

## Leasehold Resales Policy (Shared ownership)

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### **1.0 Introduction**

- 1.1 This policy outlines the approach taken by Metropolitan Housing Partnership (MHP) when a shared ownership leaseholder wishes to sell their property.
- 1.2 This policy does not cover Right to Buy (RTB) or Preserved Right to Buy (PRTB) properties or Right to Acquire (RTA) properties.

### **2.0 Legislative/ regulatory context**

#### **2.1 Regulatory context**

- Housing Corporation Regulatory Code
- Shared ownership: joint guidance for England
- The individual shared ownership lease

### 3.0 Scope

- 3.1 This policy applies to all landlords within Metropolitan Housing Partnership.
- 3.2 Granta Housing Society is a member of the Metropolitan Housing Partnership (MHP). As a member of the partnership Granta Housing Society adheres, where possible and practicable, to the same policies. When MHP is referred to in this policy this also includes Granta Housing Society, unless specifically stated otherwise.
- 3.3 This policy should be read in conjunction with other relevant policies and procedures.

### 4.0 Conditions for sale

- 4.1 Leaseholders are free to sell their home at any time.
- 4.2 MHP has the right to nominate prospective purchasers as specified in the shared ownership lease.
- 4.3 In addition the lease will specify if MHP has the first right of refusal. Where this is included the original leaseholder (or any successor in title) must make an offer of first refusal to the former landlord during the period of 21 years from the first conveyance. MHP has **six weeks** to make the decision as to whether this option will be exercised.

### 5.0 The Shared Ownership Lease

- 5.1 The individual lease will outline if MHP:
- has the right to find a buyer (nominate a purchaser)
  - has to right to 'buy back' the property
  - any time frames

### 6.0 Nomination period

- 6.1 Where MHP has the right to nominate prospective purchasers the nomination period is currently **8 weeks**<sup>1</sup>, however this does vary and leaseholders should check their individual lease.
- 6.2 A prospective purchaser cannot negotiate for an additional share during the nomination period.

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<sup>1</sup> 14 days for Royal Mint

## 7.0 Failure to nominate a buyer

7.1 If MHP is unable to nominate a buyer during the nomination period the leaseholder can offer the home for sale on the open market **depending on the terms of the individual lease** (See clause 12 below) .

7.2 Alternatively the leaseholder can continue to use MHP as the selling agent. However the leaseholder must confirm this in writing<sup>2</sup>

## 8.0 Selling the property

8.1 The following procedure is in place if the property is to be sold:

- (i) The leaseholder informs MHP that they wish to sell the property.
- (ii) The leaseholder completes a standard form asking MHP to instruct a valuer to value the property.
- (iii) The valuer sends the valuation to MHP.
- (iv) MHP sends a copy of the valuation to the leaseholder.
- (v) The leaseholder confirms in writing:
  - That they wish to proceed with the sale
  - That they have a Home Information Pack. (Note cannot proceed without this)
  - Their contact details.
  - The price they wish to market the property. (NB this cannot be less than the valuation amount **until it is on the open market**)
- (vi) **Blank.**
- (vii) Once this instruction has been received MHP (or its agent) will provide nominees to buy the property.
- (viii) The leaseholder will make arrangements for viewings directly with the nominee
- (ix) The leaseholder notifies the **Leaseholders' Housing Officer** in writing once a formal offer has been accepted.

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<sup>2</sup> Spirita will continue to market the property after the nomination period has expired.

- (x) The prospective purchaser will be required to submit an application so that MHP can assess their eligibility to purchase the property
- (xi) MHP may then interview the prospective purchaser to assess eligibility and affordability and to advise the nominee in respect of their purchase.
- (xii) MHP must approve the purchaser's mortgage offer.
- (xiii) If the prospective purchaser, and the mortgage offer is approved, MHP, the leaseholder and the prospective purchaser will instruct their respective solicitors to prepare the sales completion documents.
- (xiv) If the prospective purchaser is rejected they will be notified of this in writing.

## 9.0 Valuation

- 9.1 A valuation is generally only valid for 3 months. This is specified in **some** leases.
- 9.2 Where an offer is made and accepted more than 3 months after the original valuation, the leaseholder **may** be required to get a new valuation.
- 9.3 Where the existing valuation is only just out of time the valuer can sometime endorse the existing valuation rather than undertake a new valuation. This is at the discretion of the valuer.

## 10.0 Selling the property privately after the nomination period

- 10.1 The leaseholder can arrange a sale:
  - Through an estate agent who will advertise the property and arrange for prospective purchasers to view it. Estate agents charge a commission fee based on the eventual sale price, or a lump sum payment in advance
  - Personally through the newspaper or internet or by using a 'for sale' board (where permitted)

## 11.0 For Sale boards

- 11.1 Leaseholders must:
  - Check to see if their lease permits them to put up a 'for sale' board

- Contact their local Council (the planning department) to find out if sale boards are permitted in their area

## 12.0 Back to back staircasing and sale

- 12.1 After the nomination period the shared owner may market their property for sale for **their share or, if the lease states, 100% share by simultaneous staircasing and sale.**
- 12.2 **In the case of back to back staircasing** the leaseholder buys the remaining share of the property and sells the 100% to the purchaser on the same day.
- 12.3 The leaseholder should notify the sales team as soon as an offer has been accepted.
- 12.4 **Blank**

## 13.0 Resales and Assignment information

- 13.1 On receipt of a firm offer the vendor's solicitors may request information on the resale and assignment.
- 13.2 The information available about the property includes:
- The name and address of the current landlord
  - Details of ground rent and building insurance
  - Schedule showing last three years service charges
  - A summary of works and proposed works affecting the property and expected recharges.
- 13.3 Granta currently charges a fee for this information at an hourly rate, that is reviewed annually. It is estimated that it will take two hours to provide.
- 13.4 Granta can **only** give this information to the vendor or the vendor's solicitors. It is the responsibility of the vendor or the vendor's agent to pass this information to any prospective purchaser.

## 14.0 Fees

- 14.1 Fees vary depending on the business and the terms of the lease.

## 15.0 Responding to solicitors enquiries

- 15.1 The Resales and Assignment information provides the detail required to resell a property.
- 15.2 If in the course of a sale the purchaser's solicitors submits additional inquiries, an additional administration fee will be payable depending on the complexity of the enquiry. This will be charged at an hourly rate, that is reviewed annually.

## 16.0 Completion

- 16.1 Once the completion date is known MHP will calculate what monies are owed (if any), for example, management and maintenance charges, major repairs, ground rent or service charges.
- 16.2 Completion cannot take place unless all debts are paid.
- 16.3 The vendor's solicitors will inform MHP when completion has taken place and will send a copy of the Notice of Assignment/Transfer.
- 16.4 MHP will not receipt the notice of assignment unless all arrears are cleared.

## 19.0 Equality and diversity

- 19.1 In the implementation of this policy, MHP will adhere to the Equality and Diversity Policy, and as such will not discriminate against any resident on grounds of their race, ethnic origin, gender, sexuality, marital status, disability, age, religion or class. (Please refer to the [Equality and Diversity Policy](#))

## 20.0 Complaints and appeals

- 20.1 If any person believes that they have not been treated in accordance with this policy, they may complain through the complaints procedure. (Please refer to the [Complaints Policy](#).)

## 21.0 Monitoring and evaluation/ Quality Assurance

- 21.1 This policy will be monitored on a quarterly basis.

## 22.0 Author

- 22.1 This policy and procedure was drawn up by: Leasehold specialists in MHP and Policy & Performance and edited for GHS by Mair Walker.

- 22.2 Comments, queries and feedback and help  
We always welcome comments and feedback. Please contact the Policy Manager (Housing), Policy & Performance.

### 23.0 Date for review

- 23.1 This policy was approved by the Housing Operations Group (HOG) on the 6<sup>th</sup> June 2008 and by the GHS Housing Operations Director in July 2008.
- 23.2 The policy and procedure will be reviewed 3 years after commencement, unless there is a significant change in legislation in which case it may be reviewed earlier.