



Hexagon

Guide
to selling
your Shared
Ownership
home

Selling a shared ownership home is known as Resale.

The first step will be to get in touch with us and advise us of your wish to sell. Hexagon Housing Association will provide you with our Sales Team, who will advise you of the process from your initial enquiry through to completion of your Resale property.

The Sales Team will have the chance to find a buyer for your property, and the length of time within which Hexagon Housing Association can find you a buyer will be stated within the terms of your lease.

Read below to learn more about the process in 3 simple steps:

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Valuing and Marketing of your Resale Home

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Viewing and Selling of your Resale Home

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Legal Instructions and Completing the Sale of your Resale Home



Valuing and Marketing of your Resale Home

1



You are not obligated to use the valuers on the recommended panel, however you are obligated to obtain a valuation that is from a RICS accredited valuer. All RICS valuers are independent of Hexagon Housing Association.

Your appointed valuer will send the report (the valuation) directly to you. If you are happy with the contents of the valuation and agree with the Full Market Value provided, you must then forward this to us to also read and approve the Valuation. It is in your best interest to ensure you are happy with the valuation you have received, and if for any reason you are not, please discuss this with your chosen RICS valuer before you send us your valuation, as once this has happened it is implied that you are happy with the price you have received.

Unlike Estate Agents, Hexagon Housing Association **are not able to** set a price above the market value of your home. This is because Housing Associations are regulated for affordability purposes, there is therefore no room to negotiate the price.

It is generally accepted the buyer will pay the the price set by the valuer. You do however always have the choice to drop the share of your home, if you want, but the share value to Hexagon housing association will still be payable if the buyer wishes to purchase additional shares. You may wish to discuss this with your Sales Executive.

Again, it is a condition in your lease that an Independent, qualified RICS Surveyor sets the value and that this valuation is kept up to date throughout the course of the Resale transaction. Valuations are valid for three months. If your home is not under offer after three months, you will be required to provide Hexagon Housing with an updated valuation, known as a Valuation Update.

1.1

Determining the Price of Your Resale Home & Your Share

When you resell your home, the first thing you need to do is determine the full market value of the property. To do this, you will need to instruct and pay for a RICS valuation. This valuation then determines the price of your share, which will be a percentage of the full market value. To learn more about the costs involved in selling your Resale Property please view the 'Costs' section within this guide.



For example, if you own a 50% share and the full value of your home is £300,000 the sale price will be:

$$50\% \times £300,000 = £150,000$$

Hexagon Housing Association enclose a panel of recommended RICS (Royal Institute of Chartered Surveyors) Valuers to make it easy for you to select a suitable firm.



1.2 Marketing Your Resale Home

Once you are happy with the Valuation of your home, you must fill, sign and return your **'Instruction to Sell' form**, together with an Administration Fee. This fee is charged to cover all photography, the instruction of our Sales Team in order to sell your Shared Ownership property. The resale fee with charge for photography, floor plans and EPC if desired is £500 plus VAT. Without photography the fee is £300 plus VAT. There is also a resale selling fee to be paid of the full market value, or as stated within your lease.

Once this is received, we will contact you to arrange for our photographer to visit your property and take professional marketing images of your property, with the intent of selling your home. In addition to the images, the Independent, professionally qualified property photographer will also provide us with:

- EPC – an Energy Performance Certificate (if you do not already have one). This is usually valid for 10 years so if you received one when you bought your home, it could still be valid. You can search for it on the EPC register online to check if you have one in Date or require a new one.

- Marketing Floor Plan – which is a legal and essential requirement in order to sell your home. It gives buyers the opportunity to make sure they are interested in the property before booking a viewing. This will increase the likelihood of a reservation!
- The professional images, EPC and floor plans are part of the administration fee we charge.

Once all of the above has been received, your Sales Executive will then market your property across a host of websites including:

- [Hexagon.org.uk](https://www.hexagon.org.uk)
- www.sharetobuy.com/
- www.london.gov.uk/programmes-strategies/housing-and-land/homes-londoners

Your Sales Executive will provide you with the links to view your own home online, and should you have any amends or comments, we will welcome your feedback to ensure a seamless sale for you. Your property will 'will go live' once all parties are happy with the marketing – and this will start your 8-week Sales period.

Viewing and Selling your Resale Home

In addition to receiving the above, it is your responsibility to provide your Sales Executive with at least 1 day per week, for the duration of the 8-week resales period, where you will be available at your property for viewings to take place. It is recommended that at least 50% of the dates you provide fall over the evenings or weekends, as this is when most people are free/available to attend viewings.

2.1 Viewings of your Resale Home

We will prepare sales details to advertise your property on our websites. Interested people will get in touch with us who we will pre-qualify prior to viewing. Following this, we will refer applicants to contact you to arrange to view your home.

You will be responsible for carrying out your own viewings. Please speak to your Sales Executive for some tips/hints on presenting your home for a favorable viewing. We will provide you with a quick guide to presenting your home for a viewing.

We ask that you email Hexagon once any viewings have been completed in order for us to follow up with the applicants.

2.2 Finding you a Buyer / Selling your Resale Home

As we aim to provide you with multiple viewings, should the first viewer not wish to go ahead after making a firm offer, you will potentially have other viewers in reserve who have also expressed interest in reserving your home.

All applicants who have attended a viewing of your home are required to let us know if they are interested in your home within 5 days after the viewing day. The process for the buyer of your home would be the same, or similar to the process you went through when you purchased your home with us for the first time.

We will use our allocations policy to allocate the home and will usually have the buyer identified within 7 days of your last viewing day. Some of the applicants on our list will have homes of their own to sell. Whilst we know every seller wants a first-time buyer, this won't always be possible. If your buyer has a home to sell, we will make sure they move quickly, or the offer will be withdrawn from them.

Your lease will usually give us two months to find a buyer - but normally the process is much quicker. If we think we can't find a buyer, we'll try to let you know as soon as possible. We can then agree you can sell on the open market. Please read the 'Open Market Permission' Section of this guide for more details.

2.3 After your Viewing Day

Your Sales Executive will contact everyone who viewed your home, for their feedback and to determine if they wish to proceed with purchasing your property.

If they wish to proceed, they will have to undergo a full financial assessment from an independent financial advisor to prove they are who they say they are and have the funds to afford the purchase. This process can take up to five working days. Once this stage is complete, Hexagon will formally instruct the new buyers, the sellers, and our own solicitors to proceed formally with the purchase/sale of your property.

Legal Instruction to Completion on the Sale of your Resale Property



You can usually help speed things up by asking your solicitor to get the deeds to your home from your mortgage lender as soon as possible after deciding to sell. Also get together any information on service charges, guarantees, insurance and so on and send copies to your solicitors as soon as you can. The more information they have on your home the better.

Remember, the timescales below are for guidance only - some sales can take a few weeks, or many months if there are legal, survey or communication issues to resolve.

Now you have a buyer and you have chosen and instructed your solicitors; the legal process of the sale/purchase can begin. The Resale process can take anywhere between 10-12 weeks from the date of the Memorandum of Sale (MOS), usually due to a chain in the case of the seller looking to purchase elsewhere. The below table acts as a useful indication of where your sale or purchase should be throughout the process.

3.1 Timeline of Sale

Every sale is different. The time taken to sell a home is very hard to predict, It will vary depending on a number of things – and many of these things will be out of your (and our) control. As a rough guide you could work on the following:

- If you are selling a flat, you could expect to exchange contracts between 8 and 12 weeks after the buyer has been formally offered your property.
- If you're selling a house, things can move a bit faster, and between 6 and 10 weeks is quite normal.



Process	Definition	Estimated Timeframe
Formally Instruct your Solicitor	Once a person has decided they need the services of a solicitor, they will need to instruct the solicitor to act on their behalf. In essence this means the solicitor needs to be officially asked to represent the client.	Day 1
Solicitor Requests Legal Pack	A legal pack is a document that contains key information a potential buyer needs to know about a property before proceeding. The packs are usually available for inspection via our Solicitors or the solicitor acting for the seller.	Days 2-5
Memorandum of sale sent to all parties	A memorandum of sale acts as written evidence that an offer has been accepted, as well as recording the amount of money that will be paid. It is a contract, but it's not legally binding. It's a preliminary measure to set out the terms of agreement before all parties must legally commit.	Days 5-8
Mortgage Application submitted	A mortgage application is a document submitted to a lender when applying for a mortgage to purchase a property. The application is extensive and contains information about the property being considered for purchase, the borrower's financial situation, employment history and more.	Day 9
Solicitors issue out contracts	A real estate contract is a contract between parties for the purchase and sale, exchange, or other conveyance of real estate. The sale of land is governed by the laws and practices of the jurisdiction in which the land is located.	Days 10-11
Your solicitor receives contracts and commence searches and raise enquires	Enquiries in property transactions are commonplace and enable potential buyers to find out more details on your property. Searches can reveal information about the local area, infrastructure, environmental risks and potential new developments that the buyer might want to know about before they become legally bound to complete the purchase.	Days 12-15
Valuation instructed	Valuations are instructed when a mortgage application is submitted. Contact with the access provider (normally the seller) on the application is typically done within 24 hours	Day 16-18
Mortgage offer issued	An official acceptance by a mortgage provider to lend your buyer the money needed to buy a home. The lender has received their mortgage application, carried out all of the relevant checks, and they are satisfied enough to issue the mortgage offer. A copy will also need to be sent to Hexagon for approval.	Days 19-25
Mortgage offer approved	As long as you're happy with the offer, the buyer has to inform the lender that they want to proceed with the sale. Their conveyancing solicitor will guide them through what they need to do, but normally they will simply need to sign and return the mortgage offer. It is very quick and easy and often can be done online. Their solicitor also reads and approves the mortgage offer.	Days 25-32
Final enquires raised & Contracts signed	The solicitors will conclude any outstanding matters. They will then ask you to sign the contract documents in preparation for exchange.	Days 32-39
Exchange Date	The exchange of contracts is the point at which the agreement to transfer property ownership becomes legally binding. Once the contracts are exchanged, you and the buyer can agree your completion date. After this stage if the buyer pulls out for any reason, they would lose their deposit.	Day 40
Completion Date	Completion is the final step in the legal process of transferring ownership of the property to the purchaser. It is usually the point at which the purchase price for the property is paid and the transfer documents are dated.	Day 45 plus

3.2 Setting a Deadline on the Sale

When you're selling your home, you may want to set an exchange deadline. We can let the buyer know about the deadlines you give.

The deadlines should always be reasonable – for example 8-12 weeks to exchange contracts from the date we formally offer the property to them. You can extend deadlines according to your timeframes for selling.

After the interview, your buyer should instruct their own mortgage solicitors and will usually arrange for a mortgage survey of your home. If you don't hear from them within 2 weeks with a survey date, let us know and we will ring the buyer to find out. Sale will then move in line roughly within the time frame.

3.3 Completion Day!

Congratulations you have now sold your property! Please remember that you are selling direct to your buyer. It is therefore extremely important that you pass on all keys, fobs, and any car park information.

If you still hold any guides about your property, please leave these for the buyer. Please ensure you take meter readings on the day, so you can inform the utility companies you have left the property and they can close their accounts. Once the monies have been received by your solicitor, you will meet the buyer at your property to handover any keys. This will be arranged between yourself and the buyer, and we can provide your contact details if required. We will be notified about completion by our solicitor, and we will update our systems with the new leaseholder's details.

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Selling on the Open Market

If for any reason we are unable to find a buyer for shared ownership, we can give you permission to sell on the open market through an estate agent.

You will have to choose an estate agent yourself and agree to any fees with the estate agent.

4.1 Selling your share on the open market

If you sell your share on the open market, we will still need to approve your buyer to make sure they can afford the outgoings on shared ownership and are eligible.

4.2 Staircasing to 100% and selling outright

If you staircase to 100% and simultaneously sell on the open market you shouldn't have to raise the money for the remaining share - your solicitors can use the money the buyer gives you on completion to pay it.

If, however, your valuation is more than 3 months old, we will want you to get an updated valuation from our panel valuer. This will almost always be the same as the price you're selling for on the open market.

Please be advised if you sell your home on the open market via a sales agent, you will need to pay us £1000 fixed administration fee. Please speak to the sales executive regarding this.

Questions



A. YOUR COSTS

The likely costs will be:

- Admin fee – to cover all marketing, photography, the instruction of our Sales Team in order to sell your Shared Ownership property - £500 plus VAT
- Your valuer's fee - £200 - £500
Cost vary depending on the company
- Your own Solicitor legal fees - £500 - £1000 plus VAT
- Hexagon's solicitors' fees for the lease assignment - passing on the lease to the new buyer. - £430 plus VAT
- Hexagon's resale selling fee as determined in the lease. 1% of the full market value of your property. If sold on the open market the fee will be £1000 plus VAT

Please note: This is only a guide to costs, depending on your property there may be additional costs. Indicative prices do not include VAT

4.3

FAQ – Your Questions Answered

Why can't I sell on the open market now?

Why can't I sell my share to my friend?

You were helped to buy your home with public money, to help people in housing need. This money was provided by a government backed grant authority (currently the GLA). One of the conditions of providing the money was that the home would be offered in the future to the person with the greatest need. Just as you have benefited, we now have an obligation to help other people. If you decide to sell your home, it is a condition in your lease that we have the opportunity to find a qualifying buyer.

Why can't I increase the valuation?

Because you are selling your share and we are not selling ours. The value is established by RICS qualified valuers (unlike Estate Agents) who set a price at the market value. Once your value is set and you are selling, you do not need to negotiate the price, unless you want to. It is generally accepted by our buyers that the price set by the valuer is what they must pay. You always have the choice to drop your price if you want, which maybe necessary if the market suddenly decreases however the share value to Hexagon will still be payable.

Again, it is a condition in your lease that an Independent, RICS Surveyor sets the value.

What about home improvements and the effect on my RICS Valuation?

You may have made improvements to your home. The price of your share will take account of the full value of your improvements - so you don't lose out. Improvements don't include carpets, curtains or unfitted furniture. The valuer will use their professional opinion to decide.

The sale price is then a percentage share of the full value without improvements PLUS the full value of your improvements. This may seem complicated but it's there to make sure you get the full value of your improvements back - not just a percentage.

An example may make this clearer:

1. The full value of your home is £351,000
This includes £1000 of improvements made by you – in this example a built-in wardrobe, extra kitchen units and a new front porch.
2. The value without your improvements is £350,000 - £351,000 minus the £1000 improvements. We call this the NET value.

3. If you own a 50% share, the sale price will be 50% of the NET value plus the full value of your improvements. In other words, the sale price of your share is:

50% x £350,000 PLUS £1000
improvements - £175,500.

The valuer will list the improvements on the report so make sure you're clear what you think should be included. The valuer will use their professional opinion to assess the value of your improvements - remember not all improvements add to the value!

Your buyer will "inherit" your improvements and will be able to get them valued separately when they come to sell in future – that way they don't lose out either. In the meantime, the value of the improvements may have changed due to wear and tear.

Can I Not Send You Images Myself?

Yes, you can provide us with images you have taken of your home, and there may be a discount provided to the administration fee as a result. This is not guaranteed and depends on the quality and useability of the images you provide.

No one gets a second chance at a first impression and these images are the first impression potential buyers will get of your property. This is why we suggest they should be professionally done, to gain as many potential buyers for your home as possible!

How can I ensure that the sale progresses as quickly as possible?

Your buyers may wish to contact you to discuss possible moving dates. It is advisable to give Hexagon your contact information in order to do so. It is also important to communicate regularly with your solicitors

so that they can progress the sale with your buyer's solicitor. If you are buying another home, you should try to move as quickly as possible. When the buyer has been found and solicitors have been appointed, we will help you progress the sale to completion as swiftly as possible.

What do I do if I have problems with my Valuation?

The valuers on the panel are independent of Hexagon Housing Association, please note that we have no influence over their valuations.

If you disagree with their valuation you can appeal to them directly to re-consider their report. Don't send your report in to us until you're happy with their figure.

If you're not happy, there may be evidence you can get together to support a higher or lower figure. Speak to the valuer and give them proof of recent sales of similar homes in the same locality. Estate agents are a good source – as well as local newspapers. Give the valuer a written appeal showing how your evidence supports your case. Do be aware however that the price an Estate Agent would set will be very different to the actual price a property will eventually sell at.

Evidence is the key – the valuer must be able to see their figure is wrong. They won't just take your word for it! If you are still unhappy you can get another valuation from another panel valuer – but you'll have to pay again.

If you are unhappy with the service the valuer has provided you can contact the valuer's professional body, Royal Institute of Chartered Surveyors. The firm of valuers will be able to give you this information.

If you need any help, call us on **0208 768 7989**
Or email **sales@hexagon.org.uk**





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