



## SHARED OWNERSHIP ELIGIBILITY AND ALLOCATION POLICY

The shared ownership eligibility and allocations policy is used for managing applications, fairly and transparently, for shared ownership properties.

### **Shared ownership accommodation**

This policy is aligned with requirements for shared ownership sales allocations set out in the Greater London Authority's (GLA) Affordable Housing Capital Funding Guide.

Shared Ownership offers people the opportunity to buy a share of a property whilst paying rent on the part they do not own. Initial shares sold will be between 25% and 75% of the value of the home. For retirement homes, the Older Persons Shared Ownership (OPSO) scheme restricts the maximum share households may acquire to 75% of the value of the home.

This policy will ensure that:

- Shared ownership properties developed for sale or offered for resale by Tonic will be made available to people who are eligible and cannot afford to buy a home suitable for their needs on the open market
- Our shared ownership homes are offered to applicants in a fair and transparent manner
- Tonic complies with financial and regulatory controls relating to the allocation and sale of shared ownership properties

### **Eligibility**

To be eligible for a Tonic shared ownership property, applicants must:

- be an LGBT+ person (in accordance with Tonic's objectives) or be someone who would benefit from living in an LGBT+ affirming retirement community;
- must be aged 55 years or older;

- Have a household income of less than £90,000 in London, (or less than £80,000 if in the rest of England) and be otherwise unable to have their needs met by housing offered on the open market;
- Be able to fund the deposit and other purchase costs through savings or other funds;
- Not own or have an interest in another property (although households may apply while they are selling or discharging interest in another property, including a shared ownership property, noting that applicants with existing property which may be considered commercial in nature may be excused from selling such property provided the GLA has given its prior approval);
- Such other criteria as may be required by local planning authorities in relation to homes delivered through section 106 Agreements

Applicants for Older Persons Shared Ownership do not require a local authority nomination in order to be approved as eligible.

### **Viewings and applications**

Applicants must apply to Tonic for the shared ownership scheme and also apply for the specific property they wish to purchase. Tonic is responsible for checking applicants eligibility for the shared ownership scheme, and recording this evidence.

All our properties for sale will be advertised through the Homes for Londoners site (or if in the rest of England relevant HomeBuy agent). People can also register their interest in Tonic properties by using the form available on our website. Tonic will follow up all enquiries promptly, and will aim to process applications within 3 weeks.

Property viewings will be available virtually and offered in person arranged for potential applicants by us or our agent, if applicable. Sales may be launched in limited tranches to enable viewing arrangements to be manageable and safely conducted.

At the date of this policy Tonic's area of operation is Greater London. If Tonic subsequently acquires homes in the rest of England, then it shall review this policy to ensure it also complies with the shared ownership sales allocation requirements in Homes England's Affordable Housing Capital Funding Guide.

### **Allocations' criteria and process**

#### **Affordability**

Tonic will assess whether applicants are able to afford to acquire their proposed share, rent and other charges of being a homeowner in a retirement community without hardship.

In determining eligibility, Tonic will take into account the level of equity available from the sale of any existing property along with any additional savings. Applicants with sufficient equity to be able to purchase a suitable property to meet their needs on the open market would not be assessed as eligible, except where the following circumstances apply:

Older Persons Shared Ownership applicants may need to retain a higher level of savings or investments to provide ongoing income which should be taken account of in the headline eligibility check to cover ongoing living and care costs. Tonic will make a judgement on this on a case-by-case basis, according to the individual circumstances of the applicant, but the overall expectation remains that Older Persons Shared Ownership applicants will use the majority of their capital to fund the purchase of the property; and for extra care schemes an additional degree of flexibility when making this assessment, to take into account the higher ongoing costs of the care being provided.

### **Prioritisation**

In cases where Tonic receives more eligible applications than the homes we have available, we will prioritise to make sure the properties go to those most in need.

Allocations will be managed in line with the s106 agreement relevant to the individual property or other agreement with the local authority. This may specify that applicants must have a connection to the local area or that priority must be given to such households. We will advise households of any criteria that restrict allocations or determine prioritisation of applications when we advertise properties and when we process applications.

After applying local planning requirements, we will give priority to armed forces personnel who are currently serving or veterans, who may require suitable housing to meet their needs. This is in line with government guidelines on allocation of shared ownership properties. For Older Persons Shared Ownership, we will give priority to people who are unable to afford the full costs of purchasing sheltered accommodation, in accordance with the GLA Capital Funding Guide.

After restrictions imposed by planning or funding conditions have been considered, we will prioritise eligible applications based on their need for the property and/or our LGBT+ affirming support and the objective of securing a diverse and inclusive LGBT+ community in the housing communities Tonic has homes in. A report will be made to the Board in these cases.

We will not accept further applications for a property after it has been allocated, unless a reservation is withdrawn.

## **Fees**

When applicants have been offered a new build property and wish to proceed, we will ask for a reservation fee of £500. This will be deducted from the purchase price when the sale completes.

## **Time scales**

For sales of properties which have not been previously leased by Tonic we normally expect exchange of contracts within four weeks of receiving a reservation fee unless other timescales are specified. Completion should take place [two weeks] afterwards, subject to the completion date of the development. We may withdraw an offer of sale if these timescales are unreasonably delayed by the purchaser.

For resale homes, the timescales will be agreed between purchaser and seller.

## **Leases**

All shared owners will be issued with a standard shared ownership lease with an initial term of 125 years. A lease will be issued whether the leaseholder has purchased a flat or a house.

Where a shared owner's lease states an approach to rents that is different from this policy, the lease takes precedence.

## **Sales and lettings to staff, board members or their relatives**

Where a member of Tonic staff or board, or their close relative, applies for accommodation, Board approval must be given before an allocation or sale can be made. A report will be made to the Board for decision.

## **Appeals and complaints**

Any applicant or leaseholder who feels that they have not been treated in accordance with this policy can appeal to the Board.

## **Policy review**

The board will review this policy every 24 months. The board of Tonic will consider and take into account the housing policies of relevant local authorities when reviewing the policy.

Signed 20th March 2023