



Craigdale
HOUSING ASSOCIATION

Shared Ownership-Buy Back Policy

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Craigdale Housing Association can provide this document on request, in different languages and formats, including Braille and audio formats.

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1. Introduction

- 1.1 Craigdale Housing Association (CHA) is a Registered Social Landlord (RSL), situated in the Southwest area of Castlemilk and was established in December 1988.
- 1.2 The Association is committed to providing high quality affordable and accessible social rented housing to those in greatest housing need, contributing to the physical, social and economic regeneration of the area, the provision of housing for people with specialised needs and to provide a safe environment for our residents to enjoy.
- 1.3 The demand for housing in the area is high and stock turnover is low, Options available to the association to increase housing stock are limited, and with the location of the shared ownership stock scattered amongst the current stock profile, purchases could address the gap in need. To facilitate this the Association has a Shared Ownership Buy Back Policy providing direction for staff and shared owners.

2. Scottish Social Housing Charter

- 2.1 Standard 1
The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- 2.2 Standard 2
The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- 2.3 Standard 3
The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- 2.4 Standard 4
The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- 2.5 Standard 5
The RSL conducts its affairs with honesty and integrity.

3. Principals, Aims and Objectives

- 3.1 This policy has been developed to set out the guidelines of Craigdale Housing Association Ltd (CHA) in relation to Shared Ownership buy back transactions.
- 3.2 This Policy will consider relevant legislation and follows best practice including guidance from the Scottish Government and the Scottish Housing Regulator (SHR).

4. Background

- 4.1 The Association currently owns 3 shared ownership properties, with sharing owners holding, in the main, 25% ownership, with the Association owning the remainder of the property.
- 4.2 This Policy has been devised in conjunction with Scottish Government Housing Investment Guidance Note (HIGN 2009/07) issued in May 2009. The Guidance Note details a change to section 3.12 of the current operational procedures for shared ownership set out in SHGN 2000/15. HIGN 2009/07 is attached to this policy document for information.
- 4.3 In January 2011, following the publication of the Low-Cost Initiative for First Time Buyers (LIFT) Evaluation, the Scottish Government took the decision to discontinue funding for shared ownership and to allocate any future funding to the Open Market Shared Equity and New Supply Shared Equity Schemes.
- 4.4 The guidance allows the Association, not only to buy back a shared ownership property for the purpose of re-sale on a shared ownership basis but also the Association now has the following options depending upon whether a property is to be purchased with vacant possession or with a sitting tenant:
- 4.5 The Association will consider buying back a share in the following circumstances:

- a. Buy back with vacant possession. To make available for rent so long as the Local Housing Strategy (for Glasgow City Council) demonstrates to the satisfaction of the current grant provider, a clear shortage of rented housing relative to the need for shared ownership and no additional grant is required for the purchase.

In other words, there must be no evidence of a need for shared ownership properties within the Castlemilk area. If, however, the Association can demonstrate a continued need for shared ownership properties through its current waiting list, it is unlikely that the option to buy-back the share would be available. The Association will not, therefore, buy back a shared ownership property with the sole purpose of re-selling it on a shared ownership basis.

- b. Buy back with a sitting tenant. Purchase of a shared ownership property and offer the tenancy to the former sharing owner so long as the Association confirms that it has a policy, which sets out how it will assess and prioritise such cases, and no additional grant is required for the purchase. The Allocation Policy will apply in these circumstances.

5. Procedure

In consideration of sharing owners who face severe financial hardship as a result of a change in their circumstances, the association will consider a buy back request on the following terms:

- 5.1 If the property has not yet been valued, then only the District Valuer's valuation will be considered. However, if the sharing owner has recently instructed and paid for a detailed Home Report, this will be accepted.

- 5.2 The valuation must be reasonable in that the estimated additional rental income resulting from the purchase must cover the capital outlay within a 25-year period as well as estimated future maintenance costs. If the property is situated in an external factored development, these costs should also be considered.
- 5.3 Any offer to purchase will include heritable property only. Sharing owners' fixtures and contents will not be included in the purchase i.e., carpets, curtains, sharing owners' improvements, etc.
- 5.4 Each party to bear the cost of their own legal and valuation fees (valuation fee to be paid with application or deducted from sales proceeds where necessary).
- 5.5 The property must be brought up to the Association's lettable/Scottish housing quality standard prior to purchase and the cost to be borne by the sharing owner or costs to be deducted from the selling price.
- 5.6 Any monies outstanding to the Association e.g., rent, repairs costs, factor's accounts, will be deducted from the purchase price at settlement.
- 5.7 The sharing owner must demonstrate that the loan (if applicable) in respect of the percentage share owned has been fully repaid and discharge of security obtained for delivery to the Association.
- 5.8 Housing Management and landlord responsibilities/implications must be considered in each and every case.
- 5.9 In cases where the sharing owner is remaining in the property, they will be required to sign a standard Craigdale Housing Association Scottish Secure Tenancy Agreement prior to completion of the transaction.
- 5.10 Only when all these factors are considered and agreed upon, will a decision be taken as to whether to purchase or not. Final decisions will be made by the Board of Management.
- 5.11 This is the normal policy of the Association; however, each application will be considered on its own merits and it is not a guarantee that the Association will proceed with a purchase.

6. Complaints

- 6.1 We have a separate complaints policy and procedure. Leaflets and copies of the complaint's procedure are available from the Association's office and on our website.
- 6.2 We also provide information on how our customers can make a complaint to the Scottish Public Services Ombudsman, Bridgeside House, 99 McDonald Road, Edinburgh, EH7 4NS, telephone 0800 377 7330 and how to contact the Scottish Housing Regulator.
- 6.3 The Ombudsman will not normally deal with complaints unless customers have followed the Association's complaints' procedure.

7. Review of Policy

- 7.1 The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance.

8. Equalities and Human Rights


- 8.1 We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.
- 8.2 We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

9. General Data Protection Regulations (GDPR)

- 9.1 The organisation will treat personal data in line with our obligations under the current GDPR regulations and our own policy.

10. Freedom of Information (FOI)

- 10.1 The Association is subject to FOI and all enquiries with respect to Shared Ownership Buy Back will be handled strictly in line with FOI and confidentiality policies.

HOUSING INVESTMENT GUIDANCE NOTE	
To: All Registered Social Landlords	 The Scottish Government
Subject: Shared Ownership Procedures Guide: Amendment re buy back and re-sales	Ref No: HIGHN 2009/07
Issued by: Housing Investment Division	Page: 1 of 2 Issued: May 2009

This guidance note tells you about a change to the operational procedures for shared ownership. It is an amendment to section 3.12 of the Shared Ownership Procedures Guide set out in SHGN 2000/15. **This change will take effect immediately.**

You will find a copy of this guidance note on the Scottish Government website at:

<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/Investment/guidancenotes>

This Guidance Note has been copied to Glasgow and Edinburgh City Councils, COSLA and SFHA.

Introduction

SHGN 2000/15 sets out the operational procedures for administering shared ownership projects. With regard to buy back and re-sales, section 3.12 of the operational procedures currently states that if a sharing owner wishes to move from their home then the registered social landlord can buy back the property (if it wishes). The registered social landlord can however only buy back the property for the purpose of re-sale on a shared ownership basis.

Change to Shared Ownership Procedures Guide

This guidance note amends section 3.12 of the Shared Ownership Procedures Guide. With immediate effect, if a registered social landlord wishes to buy back a shared ownership property, the following options are available depending upon whether a property is to be purchased with vacant possession or with a sitting tenant:

- A registered social landlord can purchase a shared ownership property with vacant possession and make it available for rent, so long as:
 - (i) the Local Housing Strategy demonstrates to the satisfaction of the current grant provider, a clear shortage of rented housing relative to the need for shared ownership, and
 - (ii) no additional grant is required; or
- A registered social landlord can if it wishes, purchase a shared ownership property and offer the tenancy to the former sharing owner, so long as:
 - (i) the registered social landlord confirms that it has a policy which sets out how it will assess and prioritise such cases, and
 - (ii) no additional grant is required.

This procedural change has been agreed with Scottish Housing Regulator colleagues.

If you have any questions about any of the above please contact your local Scottish Government Regional Office or, in the case of Edinburgh and Glasgow, the City Councils.