

## Allocation Policy

Policy ref: Allocation policy for Shared Ownership homes  
Policy author/policy holder: Head of Sales and Marketing  
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Approved by: ELT and KHA Board  
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### 1 :: Purpose

To explain how homes sold on Shared Ownership terms will be prioritised and offered to qualifying applicants. This policy incorporates the Government's changes to the eligibility criteria for shared ownership which became effective on January 4<sup>th</sup>, 2016.

### 2 :: Scope and definitions

#### 2.1 This Policy applies to:

- Applicants wishing to purchase Shared Ownership houses or apartments which have been constructed for sale by Knightstone
- Applicants wishing to purchase any Shared Ownership home being offered for re-sale or assignment, owned by Knightstone or a third party

2.2 Shared Ownership offers you the opportunity to buy a share of a property whilst paying rent on the part you do not own. If the lease allows it, you can usually choose to buy larger shares until you own the property outright.

2.3 The policy has regard to our status as a charitable housing association. We take into account the guidance on the housing need and affordability of customers for our homes set out in Her Majesty's Revenue and Customs' Charity Commission guidelines. These guidelines require our policy to be based on affordability as well as ensuring those who can satisfy their housing need elsewhere are not assisted by Shared Ownership.

### 3 :: About this policy

#### 3.1 The Principle aim of this policy is:

To ensure that the homes we offer for sale are made available to qualifying applicants in a fair and transparent manner. The policy also aims to provide a framework for accommodating any requirements which may be placed on the allocation process by local authority partners, our regulator (the Government's Homes & Communities Agency) or our funders.

## **3.2 Policy details**

### **3.2.1 Qualifying criteria**

#### **a) Who can apply?**

Shared Ownership and the resale (assignment) of existing Shared Ownership leases are intended for eligible people who cannot afford to buy a home suitable for their needs on the open market.

To qualify to purchase a new build home, you will often but not always, need to have a local connection to the area in which you want to buy. Sometimes this requirement can be strictly imposed by a planning condition. In other cases, you may either just have to live or work in the same district as the property. Whatever the situation, this information will be contained within our application form and our sales team will provide you with any further details you may require.

For resale properties, the restrictions in force when the property is first sold may cease to apply when being resold. Whatever the situation, full details will be found in the contract for sale and accompanying legal documentation. We strongly recommend you seek advice from your solicitor before purchasing your home.

For you to qualify for a property you will:

- be unable to buy a similar property on the open market
- have enough savings or access to sufficient funds to put towards the deposit and other purchasing expenses
- have a gross household income less than £80,000 per year
- not own or have an interest in another property once you have purchased a Shared Ownership home (although you may apply for Shared Ownership whilst you are in the process of selling or discharging your interest in another property).

### **3.2.2 Allocations criteria**

#### **a) Ability to afford without hardship**

We must be satisfied that you can meet the full costs of home ownership for the scheme you are interested in (see our Affordability Policy). This means being able to pay any mortgage on the share you own and the rent on the share retained by us, plus meeting all the other costs of being a home owner. Applications will also be credit checked. Your application will probably be unsuccessful if you have any County Court Judgements which are not accompanied by a letter of satisfaction.

#### **b) Housing Need**

Since the Government's revisions to the Shared Ownership eligibility criteria which became effective on January 4<sup>th</sup> 2016, there is no longer any assessment of housing need before allocating a home. For the avoidance of doubt there is no longer any restriction on the number of bedrooms in a property you are applying for, unless specified in any planning condition.

### c) Equality and diversity

Knightstone's Equality & Diversity policy and will not discriminate against you on grounds of race, colour, ethnic origin, nationality, religion, sex, sexual orientation, disability or medical condition or age. In order to demonstrate that our policies are fairly applied, we monitor all applications and sales reports via a continuous recording system, although this monitoring will not affect our final decision about how to allocate a home.

### d) Eligibility

Since the revisions to the eligibility criteria for Shared Ownership in January 2016, the only applications which take priority above others are those from members of the British Armed Forces, unless conditions within the planning consent apply e.g. highest priority given to local people living within the community where the homes have been constructed. Should any such special conditions apply, we will make them clear to you when you apply.

Armed Forces personnel will be prioritised for shared ownership schemes according to the Homes and Communities Agency's current guidance.

Applications from non-Armed Forces personnel and where no local connection or planning conditions apply, will be dealt with on a 'first come, first served basis'. This means that we will prioritise completed applications in the order in which we receive them. We define a completed application as one which has been approved by the independent mortgage broker and which has all its supporting information supplied.

## 3.2.3 The allocation process

### a) Viewings

You will be invited to viewings of suitable properties and will be provided with key information relating to likely monthly outgoings, repair responsibilities and local amenities.

For new build homes, we will organise your visit (subject to the construction stage) and the Knightstone sales team or our agent, will show you around the homes on offer. For re-sales, we will put you in touch with the owners and provide you with written details of the sale, including the share available for purchase and the rent payable on the remaining share.

### b) Completing an application form

If you wish to apply to purchase, you will need to complete Knightstone's application form and submit it with full supporting documentation, as quickly as possible to one of the independent mortgage brokers on our panel.

### c) Selection of your independent mortgage broker

You will then need to be interviewed by phone or in person, by one of the independent mortgage brokers on our panel who will carry out a full assessment so that we can be confident you can afford to meet the commitments of home ownership, both now and in the future, even if the cost of living rises. We will provide you with a list of firms who are knowledgeable about our products and are well placed to offer you independent mortgage advice. They will be happy to discuss your needs with you and if appropriate, arrange a meeting with you. You can speak to as many or as few of the firms listed as you wish but you

will need to decide which firm to use, based on your judgement of their ability to help you. Please note that you are not obliged to obtain your mortgage or purchase any financial products through our panel brokers.

#### **d) Selection of applicants for new build and resale homes**

Most applications will therefore be assessed in order of the date on which we receive a completed application with all the supporting information required to complete our assessment.

Once a property has been allocated, we do not accept further applications for the home unless the existing sale falls through. In these circumstances we would offer the property to the next approved applicant from the list of those who have applied.

Before you can exchange contracts for one of our homes, you will need to register with the local Help to Buy Agent. Sometimes you will also need to register with the Local Authority. We will be able to give you guidance on how and when to do this.

#### **e) Verification of your application**

We can only progress an allocation of a home when we have received all of the following information from you:

- Proof of addresses (e.g. a Utility bill)
- Proof of identification (e.g. photocopy of passport or drivers licence)
- Proof of landlord (e.g. rent book or letter of confirmation)
- Proof of earnings (photocopy of last three months wage slips)
- Three months bank statements showing transactions (for all accounts held)
- Proof of any debt (credit cards, loans etc.)
- Proof of savings (e.g. photocopy of building society pass book)
- The credit history of applicants may be checked with a credit referencing agency. Applicants that have undischarged County Court Judgements against them are unlikely to be considered

If you are offered a property, we may conduct a Land Registry search (whilst completing the sales transaction) to confirm that you do not own another property. If this check indicates that you do own another property (or did recently), that we are unaware of and is not being disposed of, our offer may be withdrawn and you could lose your reservation fee.

#### **f) Joint Applications**

If a joint application is made, both applicants must be named on the Shared Ownership lease and on any mortgage on the property.

#### **g) Reservation Fees**

For new build sales, once you have been offered a property, if you wish to proceed, we will ask you for a non-refundable reservation fee of £250. This will be deducted from the purchase price when you complete the sale.

## **h) Time scales**

We will do everything we can to help you into your new home in the shortest possible time and we ask that you do your best to work with us to achieve this goal. We will normally expect an exchange of contracts (when you are legally committed to the purchase) within four weeks of us receiving your reservation (unless other timescales are specified). Completion of the sale (when you move in) should take place after a further two weeks (subject to the completion date of the development).

Unless there are circumstances beyond your control, we may be forced to withdraw an offer of sale if these timescales are unreasonably delayed.

For resale homes, the timescale will be agreed between you and the seller although we will always try to assist with the process where we are able to.

## **4 :: Service standards, monitoring and review**

### **4.1 What do I do if I am not happy with the allocation process?**

If you feel that you have not been treated fairly for any reason, or have any complaint about the allocation process, please contact the Sales Team Leader at Knightstone in the first instance. Knightstone's complaints procedure can also be used. A copy of this is available from our office or on our website at [www.knightstone.co.uk](http://www.knightstone.co.uk)

### **4.2 Help and advice**

All our Shared Ownership homes and resales will be allocated on the basis of this policy. There is no limit to the number of applications you can make and our sales team will be happy to advise you on any points which you may be unsure about.

## **5 :: Legal considerations**

None

## **6 :: Linked /associated policies and other references**

Affordability Policy

Complaints Policy