

Hexagon

Shared Ownership Allocation Policy

POLICY DOCUMENT

SHARED OWNERSHIP POLICY

Hexagon Housing Association develops affordable shared-ownership homes for people who cannot afford to buy a similar property on the open market.

We develop shared-ownership housing across five London Boroughs, Southwark, Lewisham, Bexley, Greenwich and Croydon.

In order that our sales activity (shared ownership) is in keeping with Charitable law, we must ensure that it is in keeping with Hexagon's Charitable objectives:

1 Hexagon HA's Objects:

A2 The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the provision of social housing, the provision and management of housing and any other purposes connected with or incidental to the provision of housing, in each case for poor people or for the relief of aged, disabled (whether physically or mentally), chronically sick people or for bona fide students in full time education;

A2.2 any other charitable object which is from time to time not a prohibited activity under the 2008 Act for an industrial and provident society registered as a provider of social housing with the regulator.

Non-profit

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

- 1.1 As a general guide, a person may be regarded as 'poor' or in 'necessitous circumstances' in the housing context if they cannot afford from all their resources either the purchase price or the market rental of accommodation that would provide a modest and decent standard of living.
- 1.2 *When deciding whether a particular individual or family is a suitable beneficiary for a shared ownership home we must be clear about the charitable purpose we are furthering and must exercise our discretion in good faith and in a reasonable manner, taking into account all relevant factors.*
- 1.3 *When making decisions on offers of housing through this means we will consider the immediate circumstances of the individual or family and also whether their circumstances are likely to change.*

We will use the following criteria;

1.3.1 Housing need

In assessing whether an applicant is in need, we will consider:

a) the suitability of their present accommodation – that is, whether their existing accommodation is adequate for their situation. In assessing suitability, we will consider factors such as; state of repair, health, employment (proximity to) or family responsibilities, as well as probable changes to those factors, such as whether a potential beneficiary has a medical condition that is likely to deteriorate.

(b) the applicant’s financial circumstances (for example, disposable income, savings, etc) balanced against such factors as the average local income levels and whether they are able to find other accommodation at an affordable price or rent.

We will consider each applicant’s circumstances individually.

1.3.2 Whether it is appropriate to relieve the applicant’s housing need by providing shared ownership

We will consider the following:

(a) Is this housing what the applicant needs? Is the type of accommodation suitable for their housing need and can they afford to buy on the terms offered?

(b) Is providing the relief an effective use of Hexagon’s resources? In other words, are the resources necessary for the shared ownership scheme a cost-effective way of relieving housing need in the area concerned?

We will ensure that such beneficiaries are in housing need and unable to relieve it themselves because they lack financial resources. However, they must be able to afford to buy on a shared-ownership basis and should have reasonable prospects of being able to sustain home ownership without excessive hardship.

1.4 The outcome of our assessment will be documented on a checklist – set out below:

	Response
1. In what way is the applicant’s existing accommodation inadequate for their situation? <i>Refer to shared ownership application Form</i>	
2. What are the applicant’s financial circumstances in terms of a) Savings? b) Income?	
3. What is the current average household income required to;	

<p>a) Purchase a London home (Assuming mortgage requires 3.5x income, based on latest ONS house price release)</p> <p>https://landregistry.data.gov.uk/app/ukhpi/browse?from=2019-08-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Flondon&to=2020-08-01</p> <p>Average London house price £490,495 (June 2020 published Sept. 2020)</p> <p>https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/may2020</p> <p>b) Rent a London home (Assuming no more than a third of net income is spent on housing Costs, based on latest govt. data on market rents)</p> <p>£1,425 – Median London monthly rent</p> <p>https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2019tomarch2020</p> <p>https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland</p> <p>Based on the above, how much deposit / upfront costs are required to</p> <p>c) Purchase a London home</p> <p>d) Rent a London home</p>	
<p>4. Does the applicant have sufficient savings / income to meet their housing need in the open market?</p>	
<p>5. Will the accommodation being offered meet the applicant's housing need and can they afford to buy on the terms offered?</p>	
<p>6. Is providing the shared ownership home for the applicant the most effective way of relieving their housing need?</p>	
<p>Signed off by</p>	
<p>Date</p>	

- 1.5 The checklist will be completed by the Sales Executive or Senior Sales Executive and signed-off by the next in Line Manager as appropriate.

Homes will be allocated in line with the criteria set out below:

2 Allocating a Shared-Ownership Home

- 2.1 The amount that purchasers need to earn to buy one of our homes will be affected by the value of the property, the equity percentage for sale, the rent to be charged and on occasions the Local Authority's affordability policy. As such, household income requirements will differ from scheme-to-scheme.
- 2.2 Purchasers must be at least eighteen years old and able to secure a mortgage.
- 2.3 In accordance with the Mayor for London's Planning Policy Guidance,(April 2016) we can offer all properties to households with a total maximum income of £90,000
- 2.4 We will consider applications from those who have previously owned their own home but no longer do so due to a relationship ending, and those relocating for work purposes where commuting is not possible. Purchasers must not own a property (anywhere in the world), unless a Court order forces them to remain on the deed of a property where their child/ren reside.
- 2.5 Applicants for our shared-ownership homes are selected in accordance with the Hexagon Housing Association Equality and Diversity Policy.

3 Criteria For Selection

- 3.1 Offers of shared ownership homes are made according to the following priority order. In circumstances where we have more applicants than available properties we will use a points system, with points awarded in descending order:
 - I. Serving Members of the Armed Forces
 - II. Council and Housing Association tenants who, by buying a home will vacate a rented home and who currently live in the borough where the new scheme is located
 - III. Priority applicants from the housing waiting list (as determined by the Local Authority
 - IV. Those in work tied to temporary accommodation (eg NHS)
 - V. People who live in the Local Authority of the shared-ownership property they wish to buy
 - VI. People who work in the Local Authority of the shared-ownership property they wish to buy
 - VII. People who live and / or work in London

3.2 Other Issues Considered When Allocating A Property

- I. Any special needs/requirements
- II. Household size and makeup (e.g. number / age of children)
- III. The applicant's preference for a particular home
- IV. Evidence of a residence order from a Court may be required if any dependents do not live with the applicant permanently
- V. Where there is more than one applicant for a property and applicants have the same number of points, we will endeavour where possible to allocate the property to the applicant that has the least financial resources.
- VI. Applicants must be able to demonstrate that their circumstances necessitate buying the shared-ownership property that they are interested in.
- VII. Applicants must be a UK or EU citizen or have leave to remain in the UK.

There may be situations where we need to consider additional circumstances not defined above.

Points are awarded as set out below:

- a) 7 points awarded to serving Armed Forces Personnel
- b) 5 points to be awarded to Local Authority of Housing Association general needs/social tenants releasing vacant property back to landlord within the local authority area
- c) 2 points to be awarded if the applicant is nominated by the relevant local authority in accordance with the special conditions agreed within their nomination agreement
- d) 3 points awarded if the applicant's permanent residence is within the local authority area
- e) 2 points awarded if the applicant's main place of work is within the local authority area
- f) 2 points awarded if the applicant is in temporary/tied/NHS accommodation
- g) 1 point awarded if the applicant's permanent residence is in a local authority area adjoining the local authority area of the property
- h) 1 point awarded if the applicant's main place of work is in a local authority area adjoining the local authority area of the property
- i) 1 point per child awarded for households with children when applying to purchase a two bedroom property or larger. Not to cause overcrowding.
- j) 1 point each awarded to those living and/or working within London.

4 Additional Guidance

4.1 Wheelchair/Accessible Homes

For a given period (usually three months) properties that have aids and adaptations or adaptable for wheelchair users will only be allocated to applicants who have a household need for this. It follows that in such circumstances that wheelchair users may be allocated properties of this type even though they have a lower level of points than other applicants

4.2 Bedroom allocation

Size of Home	Minimum Household Size
1bed 2 person (1 double bedroom)	<ul style="list-style-type: none">• Single Person / Couple
2bed 3 person (1 double bedroom + 1 single bedroom)	<ul style="list-style-type: none">• 2 adults not living as a couple• Single person plus 1 child• Couple plus 1 child
2 bed 4 person (2 double bedrooms)	<ul style="list-style-type: none">• 2 adults not living as a couple• Single person plus 1 child• Couple plus 1 child
3 bed 4 person (1 double bedroom + 2 single bedrooms)	<ul style="list-style-type: none">• 2 adults not living as a couple, plus 1 child• Single person plus 2 children• Couple plus 2 children
3 bed 5 person (2 double bedrooms + 1 single bedroom)	<ul style="list-style-type: none">• 2 adults not living as a couple, plus 1 child• Single person plus 2 children• Couple plus 2 children

An applicant may apply for a property larger than indicated above, but preference will be given to bedroom need if required, as well as those needing a home office.

4.3 In the case of a dispute, please note that, the personal details of the other individual applicants will not be disclosed to unsuccessful applicants other than referral to the above; selection criteria and 'other issues considered.

4.4 Our offer of a home is dependent upon the applicant giving accurate information. We may withdraw any offer if the information is found to be misleading or incorrect. If there is a dispute, you are required to follow the Hexagon Housing Association complaints procedure.

- 4.5 Applicants will be required to complete a declaration of interest as part of their application in order to advise of any potential conflict of interest arising from their relationship with Hexagon staff.
- 4.6 Hexagon's Privacy Policy sets out the applicant's rights regarding their personal data. <https://www.hexagon.org.uk/about-us/gdpr/>
- 4.7 In line with our aim of continual improvement, Hexagon reserves the right to amend and approve this policy as required without prior notice.

Prepared by: Development & Sales Director

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Hexagon