there are occasional variations. All applicants are expected to purchase the largest share they can afford up to a maximum of 75%,</p> <p>For shared ownership properties developed without public subsidy Hightown's policy is to set rents at 3.5% of the unsold equity unless there is a planning or other requirement to specify a lower figure.</p> <p>When properties are developed with Homes England grant, rents will be set in accordance with grant conditions; currently 2.75% of the unsold equity.</p> <p>For any shared ownership homes grant funded from 12 October 2023, the lease will specify that rents will be increased by CPI plus 1%.</p> <p>The lease for non-grant funded schemes allows for rents to be increased by a maximum of RPI + 2%.</p>
3.2	<p><b>Marketing Shared Ownership Homes</b></p> <p>Hightown will release new developments for sale 3 months prior to handover and these will be actively marketed. Where a development is land led and we have the opportunity to manage the marketing on site, a specific marketing strategy will be produced to establish the target market group and marketing approach, subject to approval from the Development Director.</p> <p>On Hightown's own developments consideration will be given to providing a show home earlier in the programme to enable the sales team to carry out early viewings.</p>
3.3	<p><b>Sales Incentives</b></p> <p>Hightown actively manages the sales process to minimise void periods and holding costs. If sales are slow Hightown may offer incentives, including:</p> <ul style="list-style-type: none"> <li>• Financial contribution towards white goods.</li> <li>• Contribution or cashback towards legal fees.</li> </ul> <p>All financial incentives must be approved by the Development Director.</p> <p>Hightown may also reduce the share being purchased with the agreement of the Chief Executive.</p>
3.4	<p><b>Budgets</b></p> <p>The development budget for each shared ownership scheme includes allowances for sales and marketing of the units, which is set at 1.5% of the open market values. The development budget also includes an amount for legal fees for preparing the lease and an allowance for holding empty sales units for up to 4 months after handover.</p>
3.5	<p><b>Eligibility criteria for shared ownership applicants</b></p> <p>To be eligible for a shared ownership property applicants must:</p> <ul style="list-style-type: none"> <li>• Not earn over £80,000.</li> <li>• Not own another home at the time of purchase (if they are a current homeowner they must have a sale instructed before being made an offer of a property)</li> <li>• Meet the financial criteria (see 3.6)</li> </ul>

	<p><b>Allocation</b></p> <p>Shared ownership properties will be allocated in accordance with Homes England guidelines. Priority will be giving to serving military personnel. Any conditions imposed by the planning permission or nomination agreement should be adhered to when homes are allocated. Such agreements often seek to ensure that the properties are sold to people with a local connection or to existing social housing tenants releasing a rented property.</p> <p>Nominations agreements may include a 'cascade' arrangement that sets out which groups of applicants should be considered first. Priority is given to applicants in the order of those categories, but Hightown will always seek to reserve the right to sell to anyone in housing need from any area once the list of applicants has been exhausted or the deadline for receipt of nominations set out in the agreement has passed.</p> <p>If there are no Serving Military Personnel and the nomination agreement has been adhered to applicants will be offered a shared ownership property on a first come, first serve basis.</p> <p>All allocations will be assessed based on the date of receipt of a completed application form and all required supporting documentation. If additional information is required, the applicant(s) will need to submit this information within 2 working days otherwise the property can be allocated to the next applicant(s).</p> <p>Once an application has been received and approved the reservation fee should be requested and paid within 2 working days. If it is not the property can be allocated to the next applicant(s).</p>
3.6	<p><b>Financial Criteria and Assessment of Applicants</b></p> <p>Purchasers of a shared ownership property must:</p> <ul style="list-style-type: none"> <li>• have a maximum household income of £80,000. (On non-grant funded schemes, where a property's value exceeds £350,000, the Chief Executive has the authority to increase this cap to broaden the pool of potential purchasers and make such properties available to people who would not otherwise be able to afford them)</li> <li>• Be spending no more than 30% of their net income on mortgage</li> <li>• Be left with surplus income of 10% after deduction of all expenses including mortgage, rent and service charges</li> </ul> <p>All applicants wishing to purchase a shared ownership property, either with or without a mortgage, will need to be qualified by an Independent Financial Advisor (IFA) from Hightown's panel of IFAs. Hightown's panel of IFAs have considerable experience of shared ownership mortgages. Every applicant will have their initial financial check carried out by an IFA to see if they meet the affordability requirements to buy the property and to determine the maximum share percentage they can afford. The applicant does not have to use the panel IFA to obtain a mortgage, but they must purchase the same percentage share as Hightown's Panel of IFA's has determined they can afford.</p> <p>The IFA will email the affordability calculator and completed budget planner for each applicant to the sales team.</p>
<b>4.</b>	<b>Legal/Regulatory Background</b>
	Homes England Capital Funding Guide

<b>5.</b>	<b>Other considerations:</b> Resident Involvement Equality Impact (see Equality Impact Assessment Procedure) Financial Implications Environmental/Sustainability impact Risk
<b>6.</b>	<b>Role and Responsibilities/Authority</b>
	<p>The Sales Manager has responsibility for the sales and marketing of new build shared ownership schemes. This includes ensuring that applicants are obtained from the correct source and are prioritised in accordance with the criteria set by Homes England and any planning and/or nominations agreement. The Sales Manager has overall responsible for the marketing strategy for all shared ownership developments.</p> <p>The Home Ownership team has responsibility for the management of shared ownership schemes.</p> <p>The Development team is responsible for negotiating the nominations agreement, where applicable.</p> <p>The Business Support team is responsible for the sales set up of the scheme working with the appointed solicitor.</p> <p>All financial incentives must be approved by the Development Director.</p> <p>Hightown may also reduce the share being purchased with the agreement of the Chief Executive.</p>
<b>7.</b>	<b>Policy/document References:</b>
	Homes England Capital Funding Guide Hightown Affordability Calculator Hightown Panel of IFA's