

FORTH HOUSING ASSOCIATION LIMITED

Shared Ownership Buy Back Policy

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FORTH HOUSING ASSOCIATION LIMITED

Shared Ownership Buy Back Policy

1.0 Introduction

1.1 Forth Housing association recognises that there may be occasions when existing Sharing Owners, due to financial or other pressures, wish to sell the share of their home and may approach the Association with a purchase request. This policy outlines how such requests will be dealt with and the circumstances in which an offer to buy may be made.

2.0 Policy objectives

2.1 The Association will seek to achieve the following aims:

- To provide support for Sharing Owners facing financial or other pressures to divest themselves of property ownership.
- To protect the long term financial security of the Association by only acquiring homes for which there is a recognised housing need and which will make a positive long term contribution to its finances.

3.0 General principles

3.1 The following general principles will be adhered to:

- The Association will normally only consider a buy back if the Sharing Owner's share is no more than 50%.
- Purchase will only be pursued where the property valuation, property condition and projected rental income indicate a positive financial contribution to the Association's funds over a 30 year period.
- Each party to bear the cost of their own legal and valuation fees (valuation fee to be paid with purchase request or deducted from sales proceeds where necessary).
- Any offer to purchase will include heritable property only. Sharing Owner's fixtures and fittings will not be included in the purchase.




4.0 Processes

4.1 Request to purchase

4.1.1 Any request to purchase must be in writing to the Association's Tenant Services Manager and be signed by all parties involved in the ownership share. Where individual owners have deceased and/or are no longer able to act under their own capacity legal confirmation of authority to act will be required.

4.2 Offer to purchase

4.2.1 Any initial offer to purchase will be made informally by the Tenant Services Manager following an assessment of the following:

-  The valuation of the property by way of a District Valuer's Valuation, or a Home Report if that has recently been instructed and paid for by the sharing owner.
-  The condition of the property and the cost of all works required to bring the property into line with the Association's lettable standard.
-  The level of housing need demonstrated by the Association's housing list and the Local Housing Strategy.

4.2.2 To facilitate the above Sharing Owners may be required to provide full access to their property along with information about works undertaken etc. The Sharing Owner must also demonstrate that any loan (if applicable) in respect of their percentage share owned, has been fully repaid and discharge of security obtained or will be repaid and confirmed by their Solicitor.

4.2.3 Any monies outstanding to the Association e.g. rent, repairs costs, factoring charges, will be deducted from the purchase price at settlement.

4.2.4 The decision of the Tenant Services Manager, regarding any offer to purchase, valuation or other conditions will be final and no right of appeal will exist.

4.2.5 Once any informal offer to purchase has been accepted by the Sharing Owner this will be formalised via the Association's solicitors.

5.0 Vacant/possession

5.1 The Association will normally only purchase properties where it will be granted full vacant possession. However, where the existing Sharing Owner wishes to continue occupying the property as their only or principle home this may be agreed. Any purchase in this circumstance will be conditional on the Sharing Owner signing a standard Scottish Secure Tenancy with the Association.

6.0 Review Period

- 6.1 This policy will be reviewed at least every 3 years by the Management Committee and staff are responsible for ensuring that it meets legal and good practice requirements.