



simply  
affordable  
homes

# Shared Ownership Sales: Approach to Shared Ownership Applications and First Come, First Served Policy

Company No: 11567414

Registered Provider No: 5094

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## Simply Affordable Homes RP Limited

### Approach to Shared Ownership Applications and First Come, First Served Policy

#### 1. Scope of this policy

This policy sets out clearly how Simply Affordable Homes RP approaches the sale of shared ownership homes, assesses potential purchasers and undertakes allocation decisions when there is more demand than supply.

This policy reflects the rules and procedures set out by Homes England in their “Capital Funding Guide”. This can be found at <https://www.gov.uk/guidance/capital-funding-guide>. There may be separate or additional policy requirements relating to certain schemes for example in London relating to the requirements of the Greater London Authority or where there are specific local planning requirements.

#### 2. Equality and Diversity

Simply Affordable Homes RP is committed to providing services in a way that is accessible to all our residents and customers. Our staff and companies we engage to provide services are expected to communicate appropriately and to ensure that residents and customers have relevant information which they require to access our services.

It is against the law to discriminate against anyone on the basis of age; a person’s being married or in a civil partnership; their being pregnant or on maternity leave; disability; race including colour, nationality, ethnic or national origin; religion or belief; sex; sexual orientation, and gender reassignment. These are called ‘protected characteristics’ under the Equality Act 2010.

Simply Affordable Homes RP considers that by adhering to this policy it will comply with all relevant obligations to treat all residents and customers with fairness and respect.

On request we will provide translations of all our documents, policies and procedures in various languages and formats including braille and large print.

#### 3. Shared Ownership Applications

As required by the Capital Funding Guide, Simply Affordable Homes will assess potential purchasers (“applicants”) to:

- Ensure that they meet the applicable eligibility criteria
- Assess the share of the home that they can afford
- Ensure that the purchase is affordable and sustainable
- Ensure that the purchase meets Simply Affordable Homes RP’s additional requirements for shared ownership sales

Simply Affordable Homes RP reserves the right to decline any application if the customer does not meet the requirements of this policy.

#### **4. Applicable Eligibility Criteria**

Simply Affordable Homes requires that all applicants meet the shared ownership eligibility criteria. These are:

- Total household income for applicants should not exceed the affordable housing limits set out in the Homes England Capital Funding Guide, at present £80,000. There is a higher limit in London as set by the Greater London Authority, presently set at £90,000.
- Applicants must be otherwise unable to purchase a suitable property for their housing needs on the open market.
- Applicants must be at least 18 years of age.
- Applicants must not already own their own home, unless it is in the process of being sold.
- Applicants must not knowingly give false or misleading information as part of the application process.

There are separate eligibility requirements for military personnel which are available upon request.

#### **5. Assessment of affordability**

Simply Affordable Homes RP will assess the affordability for applicants of all shared ownership sales, whether new homes or resales of existing shared ownership homes.

Approval of applicant affordability is based on assessment by a suitably qualified, experienced and regulated mortgage adviser or financial adviser. We or our sales agent will connect potential buyers with a suitably experienced and qualified adviser, who will be regulated to give mortgage advice, and have knowledge of the sector and access to a range of shared ownership mortgage lenders.

Key factors in the assessment of affordability will include:

- An assessment of surplus monthly income: based on all elements of the applicant's income and expenditure. For further information on the minimum required surplus income and associated requirements please see the associated policy Shared Ownership Sales: Minimum Surplus Income Policy.
- An assessment of savings, investments, assets, etc. and how these might be used in a potential purchase.
- An assessment of mortgage availability and how a mortgage might help a potential purchase.

As guided by the Capital Funding Guide, Simply Affordable Homes encourages applicants to purchase as large a share as is suitable based on their individual circumstances and affordability, taking into

consideration any known or foreseeable changes in the future. However, under no circumstances should applicants overcommit themselves financially.

## **6. Simply Affordable Homes additional requirements for shared ownership sales**

These comprise:

- A credit check of the individual will be carried out by the agent or financial adviser.
- A minimum deposit of £5,000, or 5% of the value of the first tranche share being acquired if higher, will generally be required.

## **7. Applicant Priority: First Come, First Served**

Often there is high demand for shared ownership homes with multiple applicants interested in those homes available. Provided that an applicant has been assessed as being able to afford to purchase the minimum purchase share available and the applicant complies with Simply Affordable Home's policies then the shared ownership homes are offered on a first come, first served basis, in line with the Capital Funding Guide requirements. This is based upon the purchaser who is first to pass the eligibility and affordability assessments, as outlined above, and submit all necessary documentation to our nominated sales agent.

The assessment is typically conducted in two stages and the policy is to allocate a property to the buyer who is first to pass the first stage, allowing them time to work with the adviser on the second stage so long as that is pursued promptly. Simply Affordable Homes does however reserve the right to pursue a transaction with another potential buyer if we are advised that the second stage of the process is not progressing promptly.

The Capital Funding guide identifies certain specific exceptions to the "first come, first served" principle in relation to:

- certain qualifying armed forces personnel.
- schemes in protected sites or areas where priority is able to be given to applicants with some form of local connection.

Further information on these exceptions can be provided upon request.

Documentation will typically include but is not limited to:

- Budget Planner
- Financial documentation (ID, payslips, bank statements & credit report)
- Completed anti-money laundering checks and any supporting information
- Satisfactory credit assessment
- Completion of reservation form

- Confirmation of payment of reservation fee

#### 8. Other relevant policies

This policy should be read alongside:

- Shared Ownership Sales: Minimum Surplus Income Policy

#### 9. Review

We will review this policy periodically to address relevant legislative, regulatory, best practice or operational developments, including in light of any feedback received.

#### Revision History

Date	Version	Comments / Changes
15/11/2024	1.0	Initial version