

Shared Ownership: Qualification and Allocation Policy

This policy sets out Yorkshire Housings approach to the allocation of new build Shared Ownership homes.

Yorkshire Housing will assess all applications fairly and without discrimination, using a transparent and consistent approach. We will sell Shared Ownership homes to qualifying purchasers, in line with the Homes England's eligibility criteria, to help households on lower incomes, who would otherwise be unable to afford to buy and sustain home ownership.

Space Homes is the sales brand of Yorkshire Housing. Space Homes is a trading name, used by Yorkshire Housing, and all shared ownership new build homes will be sold using this trading name.

1. Policy Statement

- 1.1 Applications for shared ownership homes should be considered in an impartial, equitable and consistent way. No applicant should be disadvantaged when making their application.
- 1.2 Providing clear information on the qualification and allocation process gives clarity to those making an application. If applications are not successful, a reasonable and detailed explanation will be given.
- 1.3 Shared ownership homes benefit from public money and registered providers of the homes, like Yorkshire Housing, are required to publish policies to ensure the best use of this funding.

2. Policy Aims

- 2.1 To be transparent on the eligibility criteria for Shared Ownership and how we prioritise customers. To ensure fair and equal access to Shared Ownership homes.
- 2.2 Where Yorkshire Housing is in receipt of grant funding, to operate within Homes England's requirements as set out in the [Capital Funding Guide](#) (CFG).
- 2.3 To ensure, as far as practically possible, that Shared Ownership is a long term, sustainable housing option for our customers.

- 2.4 This policy is specific to parts of the qualification and allocation process but does not detail every aspect of the process.

3. Eligibility

- 3.1 To be eligible to purchase a Shared Ownership home, in line with the government set criteria, customers must have a gross household income of less than £80,000 (in areas outside of London) and be otherwise unable to purchase a suitable property for their housing needs on the open market.
- 3.2 Only in exceptional circumstances can Yorkshire Housing consider customers with a household income above the maximum threshold and only where we can secure written permission from Homes England.
- 3.3 Where Yorkshire Housing is in receipt of grant funding, all households that are interested in accessing Shared Ownership, must complete an initial application form accessed through the link on the [Space Homes website](#).
- 3.4 Yorkshire Housing (Space Homes) will conduct its own assessment of customers to ensure that they meet all eligibility criteria, and their purchase is affordable.
- 3.5 All customers are required to complete a financial assessment by an independent mortgage broker from the approved panel on the [Space Homes website](#).

4. Customer Priority

- 4.1 Shared Ownership is prioritised on a first come, first served basis to all customers, providing they meet the relevant eligibility and affordability criteria.
- 4.2 First come, first served applies to the first customers who can proceed with a full reservation, it is not based on the date they first expressed an interest.
- 4.3 This means they:
- have completed and passed all the necessary eligibility checks and completed the application form.
 - have completed and passed the full financial assessment.
 - have provided all the satisfactory documentation to support their application.
 - have a mortgage agreed in principle (if applicable).
 - have provided their solicitor details.
 - are fully ready to proceed with a reservation.
- 4.4 Some Shared Ownership developments have specific eligibility criteria set out in the planning approval granted by the local authority and this will be clearly advertised where applicable.

- 4.5 The criteria are set out in a Section 106 agreement. This could dictate that Yorkshire Housing must give priority to customers who live or work in the area or other criteria that the local authority decides is important to meet local housing need. This may also mean that Staircasing is restricted to 80%.

5. Establishing Affordability

- 4.1 Yorkshire Housing requires all customers to have an independent financial assessment with a mortgage advisor.
- 4.2 Customers are not required to take a mortgage or purchase any products through these advisors and there will be no charge for this assessment.
- 4.3 It is the customer's responsibility to notify Yorkshire Housing of any changes to their circumstances after the initial application.
- 4.4 In order for Yorkshire Housing to guard against fraudulent applications and anti-money laundering, our solicitors and mortgage advisors will carry out the necessary checks in line with the requirements set out in UK law. Each applicant will be required to provide proof of:
- Identification.
 - Address.
 - Date of birth.
 - Income.
 - Source of funds for deposits.
 - If a gifted deposit is being used from someone not buying the home, the person or persons gifting the funds will also need to provide information as required to the solicitor acting on behalf of the buyer.
- 4.5 The full range of applicable share percentages as determined by the relevant Shared Ownership model will be offered to all eligible applicants. The share level being purchased must be suitable for the applicant's affordability, needs, and circumstances, and evidenced by a financial assessment.

6. Monthly minimum surplus income for applicants

- 4.1 This relates to the minimum amount of money applicants should have each month when all of their housing costs and other expenses have been accounted for.
- 4.2 Applicants will be asked to provide the following information so an assessment can be made:
- (A) Gross income
 - (B) Less gross deductions (tax, National Insurance, student loan, etc)
 - (C) Less known commitments (loans, credit cards, childcare, etc)
 - (D) Less housing costs of the Shared Ownership purchase (rent and service charges)

- $(A - B - C - D)$ = income available to support a mortgage, other essential expenditure (identified through a budget planner) and to meet the surplus income set by Yorkshire Housing in this policy

4.3 The surplus income applicants must have is a minimum of 5% left over at the end of the month, once all deductions have been made.

7. Minimum Deposit

7.1 Customers are expected to be able to provide at least 5% of the share value from their own resources. This is the minimum deposit requirement. Evidence of the source of these funds must be provided as requested.

7.2 Where there are extenuating circumstances exceptions to the above will be considered on a case by case basis.

8. Buying the share percentage

8.1 Applicants are encouraged 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.

8.2 The mortgage advisor will consider all the customer's circumstances as part of the financial assessment and propose a share level that is deemed affordable.

8.3 Yorkshire Housing will sell shares flexibly in accordance with the purchaser's specific circumstances and will aim to adopt a flexible approach to the minimum and maximum initial purchase allowed. For schemes funded with grant from the Homes England [Affordable Homes Programme 2021 to 2026](#) shares start as low as 10%, subject to an affordability assessment and the requirement for each purchaser to maximise the share level they can reasonably afford to buy and sustain. The maximum share is 75%.

8.4 For schemes funded before the Affordable Homes Programme 2021 to 2026 the minimum share starts at 25% and the maximum share is 75%.

8.5 Applicants are permitted to keep a reasonable level of savings for emergencies, as well as other foreseeable events to avoid them being overcommitted financially. Although each application is assessed individually, an explanation will be sought if the amount of the savings exceeds £15,000.

9. Immigration Status

9.1 Yorkshire Housing is open to applications from customers without indefinite leave to remain. A key indicator we will use, is if a qualifying lending institution such as a bank or building society is willing to provide finance for the purchase. If so, the customer is likely to be considered to have the necessary financial security to buy and sustain the on-going costs.

10. Cash buyers

- 10.1 Consideration will be given on a case by case basis to applicants wishing to proceed with a cash purchase. Customers may purchase their share in cash if they are unable to obtain a mortgage but have sufficient savings. For example, if the buyer could not take out a mortgage either due to their age, personal circumstances or poor credit history.
- 10.2 In all cases customers using cash to purchase a home will be required to have a financial assessment to review affordability and eligibility.

11. Diversity and Inclusion Implications

- 11.1 There are no apparent equality and diversity implications from this policy.
- 11.2 The policy ensures fair treatment for all members of the community regardless of race, ethnic origin, nationality, gender, disability, religion, marital status, maternity, sexuality or sexual orientation, or age.

12. Individuals connected to Yorkshire Housing

- 12.1 All customers are checked to ensure no conflict of interest exists between the customer and Yorkshire Housing.
- 12.2 A conflict of interest could be if the applicant or a member of the applicant's household is considered to be a connected individual, such as:
- They are a Yorkshire Housing employee or a member of the YHL or YHR Board.
 - If they are related to an employee or Board member of Yorkshire Housing, or to a person who has had such position within the previous twelve months.
 - If they have been employed by Yorkshire Housing in the last twelve months.
- 12.3 All customers will be asked if they have a connection to Yorkshire Housing. They should openly and honestly declare any connection and the nature of the connection.
- 12.4 Any conflict of interest will be identified prior to a formal offer.
- 12.5 Where a connection is disclosed, Yorkshire Housing will record the details of the connection on a conflict of interest form. Confirmation that no preferential treatment or unfair advantage has been given to the customer will need to be verified to allow the application to continue.

13. Reporting and Monitoring

- 13.1 This policy will be reviewed regularly to reflect current legislation and good practice.

Date approved	July 2024
Approved by	Directors
Recommended / scrutinised by	Heads of Service Development and Sales Senior Leadership Team Sales Managers
Summary of changes	This is a new policy
Frequency of review	Every 2 years
Next review date	June 2026
Policy owner	Head of Sales
Policy author	Sally Lynch
Associated policies or guidelines	Capital Funding Guide - 1. Shared Ownership - Guidance - GOV.UK (www.gov.uk) Governance - Leasehold Management Policy - May 2019.pdf - All Documents (sharepoint.com)
Associated procedure	Shared ownership homes: buying, improving and selling: Apply - GOV.UK (www.gov.uk)