



Shared Ownership Sales, Marketing and Management Policy



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1. INTRODUCTION

Dover District Council (DDC) is committed to providing a range of affordable housing options that meet both the housing needs and aspirations of District residents.

Shared Ownership is an affordable housing product through which households can purchase a share in a new home and pay a regulated rent via a lease arrangement on the remaining unsold share.

By purchasing a share, households can benefit from the stability of home ownership without having to meet the deposit and borrowing requirements of purchasing the property in whole.

In 2020 the Government announced the new Shared Ownership and Affordable Homes Programme (SOAHP) 2021-2026 to replace the SOAHP 2016-2021 programme. As part of the new scheme, the Shared Ownership model was changed to make it more affordable for first time buyers. Properties built under the new model are likely to become available in 2022, however there will be a cross over between the 2016-2021 and 2021-2026 schemes.

This policy has been written from DDC's perspective as a landlord and refers to:

- Both models of Shared Ownership; and
- Shared Ownership properties which have been constructed with an element of Homes England funding and those without.

2. POLICY AIMS

This document is intended to:

- Ensure that Dover DDC Shared Ownership products are offered for sale and sold in conformity with Homes England requirements.
- Detail the differences between the two models of Shared Ownership product available until 2023
- Set eligibility criteria for applicants
- Detail how applications can be made
- Encourage sustainable home ownership for residents within the District
- Offer Shared Ownership products that are compatible with mortgage lender requirements
- Meet the conditions set through any grant, funding or Section 106 agreements
- Operate a fair and transparent selling process

This policy should be read in conjunction with the requirements of the Homes England [Capital Funding Guide](#). This document applies to all DDC employees involved in the sale of Shared Ownership properties.

For queries about aspects of Shared Ownership properties that are not included in this document, please refer to the FAQs section on the DDC website.

3. SUSPECTED FRAUD

DDC takes suspected fraud of all kinds very seriously and will not hesitate to act to prevent fraudulent activity.

Where DDC suspects that an application is fraudulent, the New Homes Officer will follow the processes as outlined in the following documents:

- [Anti-money Laundering Policy](#)
- [Protocol for Dealing with Allegations of Fraud or Corruption](#)
- [Strategy for the Prevention of Fraud and Corruption](#)

If an application is found to be fraudulent, it will be withdrawn, and further action may be taken by DDC if appropriate. Applicants will be notified of any decision to abandon an application due to fraud.

4. GRANT FUNDED SALES

By grant funded sales, DDC refers to Shared Ownership properties which have been built with an element of Homes England Funding through the SOAHP 2021-2026.

Marketing of properties which fall under this category will clearly state in all advertisement how interested persons can register and apply.

All priority and allocation of these properties will be treated the same as those which have not been built accessing this fund.

DDC will conduct the sales of properties under this fund as stated in the Capital Funding Guide.

4.1 HELP TO BUY AGENTS

Where Shared Ownership properties have been built through the SOAHP 2021-2026, DDC will use the services of Help to Buy agents to advertise our Shared Ownership properties.

Applicants will be asked to register their interest via the Help to Buy agent website. A link to their website registration form will be provided on the DDC Affordable Home Ownership webpage and any advertisement for the properties.

The Help to Buy agent will conduct eligibility checks on behalf of DDC and submit eligible registrations of interested and applications to the New Homes Officer.

The New Homes Officer will, once registrations of interest have been received, perform DDC's due diligence checks on applications submitted and offer viewings to those who fit DDC priority and allocation criteria as stated in section 5.5. After this point the sales process will be progressed as detailed in section 6 of this document.

5. POLICY STATEMENTS

5.1 MARKETING

DDC will use a variety of approaches to advertise properties to ensure that local residents are aware of schemes in the District and how to apply for them. This will include advertising new Shared Ownership homes in advance of their completion.

The extent of marketing will be determined by the level of expected demand, however, DDC will always seek to make information available on the forthcoming sales.

As a minimum, DDC will use its existing communications channels for its customers to advertise Shared Ownership properties, including:

- DDC website
- Keep me posted
- Third party services

While the properties will be marketed publicly, DDC will follow the priority criteria as set out in 5.5.

All prospective purchasers will be provided with clear and accurate information, which has been approved by DDC on the homes being sold.

All marketing will clearly display whether the properties have been funded through the SOAHP 2021-2026 or not. This is because the sales process is different as stated in section 4.

5.1.1 DDC WEBSITE

A dedicated webpage on DDC's website will display all Shared Ownership properties available for purchase.

This will be regularly updated and maintained by the New Homes Officer.

The webpage will display information about the properties, the set eligibility criteria, the sales process, and FAQs section and a link to a form for interested persons to register their interest.

5.1.2 KEEP ME POSTED

DDC will use Keep Me Posted to inform residents of new shared ownership properties. This will be an opt-in email newsletter which will give general affordable home ownership and site-specific information, as well as how interested residents can apply.

Keep Me Posted campaigns will be organised by the New Homes Officer and will be generated as and when new sites for Shared Ownership become available.

5.1.3 THIRD PARTY SERVICES

Depending on the level of demand, DDC may enter into an agreement with an external agent / company, such as Right Move, to manage the marketing of DDC built Shared Ownership homes, however DDC will conduct the viewings and oversee the sales progression to completion.

If DDC does decide to appoint a marketing and sales company, they will be required to ensure they act in accordance with the [Consumer Protection and Unfair Trading Regulations \(2008\)](#) and any other relevant regulatory guidance when marketing any DDC owned Shared Ownership homes.

5.2 COMMUNICATION

All communication, whether pre-sale queries or general correspondence throughout the initial sales process, will be initiated by the New Homes Officer. Likewise, any queries that a buyer(s) may have throughout the sales process should be directed to the New Homes Officer.

DDC prefers that correspondence is made in writing via email, which allows for a clear and consistent record of conversations. However, all applicants and buyers will be able to contact the New Homes Officer by phone if necessary.

Buyers can correspond with DDC using the following email: communityhousing@dover.gov.uk.

5.3 ELIGIBILITY

Buyer(s) looking to purchase a DDC Shared Ownership property must satisfy the following eligibility criteria before the sale can proceed:

- 18 years or older
- First-time buyers as defined in [paragraph 6 of schedule 6ZA of the Finance Act 2003](#).
- Have a total household income of £80,000 a year or less
- Cannot afford all the deposit and mortgage payments for a home that meets their needs
- Must be able to purchase a home suitable for their needs without assistance
- Must not have any outstanding credit issues (i.e., unsatisfied defaults or county court judgements (CCJs))

- Must be British or EU/EEA citizen with a Settled Status or have indefinite leave to remain in the UK.

Where applicable, DDC will also require the following criteria to be met:

- Current or former DDC tenants should have a clear rent account and have no substantial breaches of tenancy conditions.
- Applicants must have sufficient funds to meet the initial costs of buying a home and can provide evidence of funds or mortgage availability for the purchase of the property – estimated £3,000.
- Be able to demonstrate they can afford to purchase a share equal or greater than 10% of the property value but they are unable to afford a 100% of the purchase.
- Demonstrate the ability to afford the regular payments and costs involved in buying a home

The New Homes Officer will be responsible for assessing this information and confirming the buyer(s) meets eligibility.

5.3.1 MEMBERS OF THE ARMED FORCED

Ministry of Defence personnel will be prioritised for DDC Shared Ownership schemes where:

- They have completed their basic (phase 1) training and they are one of the following:
 - Regular service personnel (including Navy, Army and Air Force)
 - Clinical staff (except for doctors and dentist)

- Ministry of Defence Police Officers
 - Uniformed staff in the Defence Fire Service
- They are ex-regular service personnel who have served in the Armed forces for a minimum of six years and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within two years (24 months) of the date of discharge from service.
- They are the surviving partners of regular service personnel who have died in service, where they apply within two years (24 months) of the date of being bereaved. Further guidance can be found in the [MOD surviving partners guidance](#).

5.3.2 ELECTED MEMBERS, STAFF AND RELATIVES

Elected members, staff and their relatives are eligible to apply for DDC Shared Ownership properties. All applications, including those from elected members, staff and their relatives will be assessed in line with the process set out in this policy.

DDC will conduct further checks and will seek the authorisation of a senior manager where the applicant is a member of staff or is related to a member of staff or councillor.

5.3.3 OWNER OCCUPIERS

Those who already own their own home will only be permitted to purchase a Shared Ownership home in exceptional circumstances. Examples of exceptional circumstances include but are not limited to:

- Homeowners who need to move because their own home has been condemned or is to be demolished.

- Those needing to move due to age or disability and who cannot afford or find accommodation on the local open market that reasonably meets their needs.
- Those going through relationship breakdown who are transferring their interest in their home to their former partner and will have insufficient capital remaining to purchase a home on the open market. Where this is the intention, DDC will require either a land registry or solicitor confirmation from the buyer.

Owner occupier applicants accepted onto the scheme must meet the affordability criteria and demonstrate that they can sustain their mortgage and Shared Ownership rental payments.

They will also be required to evidence that at the time of buying through the Shared Ownership scheme they have sold or are in the process of selling their existing property.

Evidence required to establish this may take the form of a solicitor's property completion statement, confirmation from the mortgage lender and Land Registry that the applicant is no longer on the mortgage or land registry respectively, or conveyancing letter in case of property transfers.

Evidence will need to be provided before exchange of contracts for the new purchase.

5.3.4 OLDER PERSONS SHARED OWNERSHIP (OPSO)

In addition to the eligibility criteria set out above applicants for specialist older person Shared Ownership products should:

- Be aged 55 or over
- Submit applications via the Help-to-Buy Agent who will in addition to the usual affordability assessment consider any equity released from a current home sale and savings.
- Have insufficient equity to be able to purchase on the open market. DDC may exercise discretion in this matter if applicants are able to demonstrate that through the open market, they cannot secure accommodation that reasonably meets their mobility, care and or support needs and inclusion in the Shared Ownership scheme would meet these.

5.3.5 JOINT APPLICATIONS

Joint applications will only be accepted if both applicants are eligible and affordability checks show they can jointly afford to sustain the property.

If a tenant of a housing association or local authority is applying and their partner does not want to join the application, the application can proceed for the sole name of the qualifying buyer, but both tenant and partner will still need to give vacant possession of their current property, without an obligation for the landlord to re-house the partner.

5.4 AFFORDABILITY

It is essential to check whether the applicant(s) can afford the mortgage, rent and service charge payments combined when purchasing a Shared Ownership property.

Prospective buyers will be encouraged to purchase the maximum affordable and sustainable share of the property.

The assessment as to the maximum share purchase an applicant can afford must be undertaken by a suitably qualified and regulated mortgage or financial advisor, and buyers should make sure that the advisor is suitably experienced in this area.

DDC can recommend an approved mortgage / financial advisor with adequate experience in Shared Ownership products if the buyer(s) have not found one. However, buyers are in no way obliged to use the recommended mortgage / financial advisor and may procure the services separately.

The New Homes Officer will not be responsible for assessing affordability information; however, they will conduct due diligence to ensure that the application form clearly demonstrates that the applicant's affordability has been checked.

The mortgage / financial advisor will conduct affordability checks by using the following documents:

- Proof of identification
 - Passport
 - Driving license
- Proof of address
 - Utility Bill
 - Council tax document
- Evidence of deposit
 - Last 6 months bank statements
- Evidence of affordability
 - Last 3-months payslips (per applicant)
 - Last 3-months bank statements for all accounts held, showing name and address

- Mortgage in Principle (or mortgage offer, if available)
- Proof of other financial commitments (such as, loans, credit cards or car finance)

This list is not exhaustive, and additional documents may be requested where necessary.

The mortgage / finance advisor will need to complete a declaration confirming to DDC that they have assessed the applicant(s) eligibility, affordability, and suitability for the Shared Ownership scheme. The form will need to be returned to DDC.

Buyers who are self-employed will need to provide three years' worth of audited accounts instead of payslips. The accounts must evidence that the mortgage and rent payment for the Shared Ownership property will be affordable.

DDC understands that sometimes people may have a capital sum to put towards their purchase but still need to have access to Shared Ownership schemes. Applicants in these cases will be subject to the general affordability and sustainability assessments. DDC will require information and evidence on the source of cash payments and may conduct additional checks.

DDC accepts that older people may need to use funds for service charges, living costs, and care. DDC will use its discretion on a case-by-case basis to determine what is reasonable, but the expectation is that the majority of any applicant's capital will be used to purchase a share. For the purposes of this Policy, capital will include proceeds from property sale, savings, shares, stocks and bonds etc.

5.5 ALLOCATION AND PRIORITY

DDC will operate the allocation of Shared Ownership properties by the following priority:

1. Eligible local residents
2. All eligible applicants

Members of the armed forces are exempt from local connection test(s) or criteria as defined in the Capital Funding Guide. As a result, Members of the Armed Forces will be given priority provided they meet the eligibility criteria as stated in 5.3.1, and as according to the Capital Funding Guide guidance.

Approval will not be given for applicants to purchase a property which is not suitable for their needs. For example: where the household size would result in a statutory overcrowding situation, or where more than one spare bedroom is required.

If two or more residents have the same level of priority, the property will be offered to the applicant with the earliest registration date.

Where properties are specialist schemes and intended for select groups (e.g., OPSO) the priority criteria for this will be published when a new scheme goes live

5.6 DEPOSIT

The amount required for a deposit will vary from property to property, but applicants are typically required to pay a minimum of 5% or 10% of the share value that is being purchased. The deposit is paid when the contracts are exchanged.

5.7 INITIAL SHARE

For properties sold under the SOAHP 2016-21 scheme, the initial share sold to the buyer will be between 25% - 75%.

For properties sold under the SOAHP 2021-2026 scheme, the initial share sold to buyers will be between 10% - 75%.

5.8 RENT SETTING

Rents will be set at 2.75% per annum of the value of the unsold equity. This means rents may differ per property depending on what percentage is sold.

For example, if the value of a property is £200,000 and the initial deposit amount is £20,000 (10%) the rent will be calculated as follows:

		Calculation
Unsold equity %	£180,000	
Rent charge %	2.75%	
Rent per annum	£4,950	£180,000 x 0.0275
Rent per month	£412.50	£4,950 / 12

All rents are payable in advance at the beginning of the month, and on a monthly basis.

DDC will increase rents by the Retail Price Index (RPI) plus 0.5%. This will be calculated using the RPI figure for a specified month which is published annually. The Capital Funding Guide sets out further information on rent increases.

Any ground rent charges will be in keeping with the acceptable levels for the type and location of the property and/or comply with any law, rules or regulations in force.

5.9 LEASES

Leases explain the rights and obligations of both the landlord and Leaseholder. It is an agreement that sets out how each party is expected to behave and what are the responsibilities of both for the duration of the Shared Ownership.

Under the SOAHP 2016-2021 scheme, the term of the lease will generally be 99 years, although there is scope to grant longer leases should this be required.

Under the SOAHP 2021-2026 scheme the first lease must be granted with at least a 990-year term from the date of the lease.

Leaseholders will be expected to abide by all the points made in the lease. If Leaseholders break any of the lease requirements DDC will take appropriate enforcement action.

Failure to comply with the covenants of the lease could result in the Leaseholder losing their home.

5.10 SERVICE CHARGES

DDC will provide Leaseholders with accurate and timely information about service charges, including a breakdown of the relevant costs in accordance with the lease.

Service charges will be levied to fund the following:

- Ground rent and buildings insurance
- Ground maintenance and cleaning
- Communal area repairs, services and maintenance
- Electricity charges for any shared areas, for example, lighting, power lifts and door entry systems
- Administration charges / management fees
- Major works and improvements (e.g., replacing roofs, structural – these can result in very large service charge bills)

Rent, service charge, buildings insurance and management fee are subject to an annual review, please see the lease and the Shared Ownership Management Policy for more information.

Deficits and credits from previous years will be carried forward into subsequent years and included in the calculation of service charges in accordance with the lease agreement.

Leaseholders will be encouraged to pay via Direct Debit.

5.10.1 LEASES GRANTED AFTER THE COMMENCEMENT OF THE LEASEHOLD REFORM ACT 2022

Under the new Leasehold Reform Act 2022 Ground Rent will be charged at a peppercorn (£nil) for the following Shared Ownership properties:

- a) Leases granted after the commencement date of the Act; and
- b) Leases entered before the commencement date of the Act but are surrendered and re-granted after this date

The change in legislation will not affect current leases, nor those which carry over the commencement date, meaning that leaseholders who have entered a lease prior to the new legislation will continue to pay a Ground Rent (as stated in 5.10).

Applicants / leaseholders will be made aware of this during the sales process, and whether their lease will fall under the Act's provisions.

5.11 VALUATIONS

Prior to the marketing and sale of a property, DDC will have an independent valuation carried out by a Royal Institute of Chartered Surveyors (RICS) qualified surveyor.

All valuations will also be passed to the DDC Estate Valuation Manager. Initial sales will be based on the full market value of the property.

The valuer should be instructed to assume that:

- The sale is for the freehold interest, or where the provider's interest is leasehold, for the lease term years as the provider holds.
- The sale is an open market sale.
- A Shared Ownership lease has not been granted.
- The sale is to be with vacant possession.

DDC expects all surveyors carrying out a valuation to ensure it is a true reflection of the property's value.

If the property is down valued by the mortgage lender's surveyor, DDC will investigate the reasons supplied by the lender against the

original valuation. This will include reviewing other similar properties for sale in the local area.

Valuations only remain valid for 3 months and need to be renewed if the sale of a property has not completed within that period.

6. NON-GRANT FUNDED SALES

This section refers to all Shared Ownership properties which have not been built using Homes England grant funding.

6.1 VIEWINGS

Viewings will be arranged by the New Homes Officer.

To view a property, interested persons should submit a registration of interest via the DDC website. The registration form will be assessed by the New Homes Officer.

Viewings will only be arranged with applicants who meet the eligibility requirements as stated in 5.3. Those who do not meet the requirements will be informed.

The New Homes Officer will arrange 'open day' viewings. Each viewing will be given a 30-minute time slot. Viewers must arrive promptly at their allotted viewing time.

If viewers are likely to be late due to unforeseen circumstances (i.e., traffic) they should contact the New Homes Office at the earliest opportunity, provided it is safe to do so.

If viewers do not wish to proceed with the viewing, they should contact the New Homes Officer providing at least 24 hours' notice to cancel their viewing.

On completion of the viewing, applicants will be asked to contact the New Homes Officer if they are interested in purchasing the property. Details will be provided on how applicants can do this during the viewing.

6.1.1 VIEWINGS DURING COVID-19

DDC wants to ensure that viewings are safe for members of the public and for staff.

Where DDC conducts a viewing, the Officer will follow all Coronavirus regulations and restrictions in place in force at the time.

DDC asks that all viewers also abide by restrictions in place, and any additional measures implemented by DDC.

When viewing a property, all parties should use hand sanitiser upon entry or put on new disposable gloves and avoid touching surfaces where possible.

DDC cannot provide PPE (facemasks or gloves) to viewers or Owner/Occupiers.

6.2 RESERVATION

Eligible applicants who wish to purchase the property after the viewing will be required to pay a reservation fee of £250.

When paying the reservation fee, the buyer will also be required to sign the reservation fee form agreeing to the terms and conditions under which the fee is paid.

At this point DDC will cease active marketing (i.e., viewings) and the property will be listed as sold subject to contract or 'STC' on all sites where the property is marketed.

The reservation fee will be offset against the sale price.

6.3 APPLICATION FORM

The New Homes Officer will issue an email with an Application Form attached for the buyer(s) to complete and return to DDC.

The Application Form captures all the necessary information for DDC to assess information on eligibility and affordability and make a decision to proceed with a sale.

Application forms should be completed by both the Buyer(s) and their Mortgage / Financial advisor.

Buyers must ensure that all sections are completed correctly and signed as the sales process cannot proceed without a correctly completed form.

Applications where there are errors or missing information will be returned to the Buyer(s) for remedial action. This may delay their application and/or have an impact on whether they are accepted for a property.

DDC aims to have completed an assessment of the application form and supporting documentation within 5 working days of receiving it.

If there is a delay to the assessment checks, the Buyer(s) will be informed at the earliest convenience.

Sales will only progress once this form has been submitted.

6.4 MEMORANDUM OF SALE

DDC will issue a Memorandum of Sale once we have agreed to sell the property. This can usually take up to 5 working days. Applicants should keep this document as proof of sale.

At this point DDC will give the applicant(s) 6 weeks' notice from the confirmation of sale to exchange on the property. DDC reserves the right to discontinue an application due to lack of progression from the buyer, or until the applicant(s) withdraws their interest in writing if sooner.

It will be at DDC's discretion whether the reservation is held beyond the target exchange date, and this will be determined by the cause of the delay and whether it is related to issue beyond the buyer's control.

All decisions to extend will be agreed on a case-by-case basis.

6.5 MORTGAGE OFFERS

Prior to completion, DDC will require a copy of the buyer's mortgage offer, including the amount of borrowing and the terms and conditions being applied.

This is to check that the terms of the mortgage offer are fair and that repayments will be sustainable for the purchasers.

Mortgages must be obtained from a lending institution that is regulated by the Financial Conduct Authority (FCA).

6.6 EXCHANGE AND COMPLETION

All legal matters will be dealt with by DDC's property lawyer.

Once DDC and the buyer's conveyancer have completed all their legal undertakings, and there is a mutual agreement, the sale can proceed to exchange.

At exchange:

- The buyer(s) must pay the deposit in full
- The buyer(s) must sign the lease agreement

By signing the lease agreement, the buyer(s) becomes the Leaseholder and will be expected to abide by the lease covenants.

At completion it is expected that:

- the Leaseholder(s) has paid 1-full months' rent and service charge in advance. (Unlike mortgage payments, rent and service charges are paid in advance); and
- DDC has handed the property keys to the Leaseholder(s) along with the Homeowner guide and other applicable documents.

7. POST-PURCHASE

7.1 PROPERTY MANAGEMENT

All property management queries are handled by DDC's Asset and Building Control team. The following sections are aspects of management that DDC will be involved with.

All post-purchase correspondence should be sent to:
homeownership@dover.gov.uk.

For queries about things which are not included in this section, please refer to the FAQs on our webpage.

7.2 REPAIRS AND MAINTENANCE

7.2.1 DEFECTS RECTIFICATION PERIOD

The builder remains responsible for rectifying defects for a period of 12-months, known as the defects rectification period. Common defects repairs are outlined in the Home User Guide.

Leaseholder should contact the New Homes Officer where any defaults have been found.

The ratification of defects is outlined in the DDC Defects Repairs Procedure.

Defects should be reported to the New Homes Officer who will follow the Defects Repairs Procedure.

7.2.2 OLD MODEL OF SHARED OWNERSHIP

At the end of the 12-month period, it will be the responsibility of the owner(s) to carry out any internal repairs to their home. For Shared Ownership houses and bungalows this will also include external repairs.

The [NHBC Buildmark insurance cover](#), will cover the cost of any damage caused by the builder failing to build the home to NHBC requirements.

7.2.3 NEW MODEL OF SHARED OWNERSHIP

For any Shared Ownership properties built with an element of Homes England grant funding under the new SOAHP 2021-2026, this section will be superseded by the Capital Funding Guide on repairs and maintenance.

DDC will inform applicants / buyers under which scheme their property falls and what their rights and responsibilities are.

7.3 BUILDING INSURANCE

DDC will provide block buildings insurance cover for all its leasehold blocks of flats and Shared Ownership houses, unless there are contractual terms in place which require otherwise.

However, DDC will not provide insurance for the contents of Shared Ownership properties, and strongly advises that all Leaseholders arrange for contents insurance separately.

7.4 GAS SAFETY

Leaseholders are responsible for maintaining and regularly servicing all appliances in their property. This is a condition of the lease. Failure to carry out these checks may result in a breach of the lease agreement and could potentially affect the building insurance policy.

All gas appliances, including gas boilers, gas flues, gas cookers and gas fires should be safety checked and serviced regularly according to the manufacturer's instructions. Such services should be carried out by a Gas Safe registered or equivalent approved engineer not less than once in every 12-month period.

DDC will expect the Leaseholder to provide evidence of a gas safety check on request.

The Leaseholder will be responsible for carrying out any remedial action identified by the engineer in their checks.

7.5 HOME IMPROVEMENTS

Leaseholders can make alterations or improvements to their home but should first seek consent from DDC before doing so. This is because alterations may require consent in terms of the lease agreement. A decision on alterations or improvements will be provided in writing.

DDC will clarify expectations such as inspection of planning permission, building regulations, insurance cover during and after works, and set out conditions such as the future maintenance of improvements and alterations.

Leaseholders should complete an [Alteration Application Form](#) and submit this to homeownership@dover.gov.uk.

7.6 SUB-LETTING

Shared Ownership leases do not allow sub-letting by the leaseholder. This is to protect public funds and ensure applicants are not entering Shared Ownership for commercial gain.

Sub-letting may also result in a breach of the Shared Ownership mortgage conditions.

However, in exceptional circumstances and subject to legal advice, DDC may agree to sub-letting arrangements with a leaseholder. In such cases, the leaseholder will be required to request to sub-let their property in writing / email, detailing the reasons why this is required.

All requests to sub-let will be considered on a case-by-case basis.

DDC will apply the following considerations if it receives a sub-letting request:

- That the reasons for sub-letting, genuinely, stem from unavoidable need as stated in the Homes England Capital Funding Guide (for instance the shared owner must move for employment or overcrowding or accessibility issues or to care for a family member.)
- That the reasons are not driven by financial speculation or gain
- The person(s) to whom the property will be sublet also satisfy criteria for Shared Ownership

- That the terms of the sub-let will be for a fixed period (Maximum of 12 months) and that the shared owner will retain the lease during this time
- The request is from a serving member of the Armed Forces whose duties require them to serve 50 miles or 90 minutes from the property
- That the Leaseholder has the permission of the mortgage lender (if required)
- That the shared owner understands that they will be responsible for the management of the person(s) to whom the property is sublet, and they will still be responsible for the terms of the lease – for instance paying rent and service charges to DDC.

Permission will always be provided in written format, either in a letter or an email. DDC will issue a conditions letter that the Leaseholder(s) must sign and return.

7.6.1 GUESTS & LODGERS

The provision of Shared Ownership and other grant-funded affordable home ownership products is intended to help with buying accommodation to meet an applicant's residential needs and not their business needs. Therefore, Shared Ownership accommodation should not be used for commercial purposes including short term lets and bed-and-breakfast type accommodation.

Leaseholders should first consult their lease agreement before considering whether to take in a lodger or guest.

Depending on the details of the lease, if a Leaseholder wishes to take in a lodger, they should request this in writing / email and obtain written permission from DDC beforehand.

7.7 REMORTGAGING

Leaseholders must tell DDC when they want to change their mortgage provider. In all cases, DDC's written approval is required regarding the lender and the terms of the mortgage before the mortgage is entered in to.

Leaseholders will need to provide details of the redemption figure from their current mortgage lender and inform DDC of how much they will borrow on the new mortgage before the request can be agreed.

If a Leaseholder wishes to borrow more from a lender, DDC will request that the Leaseholder provides some additional information so that DDC can ensure that affordability requirements are met.

Leaseholders must provide a copy of their remortgage offer to DDC once it has been agreed and issued by the lender.

7.8 STAIRCASING

Buying more shares in a Shared Ownership home is called 'staircasing'. Leaseholders can staircase to 100% of the property. However, there are some exemptions from this scheme:

- Older Persons Shared Ownership (OPSO)
- Schemes funded in rural exception sites where the provider has chosen to restrict staircasing

- Schemes in Designated Protected Areas where the provider has opted to restrict staircasing.

Staircasing provisions are included within the lease and DDC will sell the purchaser additional shares at the open market value determined by an independent [Registered Institute of Chartered Surveyors \(RICS\)](#) valuation and based on Capital Funding Guide guidance and affordability. The Leaseholder will be required to pay for the valuation and their own legal fees.

Due to the crossover between the two models of Shared Ownership until 2023, DDC will ensure that the type of model being purchased is communicated to the buyer at the sales stage.

Leaseholders who are interested in purchasing additional shares should contact DDC via email: homeownership@dover.gov.uk.

7.8.1 OLD MODEL OF SHARED OWNERSHIP

For homes provided through the SOAHP 2016 - 2021 and previous programmes the minimum staircasing transaction is 10%. This includes Shared Ownership homes that are completed after 1st April 2021.

7.8.2 NEW MODEL OF SHARED OWNERSHIP

For homes funded through the SOAHP 2021-2026, Leaseholders can purchase additional shares of 1% increments per year for the first 15 years. For 1% staircasing transactions the valuation is calculated from the Land Registry's House Price Index.

Leaseholders wishing to buy larger shares will still be able to do so but the minimum staircasing transaction has been reduced from 10% to 5%.

7.9 DOWNWARD STAIRCASING

Downward stair-casing is when a landlord repurchases equity from a Leaseholder. The aim of this is to make the combined rent and mortgage payments (or just rent payments if no mortgage is secured against the property) affordable again.

DDC makes no commitment to repurchasing part of a Leaseholder's equity and has no obligation to do so. The Leaseholder's equity must not drop to below 25% for older model Shared Ownership properties; or 10% for the new model in order to retain the property as a Shared Ownership tenure.

However, DDC retains the discretion to review individual cases should there be a risk of the shared owner getting into real difficulty with making mortgage and rent payments, and this may help to prevent a repossession, or if the Leaseholder is deemed especially vulnerable and downward stair-casing may help the situation.

DDC will also need to be convinced that the affordability issues are genuine, that other options for the shared owner (such as selling their home) are not possible, and that downward stair-casing would help alleviate the affordability problems. Downward stair-casing will not be approved if DDC suspect the shared owner's motivations are about personal financial gain rather than sustaining their ownership.

The purchase of equity will be based on current market valuation, based on an independent RICS qualified valuation, and the

Leaseholder will be required to pay for the valuation and their own legal fees, which may, if necessary, be deducted from the payment by DDC to the shared owner or their mortgage lender.

7.10 MAJOR WORKS

DDC will consult all Leaseholders in accordance with [Section 20 of the Landlord and Tenant Act 1985](#) in circumstances where major works are required to be carried out on blocks of flats. Such legislation does not apply to Shared Ownership houses and bungalows.

In certain circumstances where the work required is an emergency (e.g., collapsed sewer) and the work cannot be delayed, DDC, where possible, will write to lease holders with details explaining why the consultation on the works was not conducted in the usual way.

All queries regarding Section 20 notices should be made to homeownership@dover.gov.uk.

7.11 PETS

If a Leaseholder wishes to keep a pet, they should obtain written permission from DDC in accordance with their lease.

If permission is granted, Leaseholders and any other person living or visiting the property (including children) must not:

- Keep any animal which has been classified as dangerous under the [Dangerous Wild Animal Act 1976](#)
- Keep livestock (farm animals) at the property

- Allow pets to cause a nuisance, for example, fouling shared areas such as lifts, stairs and landings, or making too much noise such as barking
- Allow any animal kept at the property to cause a nuisance in the local area, including employees and contractors of DDC

If the property has any shared areas, pets should be exercised away from the property.

DDC will make decisions to grant permission on a case-by-case basis.

DDC will investigate any complaints made and take appropriate enforcement action as stated in our [Pets Policy](#).

For more information, please refer to the lease agreement and the [Pets Policy](#).

8. ENFORCEMENT

DDC will act against the Leaseholder where it is considered necessary in the interests of the safety of the occupants of other units of accommodation in the block or others.

In assessing whether to act and what action to take, DDC will base their best assessment of the facts and the advice of relevant authorities and / or appropriate professionals and consultants.

If a lease holder breaches the terms of their lease, DDC will make attempts to resolve the situation with the Leaseholder. If this is unsuccessful, DDC will inform the mortgage lender that the Leaseholder is breaching the terms of the lease.

Depending on the circumstances of the breach, DDC will then apply to the County Court or First Tier Tribunal (Property Chamber) for a determination of the case and, if necessary, an enforcement or injunction.

If the situation is not remedied by the above, then DDC will apply to the courts or a tribunal for either forfeiture of the lease or repossession of the property.

Where action is required to enforce Leaseholders' or other property owners' covenants, DDC will seek to recover all costs of having to take such action. This may include charging an administration fee for the work required by DDC.

8.1 ARREARS AND REPOSSESSIONS

Arrears refers to both rent payments and service charges.

It is a condition of a Leaseholder's lease agreement to pay the Shared Ownership rent, service charges and maintain their mortgage payments. Failure to pay the rent, service charges or mortgage payments and other breaches of the lease agreement could result in the loss of the property.

Arrears will be dealt with as quickly as possible and with a view to ensuring that, wherever possible, the Leaseholder is assisted to avoid losing the property to repossession. However, DDC will only seek possession proceedings as a last resort when all alternative debt management actions have been exhausted.

If an account goes into arrears, DDC will take appropriate action to recover those arrears including personal contact by phone, letter, or email, or by contacting the homeowner's lender.

DDC will provide the Leaseholder's mortgage lender 28 days' notice of any intentions to commence possession proceedings. This will include details of the level of arrears.

8.2 NUISANCE AND ANTI-SOCIAL BEHAVIOUR

This section refers to nuisance and anti-social behaviour caused by the Leaseholder, and not by neighbours or other members of the public.

DDC endeavours that the quiet enjoyment of the lease for Leaseholders is upheld.

Therefore, DDC will only intervene where there are serious breaches of the terms of the lease, including anti-social behaviour from Leaseholders or visitors to their properties. In these cases DDC may carry out investigations, provide advice or take enforcement action which could result in forfeiture of the lease. Such actions will be taken on a case-by-case basis.

Where additional housing management services are provided that are beyond the administration of rent, service charges or actions associated with staircasing, DDC reserve the right to levy charges on the shared owners involved, including staff time.

9. REALES

Leaseholders should contact DDC when they decide to sell their property.

Correspondence should be sent to homeownership@dover.gov.uk

DDC will assist in the sale of Shared Ownership properties where the percentage owned by the Leaseholder is less than 100% by attempting to find a buyer for the percentage share owned, within the nomination period (where one is provided) as set out in the lease.

Where there is no nomination period, the property will be marketed with the agreement of the shared owner.

Shared Ownership Leaseholders may be required to pay a fee to cover DDC marketing and administrative costs.

10. EQUALITY AND DIVERSITY

DDC believes that all applicants should be given the same opportunity to access our Shared Ownership schemes and will ensure that all residents are treated fairly and without unlawful discrimination in line with the Equality Act 2020, and that officers comply with the public sector equality duty as set out in section 149 of the Act.

Through our marketing and allocation process we aim to ensure that customers with particular needs are able to communicate with us and will be treated by our staff in a manner that takes their needs into account.

Please see our [Equality Policy](#) for more details.

11. MONITORING AND REVIEW

This policy will be reviewed every two years, or in response to relevant changes in legislation, organisational structure, development of good practice, or to address operational issues.

Any minor amendments required will be made through delegated approval. Any amendments made because of changes to operational process or Government legislation will be made through the local decision-making progress.

Major changes will be consulted upon before a decision is taken to implement them.

12. DATA PROTECTION

DDC will only process the personal data of the homebuyer(s), or other named individuals, in accordance with the [Data Protection Act 2018 \(DPA 2018\)](#) and the United Kingdom General Data Protection Regulation (UK GDPR).

All information will be treated in the strictest confidence. DDC is responsible for protecting any public funds it administers and so may use the information the homebuyer has provided on the application form to prevent and detect fraud. [Under Schedule 2 of the Data Protection Act 2018](#) the information may be disclosed for purposes of crime prevention and detection.