

Shared Ownership First Come First Serve Policy (New Build & Resales Homes)

Policy ref:

Policy author /holder Sales and Marketing Director

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Approved by: Executive Team

Updated and effective date: September 2024

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1 Purpose and anticipated outcomes

- 1.1 Shared ownership and the resale of existing shared ownership homes is intended for people who are unable to purchase a home on the open market suitable to their needs.
- 1.2 Homes you can buy through shared ownership with LiveWest are new build homes, and existing resale homes (homes that a current owner purchased through shared ownership and now wishes to sell on).
- 1.3 This policy applies to every allocation of an available Shared Ownership new build and resale home and sets out how we will allocate these in an impartial, equitable and consistent manner.
- 1.4 We will ensure Shared Ownership applicants are aware of our policy approach when offering them a shared ownership home, prior to committing to any fees or costs to themselves.

2 Marketing our shared ownership homes

2.1 New Build

To build awareness we will use a variety of approaches to advertise homes so applicants can register their interest.

The level of advertising will be based on expected demand, but as a minimum we will use:

- Our own website www.livewest.co.uk
 - Share to Buy www.sharetobuy.com
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2.2 Resale

LiveWest shared owners are currently entitled to market their homes through independent estate agents and potential buyers come forward following viewings and/or pre-qualification through the agent.

Applicants are directed by the estate agent to a link provided by the resale team, to make an application via the LiveWest website.

3 Available shares

3.1 New Build

For homes where we have received grant funding under one of Homes England's Affordable Homes programmes, the initial shares are determined depending on the relevant programme.

For homes sold under the Shared ownership Affordable Homes Programme 2016-2021, the initial share available will be from 25% - 75%.

For homes sold under the Shared Ownership Affordable Homes Programme 2021 – 2026, the initial share available will be between 10% - 75%.

For homes where we have not received grant funding under any of the above programmes, the initial share will be determined by LiveWest, in line with any applicable Section 106 planning agreement.

3.2 Resale

The share currently owned will be the minimum share available to purchase.

Applicants for shared ownership resale homes are entitled to buy higher shares. This is done by purchasing the current shared owners' share and an additional share from LiveWest.

4 Applicant eligibility and prioritisation

4.1 Homes will be available to be applied for, on a first come, first served basis however priority will be given to applicants who meet the Government determined priority group, Military of Defence Personnel.

Where there is a home within a protected site or area specific requirements may need to be met as determined by the local authority.

4.2 For resale homes there is a degree of flexibility for sellers. However, customer allocations must remain impartial, equitable and consistent. We recommend that shared owners therefore make their expectations clear to their estate agent prior to the estate agent arranging viewings. In all cases, MOD applicants and applicants who meet any relevant local connection criteria, take priority.

- 4.3 More on the priority groups can be found here:- <https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership#applicantpriority>
- 4.4 You can buy a home through shared ownership if both of the following are true:
- Your household income is £80,000 a year or less.
 - You cannot afford all of the deposit and mortgage payments for a home that meets your needs.
- One of the following must also be true:
- You're a first-time buyer.
 - You used to own a home but cannot afford to buy one now.
 - You're forming a new household - for example, after a relationship breakdown.
 - You're an existing shared owner, and you want to move.
 - You own a home and want to move but cannot afford a new home that meets your needs.
- 4.5 If you own a home when you apply for a shared ownership home, you must have:
- Formally accepted an offer for the sale of your current home (called 'sold subject to contract' or 'SSTC').
 - Written confirmation of the sale agreed (called a 'memorandum of sale') including the price and your intention to sell.
 - You must have completed the sale of your home on or before the date you complete buying your shared ownership home.
- 4.6 For some homes you may have to show that you live in, work in, or have a connection to the area where you want to buy the home.
- 4.7 More information on who can buy through Shared ownership can be found here www.gov.uk/shared-ownership-scheme/who-can-apply

5 **Affordability assessment**

- 5.1 In line with Homes England's guidance we have established a preferred advisor to undertake all affordability assessments for mortgage purposes and we currently use New Homes Mortgage Helpline ("the Advisor"). We have carried out relevant suitability checks to ensure they are regulated to provide mortgage advice and they are experienced in, and knowledgeable in Shared ownership mortgages. Applicants who wish to purchase a home through LiveWest must be qualified by our appointed Advisor.
- 5.2 The purpose of this assessment by the Advisor is to arrive at a share percentage suitable for an applicant in terms of their affordability and sustainability and which fits with our minimum surplus income policy.

5.3 The assessment is provided at no cost to applicants and they are not required to take a mortgage through the Advisor.

- Upon completion of the assessment, we will check that the share level purchased is suitable for the applicant's affordability, needs and circumstances presented by the Advisor (LiveWest final approval).
- Applicants are encouraged to purchase a share that is suitable based on individual circumstances and affordability.
- LiveWest will not override or unduly influence any of the views put forward by the Advisor as to the suitable mortgage for an applicant.
- In cases where an applicant wishes to purchase a lower share than the Advisors mortgage assessment, we will take a view as to the extent to which the applicant is able to evidence or justify their reasons for wanting to purchase a lower share than has been established by the advisor's assessment. We reserve the right to decline an applicant's preferred share purchase amount if we feel that they do not have an evidenced or justifiable rationale or lower shares are not permitted by the Section 106 planning agreement.
- If applicants are unable to obtain a mortgage, or there is no appropriate mortgage product available, but they have sufficient savings, then they can purchase their share in cash.
- For cash purchasers we will determine the suitable share to be purchased and ensure they are not disadvantaged in any way in the assessment and decision making.

6 Allocation process

6.1 Below is a process for allocations:

6.1.1 New Build

1. **When applications are open, applicant applies through LiveWest website.**
2. **Applications received by LiveWest are allocated on first come, first serve basis.**
3. **Applicants first in line will be contacted by email and telephone.**
4. **Applicant's details will be referred to 'the Advisor' for eligibility and affordability assessment.**
5. **The Advisor provides completed assessment to LiveWest for final approval.**
6. **Formal offer made, subject to final approval:**
 - Applicants who have registered an interest in our homes will be notified at least 24 hours in advance of the release date and time by email. We understand that not everyone has access to the internet and in the event a customer is unable to apply themselves for any reason, we will allow someone else to apply on their behalf.
 - We will make our best efforts to contact those who are first in line by email and telephone; in the event we do not receive a response within 24 hours, we will move to the next applicant in line.
 - For homes where there is a high level of demand, we reserve the right to close applications on our website at any time.

- Priority of our homes must continue to go to currently serving military personnel and former members of the British Armed Forces discharged in the last 2 years (subject to meeting Homes England's eligibility requirements for military personnel). Anyone meeting this criteria will be prioritised over the first come, first serve applications.
- Applicants who are unsuccessful with an application will be held on a reserve list, in date and time order. If a home becomes re-available, we will notify the next person in line as soon as possible.
- We aim to notify unsuccessful customers as soon as possible by email, although this may not be the same day.
- A successful application does not constitute a formal offer until the advisor has carried out the eligibility and affordability assessment, and LiveWest have given final approval.

6.1.2 Resale

1. **Property is advertised by an estate agent.**
2. **Applicants express interest via the agent and pre-qualified to ensure they meet vendors preferences.**
3. **Viewings take place.**
4. **Following a viewing applicant applies through LiveWest website.**
5. **LiveWest pre-qualify applicants on a first come, first serve basis.**
6. **First application referred to the advisor (New Homes Mortgage Helpline)**
7. **The Advisor provides completed assessment to LiveWest for final approval.**
8. **Formal offer made, subject to final approval.**

- Priority of our homes must continue to go to currently serving military personnel and former members of the British Armed Forces discharged in the last 2 years (subject to meeting Homes England's eligibility requirements for military personnel). Anyone meeting this criteria will be prioritised over the first come, first serve applications.
- Applicants who are unsuccessful with an application will be held on a reserve list, in date and time order. If a home becomes re-available, we will notify the next person in line as soon as possible.
- A successful application does not constitute a formal offer until the advisor has carried out the eligibility and affordability assessment, and LiveWest have given final approval.

7 Record keeping

- We will maintain a record of each decision made.
- If an applicant is declined for any reason, we will provide an explanation for the decision and document it on file.

8 Definitions

- Homes England – An executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities.
- Grant funding – Grant received from the Government under the Affordable Homes Programme
- SOAHP (Shared ownership Affordable Homes Programme)
- Section 106 Agreement - When new homes are developed, special planning criteria may set out how the homes will be allocated. This legal agreement between the Developer and a Local Authority (where obligations/restrictions pass down to successors in title) may give priority to groups of applicants. This could be to applicants who have a Local Connection to a particular area/parish.
- The advisor – A suitably qualified and experienced advisor that is regulated to give mortgage advice – The advisor appointed on LiveWest’s behalf is New Homes Mortgage Helpline

9 Linked policies

- Shared ownership Minimum Monthly Surplus Income Policy (New Build and Resale)
- Homes England Capital Funding Guide for Shared Ownership

10 Legal considerations

- Homes England Capital funding guide <https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership>
- Section 106 of the Town and Country Planning Act 1990
- The Equality Act 2010

Version control

| Version Ref | Date | By Whom? | Reason |
|-------------|-----------|------------------------------|---------------------------------------|
| 1 | July 2024 | Sales and Marketing Director | New Policy approved by Executive Team |
| 1.1 | Sept 2024 | Senior Sales Consultant | Minor update to wording |