

Shared Ownership Allocation Policy

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Prepared by	<i>Development & Sales Director</i>
Approved by	<i>Directors Group</i>
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Lines of Defence/how is the document audited?	<ol style="list-style-type: none"> <i>1. Approval by DG</i> <i>2. Director will review annually</i>

1.0 Scope and aims

- 1.1 Hexagon Housing Association has the charitable objective of meeting housing needs in South London through a commitment to existing and future residents, local communities and the environment.
- 1.2 Hexagon pursues this charitable objective by developing affordable shared-ownership homes for people who cannot afford to buy a similar property on the open market.
- 1.3 Hexagon develop shared-ownership housing across five London Boroughs: Southwark, Lewisham, Bexley, Greenwich and Croydon.
- 1.4 This policy ensures that Hexagon's shared ownership allocations align with Hexagon's charitable objectives in accordance with the joint guidance from HM Revenue and Customs, the Charity Commission and the Regulator of Social Housing (Formerly (HCA)), and in accordance with the Greater London Authority (GLA) guidance.
- 1.5 This policy also applies to shared ownership homes allocated by Horniman HA, a non-charitable subsidiary of Hexagon HA

2.0 Equality and Diversity

- 2.1 This Policy will be implemented in accordance with Hexagon's responsibilities and duties under relevant legislation including the Equalities Act 2010.
- 2.2 The Policy will be implemented in accordance with Hexagon's Equality and Diversity Policy.

3.0 Consultation

- 3.1 Consultation has not been carried out with external stakeholders, including residents, on this occasion as the changes to the Policy under this review are minor.

4.0 Policy Statement

- 4.1 In alignment with Hexagon's charitable objectives, allocation of Shared Ownership homes will involve an assessment of the applicant's housing need. In assessing housing need, Hexagon will consider:
 - 4.1.1 The suitability of the applicant's current accommodation including state of repair, health, proximity to employment, family responsibilities, as well as probably changes to those factors such as whether an applicant has a medical condition that is likely to deteriorate.
 - 4.1.2 The applicant's financial circumstances. In accordance with the GLA guidance, applicants will be required to have a net annual household income of £90,000 or less, and to, if successful, incur annual housing costs (including mortgage, rent, and service charge) that are no greater than 40 percent of net household income.

An Independent Financial Adviser will establish the affordability of the purchase to the applicant.

4.2 Hexagon will document the outcome of this assessment on the checklist below:

Question	Response
<p>1. In what way is the applicant's existing accommodation inadequate for their situation?</p> <p><i>Refer to shared ownership application Form</i></p>	
<p>2. What are the applicant's financial circumstances in terms of</p> <p>a) Savings?</p> <p>b) Income?</p>	
<p>3. What is the current average net household income required to:</p> <p>a) Purchase a London home, assuming mortgage requires 3.5x income, based on latest ONS house price release</p> <p><i>(Average London house price £523,666 March 2022 published May 2022)</i></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><i>(Latest ONS data released December 2021 states average London monthly rent is £1,425)</i></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>	

6. Is providing the shared ownership home for the applicant the most effective way of relieving their housing need?	
Signed off by	
Date	

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

- 4.3 Applicants must be at least eighteen years old and able to secure a mortgage if required for the purchase.
- 4.4 Hexagon will consider applications from those who have previously owned their own home but no longer do so due to a relationship ending or those relocating for work purposes where commuting is not possible. Applicants 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.
- 4.5 In accordance with Hexagon’s charitable aims, Hexagon will make offers of shared ownership homes according to the following priority 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
- 4.6 Where applicants are of the same priority according to the above order, a points system will be implemented as follows:
- 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 in 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.

4.7 Hexagon will also consider the following 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, Hexagon 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 citizen or have leave to remain in the UK.

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

5.0 Additional Guidance

5.1 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 wheelchair users may be allocated properties of this type even though they have a lower level of points than other applicants.

5.2 Hexagon requires that the applicant's household is suitable for the number of bedrooms in the property, in accordance with the following guidance:

Size of Home	Minimum Household Size
1 bed, 2 person (1 double bedroom)	<ul style="list-style-type: none"> • Single Person / Couple
2 bed, 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

- 5.3 An applicant may apply for a property larger than indicated above, but preference will be given to those whose household's bedroom need fits the requirements above, as well as to those who need additional room(s) to accommodate working from home where this is required as part of their employment.
- 5.4 Only in exceptional circumstances will Hexagon allocate a property to a household where this would cause statutory overcrowding.
- 5.5 In the case of a dispute, , the personal details of the other individual applicants will not be disclosed to unsuccessful applicants other than referral to the above selection criteria and any other circumstances Hexagon have considered.
- 5.6 Hexagon's offer of a home is dependent upon the applicant giving accurate information. Hexagon may withdraw any offer if the information is found to be misleading or incorrect. If there is a dispute, applicants are required to follow the Hexagon Housing Association complaints procedure.
- 5.7 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.
- 5.8 Hexagon's Privacy Policy sets out the applicant's rights regarding their personal data.
- 5.9 In line with our aim of continual improvement, Hexagon reserves the right to amend and approve this policy as required without prior notice.

6.0 Legal framework

- 6.1 Affordable Home Ownership: Charitable Status and Tax – Joint guidance from HM Revenue and Customs, the Charity Commission and the Homes and Communities Agency 2009
- 6.2 Shared Ownership and Affordable Homes Programme Guidance 2016-2021
- 6.3 The London Plan: The Spatial Development Strategy for Greater London 2021

7.0 Related Hexagon policies, strategies and procedures

- 7.1 Equality and Diversity Policy
- 7.2 Privacy Policy
- 7.3 Development Strategy
- 7.4 Community Investment Strategy
- 7.5 Corporate Plan