



Shared Ownership Allocations Policy

Perran Housing LLP

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PART OF THE
TREVETH GROUP
A CORNWALL COUNCIL
OWNED PARTNERSHIP

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Perran Housing LLP: Shared Ownership Allocations Policy

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1 | Introduction

- 1.1. The purpose of this policy is to set out how Perran LLP (Perran) will allocate housing to ensure that it meets its objectives, and that the housing it provides is made available to those whose needs would not otherwise be met by the commercial housing market.
- 1.2. Our aim is to allocate our housing in a fair and transparent way, and we are committed to working with key stakeholders including local authority partners to support their objectives.

2 | Scope

- 2.1. This policy applies to all Perran social housing properties. All staff, subcontractors and managing agents are required to work in line with this policy.

3 | Definitions and Background Information

- 3.1. Social Housing: as defined in the Housing and Regeneration Act (2008) Part 2, Section 68.
- 3.2. Low Cost Home Ownership: as defined by the Housing and Regeneration Act (2008), Part 2, Section 70.
- 3.3. Shared Ownership is a government backed part rent, part buy scheme which falls under the definition of “Low Cost Home Ownership” housing. Shared

Ownership homes give first time buyers and those who do not currently own a home the opportunity to purchase a share of a new build or resale property.

- 3.4. With buyers will be able to purchase an average initial 30% of the share of the property and will pay a mortgage on the share they own. Buyers will pay rent to Perran on the remaining share of the property. Shared Owners reserve the right to increase their share of the property through a process known as “staircasing” up to 100%, thereby owning the property outright.
- 3.5. Perran Shared Ownership properties will be allocated to people who would like to own their own home but are unable to afford to do so on the open market. Through purchasing through Shared Ownership, the cost of ownership is reduced as:
 - The rent on the unsold share is charged at this time at only 2.5% of the remaining share. This may be less in some instances subject to local authority affordability requirements or planning conditions.
 - Purchases can be made of as little as 30% of the property, making mortgages for the buyer more accessible and affordable.
 - The deposit required may be 5% of the proposed share to be purchased, not of the whole property value.
 - Stamp duty land tax (SDLT or “stamp duty”) can generally be deferred until the share owned by the buyer reaches 70%.
- 3.6. Shared Ownership properties are leasehold only. Perran will grant purchasers a long lease for a minimum of 990 years, which will explain:
 - The purchaser’s rights and responsibilities as the Leaseholder
 - The rights of Perran and its responsibilities as the Landlord
 - How often rent and service charges will be reviewed
 - The processes for staircasing or divesting of the property in the future.

4 | Policy

4.1. Working with Partners

4.1.1. We will work wherever possible with Local Authority partners (at this time Cornwall Council only) to ensure that we are supporting their strategic housing objectives.

4.2. Eligibility

4.2.1. We will ensure that properties are allocated to those whose needs are not met by the commercial housing market, and in a fair and transparent manner.

4.2.2. There are general eligibility requirements that anyone wishing to buy a Shared Ownership home must meet. We also need to ensure that we remain financially viable, and that we build strong, cohesive and sustainable communities. Therefore, we will not usually offer a Shared Ownership Property to:

- Those under 18
- Those who we believe are in mortgage or rent arrears
- Those who we believe have a recent history of anti-social behaviour (ASB)
- Those where the properties would not be suitable (e.g. due to accessibility requirements)
- Those who fail credit reference or fraud checks. All prospective shared owners must be able to demonstrate that they have a good credit history (defined as no bad debts or County Court judgements) and can afford the regular payments and costs involved in buying a home
- Those whose annual combined household income is more than £80,000
- Those who are not a first-time buyer. If an applicant does already own, then their current property must be in the process of being sold
- Those who can afford to buy a home suitable for their housing needs on the open market.

4.2.3. We will need to see evidence that purchasers have enough savings or be able to easily access a minimum of 5-10% of the equity share that is being purchased as a deposit.

4.3. Low Cost Home Ownership Allocation

4.3.1. We expect our properties to be popular and at times, we will receive more reservations than we have homes available, therefore we will prioritise applicants to make sure the properties go to those most in need of a Shared Ownership home including bedroom need of the household.

4.3.2. This is the order in which we will prioritise:

- i. Social housing tenants – as social housing tenants purchasing a property will release a home for rent
- ii. Applicants registered on the local authority's housing waiting list banded D or above and Who are living or working in the same town or parish as defined by Cornwall Council
- iii. Applicants registered on the local authority's housing waiting list and who are in priority need as defined by Housing Act 1985
- iv. Emergency services including individuals employed ambulance, police, fire or coastguard and military personnel
- v. Those already living or working in the same Community Area Partnership as the property as defined by Cornwall Council
- vi. Those already living or working in the same County as the property
- vii. Everyone else.

4.4. In addition, we will also comply with the specific requirements set out in any local planning agreements. These planning restrictions often referred to as S106, set out the criteria an applicant must meet to be considered. Where planning restrictions apply, they will override any other allocations criteria.

4.5. Appeals

4.5.1. We will act transparently in applying this policy. Where applicants do not feel that we have complied with our Allocations Policy, they have a right to appeal the decision. Appeals need to be made within 14 days and will be responded to as set out in our Complaints Policy.

5 | **Monitoring and Performance**

- 5.1. The Project Committee has overall responsibility for this policy. The Project committee will receive assurance that the policy is being complied with through reports on the lettings process and internal audit activity.

6 | **Background Documents**

- 6.1. This policy should be read and executed in conjunction with the legal and regulatory documents as listed below:

- The Regulatory Standards – RSH
- Housing and Regeneration Act 2008
- The Housing Act 1985

And the following strategies and policies:

- Complaints Policy
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