



Shared Ownership Resales Policy

1.0 Introduction

- 1.1 This Policy outlines how we allocate and sell existing shared ownership homes.
- 1.2 We define resales as shared ownership homes where the current owner wants to sell.
- 1.3 The terms 'you' and 'your' in this Policy mean applicants/potential buyers and/or seller as the context will dictate. The terms 'we', 'our' and 'us' mean Southern Housing.

2.0 Who is eligible for shared ownership?

- 2.1 This Policy incorporates the requirements placed upon the allocation process by our regulator and funders: Homes England (HE) outside London, and the Greater London Authority (GLA) in London.
- 2.2 The requirements are published in the respective Capital Funding Guide (CFG) and there are variations between the two that relate to affordability. Where there are areas within the guidance open to interpretation, our Policy states our position on determining the criteria.
- 2.3 Shared ownership headline eligibility criteria identify customers as those:
 - Unable to buy a suitable home on the open market
 - Have access to sufficient savings for a deposit and other buying costs
 - Do not own another property in this country or abroad (you may apply for shared ownership if you're in the process of selling your property – subject to other qualifying criteria)
 - Have an income no higher than the maximum amount set by regulator Policy or local authority planning conditions.
- 2.4 Some homes have additional eligibility criteria. For example, schemes specifically built for those aged 55 years and over, rural exception restrictions, and Section 106 schemes. Local authorities may also impose other local special conditions. We will make these known when marketing the home.

3.0 Allocation of homes

- 3.1 Priority is based on the respective CFG requirements of the relevant funding authority first, then open to all other prospective buyers.
- 3.2 In the absence of interested buyers within the funder's priority group, or when in receipt of multiple applications, homes will be offered on a first-come, first-served basis.
- 3.3 Some of the homes we sell are subject to additional terms set out by the local authority and planning consents for that area. Where this is the case, these take priority over and above our Policy, and we will make these criteria known within our property listings when we market the property. Our first-come, first-served procedure will still apply when receiving multiple applications under the local authority or planning requirement stipulations.

4.0 First come, first served

- 4.1 First come, first served is determined by the date and the time we receive confirmation from an eligible buyer for the property they wish to buy. The confirmation must include a completed application form and completed initial financial assessment.
- 4.2 The application form is attached to the viewing confirmation which will be sent to the potential buyer via email. The initial financial assessment is completed by a third-party panel mortgage adviser and emailed to us. Buyers can complete their application form in advance of viewing.
- 4.3 First-come, first-served priority is taken from the time and date of receipt of the required documents, as listed above. We will not prioritise incomplete applications or financial assessments.

5.0 Adapted homes

- 5.1 On occasion we will market homes that have been adapted to meet the requirements of people with mobility needs. In addition to the above prioritisation, you will need to demonstrate a need for an adapted home through an Occupational Therapist or your local authority.

6.0 Valuations and sale price

- 6.1 Shared ownership homes will be sold at the full market value as determined by a RICS (Royal Institution of Chartered Surveyors) registered valuer. The full market value is defined by RICS as the estimated market value of a home if available on the open market. Shared ownership homes must not be sold at a price above that valuation.

- 6.2 The valuation is valid for three months. If it expires before the sale completes, the seller may need to get an updated valuation, at their own cost. The value may go up or down based on the outcome of the valuation.
- 6.3 If you as a seller are not happy with the valuation, you can instruct a second RICS valuation, at your own cost. If you disagree with the second valuation, you have the right to appeal at your own cost to the District Valuer Services (DVS). Their decision is final.

7.0 Assessing affordability

- 7.1 You are required to have a financial assessment with one of our panel of mortgage advisers when applying to buy a home with us. Even if you are a cash purchaser or have had an assessment with us or through another housing association in the past. An assessment is required for each individual home.
- 7.2 Maximum incomes stipulated in the CFG are based on the household, and we will follow the regulatory requirements as stipulated. We will be required to assess the earnings of all household occupiers, even if they are not going to be named on the mortgage or lease as owners.
- 7.3 Where local authority or planning consents specify, these take priority over and above our Policy, and we will include the criteria within our property listings when we market the home.
- 7.4 Minimum income levels will differ from one home to another because of the value of the home, the value of the share, the rent level, mortgage payment, and the service charge. We treat your financial assessment on a case-by-case basis, and any advertised minimum incomes are to be used as a guide only.
- 7.5 Optimum shares purchased are discussed and agreed between you and our panel mortgage adviser. Your initial share must be the minimum share as advertised, and a maximum of 75%. The minimum share is based on the share retained by the current owner. You must purchase their share, and we will retain our share of the remainder.
- 7.6 Our panel consists of suitably qualified and regulated mortgage advisors or financial advisors. Shared ownership is still a small market, and our panel are specialist in shared ownership mortgages. The assessment is provided to you at no cost, and you are not required to take a mortgage out through them.
- 7.7 Our panel mortgage advisor will carry out a detailed assessment considering any relevant mortgage lending criteria. These assessments will be relied upon to determine the most affordable share you can purchase:

GLA - you should buy the maximum share you can afford and sustain based on your affordability assessment, through savings and a mortgage

HE - if you request to buy shares lower than the panel mortgage adviser proposes, you will need to request your desired share, with an explanation on why you are unable to fund the proposed share.

- 7.8 When undertaking your financial assessment, you will be required to provide proof of funds for your deposit or cash purchase. Cash sums will need to be demonstrated as coming from a traceable and legitimate source. We reserve the right to refuse applications that are unable to provide this information, to comply with the required anti-money laundering regulations.
- 7.9 We will accept applications relating to adverse credit where there are:
- No new CCJs or defaults in the last two years
 - No payday loans in the last 12 months
 - A maximum of two late payments within the last six months.
- 7.10 If you have previously been bankrupt or had an IVA, you must have no residual debt remaining and you must have been discharged for three years or more to be considered.
- 7.11 Historical repossessions may be considered if they occurred more than six years ago.
- 7.12 Any applications with adverse credit histories are considered at our discretion and subject to a clear and detailed rationale.

8.0 Minimum surplus income

- 8.1 You will require a minimum 10% disposable income of your net income overall based on the share you are proposing to buy.
- 8.2 Our methodology to calculating disposable income is based on the guidance as published in the respective HE or GLA CFG and your income available after the following deductions. These deductions are as a guide and not exhaustive. Your personal circumstances may take further deductions into account:
- Gross deductions such as tax, National Insurance, student loans etc.)
 - Commitments such as loans, credit cards, childcare etc.
 - Housing costs such as rent (stress tested) and service charges.
- 8.3 You will also be required to complete a budget planner to inform us of your typical expenditure which will also affect your surplus income.

9.0 100% mortgages

- 9.1 We will accept 100% mortgages from applicants who are currently in rented accommodation and unable to save towards a deposit. You will need to demonstrate you have paid your rent without default over the last six months.

- 9.2 In addition, we will also accept 100% mortgage from applicants who have savings that are not accessible within the following six months e.g. Fixed ISA, fixed savings account or trust fund.
- 9.3 You will still be required to have access to savings to cover the costs of buying, such as mortgage arrangement fees and legal fees.
- 9.4 You will also need to demonstrate that you meet all other requirements of our Policy and of the relevant CFG.

10.0 Cash buyers

- 10.1 You must undertake a full affordability assessment with one of our panel mortgage advisers, to confirm the lack of available and/or suitable mortgages, and to demonstrate you have the means to comfortably afford and sustain your share.
- 10.2 Cash buyers will only be approved in exceptional circumstances where you have a legitimate barrier to obtaining mortgage finance, such as age restrictions or religious grounds, and this can be fully evidenced. Being unable to obtain a mortgage through poor credit will not be an acceptable reason to approve a cash application.
- 10.3 In addition to the above, if you are buying a home in a London borough, we must seek approval from the GLA for cash purchases, and that approval will only be given in exceptional circumstances. As detailed in 10.2, authority will not be granted for poor credit history.
- 10.4 We require proof of your income to afford the repayments of your rent, service charge, and other housing and living costs. Proof will need to be provided through bank statements, wage slips, accounts, or other formally issued documentation. We must be able to evidence your income to approve your purchase.
- 10.5 Applicants must also meet the normal eligibility requirements for Shared Ownership as outlined in [section 2](#) and based on the additional requirements outlined within the respective CFG.
- 10.6 We may decline applications if you wish to retain an unreasonable level of savings, and where the reason has not been clearly explained or justified by you. We may alternatively require you to buy a higher share than you have requested.

11.0 How we will sell your home

- 11.1 Your lease will say whether you must give us time to nominate a buyer if you choose to sell your home. The nomination period is typically eight weeks unless your lease says otherwise.
- 11.2 If there isn't a nomination period in your lease, you can still ask us to help find you a buyer.
- 11.3 You can download a resale information guide by visiting www.shosales.co.uk; the guide includes the marketing instruction form.

- 11.4 By law, we need a valid energy performance certificate (EPC) to market your home. You are responsible for arranging this, and for paying any cost involved.
- 11.5 The nomination period usually begins when we receive your signed marketing instruction form, valuation report, and EPC.
- 11.6 If we're successful in finding a buyer, we'll charge you a resale fee of 1% plus VAT of the full market value of your home. This is payable upon completion.
- 11.7 You may extend your lease at the same time as selling (see our [Lease Extension Policy](#)).
- 11.8 We'll market your home on our website as well as www.shareto-buy.co.uk and with the local help to buy agent (if applicable). We're also able to advertise on Rightmove; we will review this during the marketing period if we feel we need to generate further interest.
- 11.9 Following an initial affordability assessment by one of our panel mortgage advisors, potential buyers will arrange a viewing appointment via our website. Sellers will need to allow access for viewings.

12.0 What if we don't find a buyer?

- 12.1 If we don't find a buyer within the nomination period, you're free to sell your share on the open market via an estate agent.
- 12.2 You must market your share at the value stated on the RICS valuation, and you must not sell for more than this value.
- 12.3 Alternatively, you can choose to sell the full equity in your home via an estate agent. You will need to staircase to 100% ownership and sell at the same time (this is a paper-based exercise known as 'back-to-back sale' or 'simultaneous staircase and sale'). The cost of the additional equity will be paid for by the buyer.

You can sell your home for more or less than the RICS valuation if you sell the full equity on the open market. The minimum payment for our share must be no less than the RICS valuation. The valuation is valid for three months and must be up to date at the point of completion.

13.0 Buyer information

- 13.1 Within 10 working days of a formal offer being issued, the successful applicant must send us their:
- Formal acceptance form
 - Full financial assessment
 - Reservation fee (£300 deducted from the first rent payment)
 - Solicitor details.

- 13.2 Before completion, we will ask the buyer to make a payment for rent and service charge in advance.
- 13.3 The buyer's solicitor must formally register the purchase with Land Registry within one month of completion.
- 13.4 We'll update our records with the new owner's details within ten working days of receiving the completion statement from our solicitor.

14.0 Applications with connections to Southern Housing

- 14.1 If you are a Southern Housing employee or have a connection with an employee, Board member, or appointed supplier/contractor etc. of Southern Housing, you will need to refer to our [Probity Policy](#) for further information.
- 14.2 Any applications by a Southern Housing employee, Board member, or connected individual/supplier/contractor will only be accepted at full market value (as defined in [6.1](#)).

15.0 What we've done to ensure this Policy is fair

- 15.1 We've carried out an Equality Impact Assessment to consider the positive and negative impacts this Policy may have on people with protected characteristics under the [Equality Act 2010](#).
- 15.2 We recognise some residents, prospective residents, and those wishing to access our services may need adjustments due to a language barrier, disability, cultural need, or vulnerability. In these circumstances, in line with our [Reasonable Adjustments & Vulnerable Needs Policy](#), we'll work with them to ensure we consider their specific needs, on a case-by-case basis, provided it doesn't compromise health and safety to individuals or homes. This includes working in partnership with other agencies to ensure we manage and mitigate any known risks of safety and wellbeing.
- 15.3 We aspire to embed diversity and inclusion within the culture of our business activities.

16.0 Review

- 16.1 We will review this Policy to address legislative, regulatory, best practice, or operational issues.

Policy controls

Version 1.1 – effective 7 October 2025
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