



SHARED OWNERSHIP BUY BACK POLICY

1. Statement of Policy

- 1.1 The Association currently has thirty-seven Shared Ownership Housing Units as a contribution to meeting corporate objectives.
- 1.2 The aim of the policy is to ensure that in line with the occupancy agreement if a Sharing Owner wishes to sell their share that the Association considers its right to have the opportunity to buy the sharing owners share of the property.
- 1.3 In retaining the option to buy back the Association will manage its exposures to financial risk whilst retaining an alternative form of tenure to outright purchase and social renting. The Association will review its options on each individual purchase and decide which option is favourable to the Association. The options will include:
 - Allowing sharing owners to sell their share of properties on the open market, and the Association realising its share of the property being sold.
 - To utilize any grant schemes that may be available to the sharing owner to assist with financial difficulties they may be incurring.
 - For those owners not in formal financial difficulties but wanting to sell their stakes back to the Association, a review will be done of the work requiring to be done to the property over the next three to five years against the sales value of the property and an appropriate discounted offer made, if considered to be in the long-term interest of the Association and the tenant. Each offer in these circumstances will be viewed as an individual offer with no bearing on any other future or past offer as the circumstances pertaining to it will never be repeated.

2. Procedure

- 2.1 There are several different Agreements in operation with the Sharing Owners as these were drawn up with different conditions at the time of sale. The conditions that apply need to be checked on an individual basis when these sales arise. In the main the following applies:

- 2.2 Should the sharing owner default on payments due to the Association, the Association may have its solicitors serve a Notice giving 28 days Notice that the Association intends to terminate the Occupancy whereupon all rights of the Sharing Owner to exclusive occupation of the Property shall cease. Should they continue to occupy the property after termination of the Occupancy they will be liable to pay the Association an equivalent sum to the Occupancy payment which was due prior to the default or termination until the Sharing owner removes from the property. In this scenario the Association has the option to either purchase the Sharing Owner's Share of the Property or require the Sharing Owner to conjoin with the Association in the joint sale of the property with vacant possession on the open market for the best price that can be reasonably obtained.
- 2.3 If at the end of 20 years the Sharing Owner has not exercised their right to purchase the property outright, the Occupancy Agreement shall end. The Sharing Owner has the right to purchase the Association's share immediately on expiry of the 20th year of Occupancy or both parties can enter into a further agreement to extend the Occupancy Agreement for a further agreed period. The Association also has at this time the option that if the Sharing Owner has not purchased within the 20-year period, they can exercise its option to purchase the Sharing Owners portion of the property, provided it has served them with a notice to this effect within 2 months of the expiry date of the Occupancy Agreement. If neither party exercises its right to purchase nor if the Sharing Owner does not wish to enter into a further agreement, the parties shall have to jointly sell the property.
- 2.4 The Occupancy Agreement shall terminate immediately on the death of the Sharing Owner. The Association can purchase the remainder of the property at this time or agree to enter with the Executors in a joint sale of the property or allow them to sell their share on the Market. The Association must serve a notice on the Executor within 42 days if it wishes to purchase, failing which it will be deemed they have agreed to join with the Sharing Owner in the sale of the Property.
- 2.5 If the sharing owner wishes to remove from the property, they should serve a notice in writing on the Association giving the Association the option to either purchase the Sharing Owners Share, join with the Sharing Owner in the Sale of the of the whole property or allow the Sharing Owner to sell their share on the open market. If the Association wishes to purchase it must serve a notice on the sharing owner within 42 days of its intention to purchase. The Association must settle the

sale within 8 weeks. Should the Association fail to serve a notice it shall be deemed to have agreed to join with the Sharing Owner in the sale of the property. Occupancy would terminate upon settlement by the Association of the Sharing Owners Share.

- 2.6 In instances where the Sharing Owner has been unable to find a purchaser for their share of the property on the open market the Association may purchase the unit and either allocate it as rented accommodation or alternatively offer to sell the property at 100% on the open market.

3. Legal Issues

- 3.1 In all issues relating to Sharing Owners increasing their tranche, selling their part ownership of the property, or defaulting on payments Solicitors will be appointed to act on the Association's behalf.

4. Review Of Policy

- 4.1 The policy will be formally reviewed every 3 years.