

Leaseholder and Shared Owner

Buy Back Policy

Document Owner	Development & Sales Director
Prepared by	Development & Sales Director
Approved by	Directors Group
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Monitoring, Auditing and Reporting	<ol style="list-style-type: none">1. Approval by DG2. Requests for buy backs under this policy will be approved by RAP3. Policy changes will be made in line with GLA Capital Funding Guide updates4. Successful purchases under this policy will be reported by the Sales Team

1. Scope and Aims

1.1. This Policy explains how and when Hexagon Housing Association (Hexagon) will use our discretion to:

1.1.1. Repurchase (i.e. buy back equity) from shared owners.

1.1.2. Repurchase leases (i.e. buy back leases) from leaseholders.

1.2. The availability of this option to buy-back these properties is at the discretion of Hexagon and does not constitute an automatic entitlement for shared owners or leaseholders. Hexagon is under no obligation to buy back any leasehold property unless it is a requirement of the lease agreement.

1.3. When we use the terms 'you' and 'your', we mean shared owners and leaseholders. The terms 'we', 'our' and 'us' mean Hexagon Housing Association.

1.4. The Policy aims to help shared owners and leaseholders wishing to move on but unable to do so because of issues associated with selling their home arising from building safety challenges and where there are individual circumstances that warrant making a compassionate decision.

1.5. Each buy back request is subject to an individual assessment to ensure eligibility for consideration. We'll then confirm if we're able to buy back shares (up to your full equity stake) or your lease, under this Policy.

1.6. Any buy back is at our absolute discretion. It's not a right or entitlement.

1.7. We are unable to buy back just because you are unable to sell your home. There must be other reasons meeting the criteria set out in this Policy.

1.8. Hexagon will only be able to help if it has access to grant (known as Recycled Capital Grant Funding – RCGF) to help with the cost of buying back. Without RCGF we will not be able to buy back.

1.9. Even if there is RCGF available it may only cover part of the cost of the buy back, which means additional funding will be needed to meet the full cost. There's very limited additional funding available so we may not be able to buy back your shares even if you meet all the criteria in this Policy and RCGF funding is available.

2. Who can make a buy back request?

2.1. **Leaseholders** - You can ask us to buy back shares of your home if you meet each of the following criteria:

2.1.1. Hold a lease of more than 90 years remaining on your lease, and;

2.1.2. Need to sell and are unable to do so due to building safety issues and not able to make any other alternative arrangements (e.g. sublet your home temporarily).

2.2. **Shared Owners** - You can ask us to buy back shares of your home if you meet each of the following criteria:

2.2.1. Own less than 100% of the property, and;

2.2.2. Pay rent on the unsold equity in the property (excluding ground rent and service charges), and;

2.2.3. Need to sell and are unable to do so due to building safety issues and not able to make any other alternative arrangements (e.g. sublet your home temporarily).

3. How we make our decision

3.1. If you meet the mandatory eligibility criteria set out above, we will evaluate your case based on your personal circumstances. We will consider buying back your home / shares of your home under this policy if you need to sell your home due to a change in circumstances such as:

3.1.1. Overcrowding;

3.1.2. Change of job location;

3.1.3. You're in debt or not able to meet your financial commitments because of a change in circumstances (rather than over-borrowing);

3.1.4. You have exceptional circumstances requiring you to move more urgently on compassionate grounds.

3.2. There are other very unusual and exceptional circumstances which can only be addressed by buying back. If you've built up debts through unsecured loans or credit cards, we will consider your request for buy back but we won't give you priority.

3.3. We will consider each case on its individual merits.

4. Terms of the buy back

4.1. You must pay:

4.1.1. All legal fees, both yours and ours;

4.1.2. An administration fee for us to process the buy back;

4.1.3. Valuation fees.

- 4.2. We can defer payment for these fees until completion but will need your confirmation you undertake to meet these costs even if we aren't ultimately able to offer to buy back.
- 4.3. Wherever possible we will avoid incurring or asking you to incur any costs when it's unlikely we will be able to buy back.
- 4.4. If we buy back your whole share / lease, utilising RCGF, we will use the property in accordance with the Greater London Authority (GLA) priorities.
- 4.5. We will instruct an independent surveyor to value the property. The valuation will consider the current condition of the property. We reserve the right to reduce the buy back offer if the property has fallen into a state of disrepair that requires considerable repairs to bring it back to an acceptable standard to rent or sell.

5. Supporting evidence

5.1. Along with your buy back request, you must provide:

- 5.1.1. A copy of your most recent mortgage redemption statement;
- 5.1.2. Full written details of your current financial situation/ personal circumstances explaining why you wish to be considered for buy back due to building safety challenges;
- 5.1.3. A financial statement for us to assess your financial commitments.

5.2. Variations to the list may apply depending on the circumstances. We will advise you accordingly.

6. Processing your request

6.1. When we have all your information, we'll review and process your request by:

- 6.1.1. Obtaining a current valuation of your home. You'll need to pay for this valuation even if we go on to reject your buy back request.
- 6.1.2. Checking if there are any planning conditions which may restrict us making any changes to the tenure of the home i.e. to fulfil GLA requirements.
- 6.1.3. Asking for formal consent to buy back the GLA and applying for RCGF funding to cover all or part of the costs. If you meet the criteria, our internal Risk Assessment Panel (RAP) will consider your application for

buy back. They'll make their decision based on your circumstances and if there are funds available.

6.2. We should provide you with a response within 20 working days from the date we receive all the requested information outlined at 5.1 of this Policy.

6.3. If we approve your application, you'll need to:

6.3.1. Liaise with your lender

6.3.2. Instruct a solicitor

6.3.3. Start the conveyance process within three months of our decision.

6.4. If you're unhappy with our decision you can ask us to review our decision. You must request the review within ten working days of us letting you know our decision. A member of our Executive Team will consider your case and review the decision. They'll consider your views and any changes in your circumstances.

7. Equality and Diversity

7.1. Hexagon aims to understand the diverse needs of residents and deliver fair and equitable outcomes under this policy. We commit to considering reasonable adjustments in the delivery of our services to accommodate the diverse needs of residents and their household members.

7.2. We will pay due regard to the impact on your circumstances of any disclosed disabilities or other relevant protected characteristics when assessing if a buy back request will be approved.

7.3. This Policy will be enacted in line with our Vulnerable Residents and Reasonable Adjustments Policy and in compliance with our obligations under the Equality Act 2010 and the Regulator of Social Housing's Consumer Regulations.

8. Review

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