



SHARED OWNERSHIP POLICY

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1. INTRODUCTION

- 1.1 Karibu Community Homes (“KCH”) is committed to boosting home ownership prospects for all of our tenants across London.
- 1.2 KCH will comply with and use the following legislation as part of our promotion of Shared Ownership as a route to outright ownership of your home:
 - 1.2.1 **Data Protection Act 2018** – to ensure that all sensitive information which you provide us for consultation, eligibility and purchase of your Shared Ownership Lease is both used and stored in the correct manner.
 - 1.2.2 **Equality Act 2010** – to ensure that all decisions made in respect of any application for a Shared Ownership Lease are free from any direct or indirect discrimination which might unfairly impact any individuals with a protected characteristic.
- 1.3 For many residents in London, purchasing property can seem an unachievable task. Shared Ownership provides an affordable avenue to purchasing your property over a period and provides an accessible route to home ownership.
- 1.4 Karibu is currently offering Shared Ownership leases to customers who meet our eligibility criteria on new-build developments and resales.

2. SCOPE OF THE POLICY AND ELIGIBILITY

- 2.1 This policy applies to all customers who meet the policy criteria. To qualify for shared ownership, the following must apply:
 - 2.1.1 Total gross household income must be £90,000 or less in London.
 - 2.1.2 Unable to afford to purchase a home outright which meets the needs of the applicant
 - 2.1.3 Must be a first-time buyer. Or you previously owned a home but cannot afford to buy again.
 - 2.1.4 Must be at least 18 years old.
 - 2.1.5 Must have the permanent right to reside in the UK.
 - 2.1.6 Must not currently be in arrears and can demonstrate a good credit history on demand
- 2.2 In addition, KCH may set further eligibility criteria which we consider necessary to make sure that Shared Ownership is the correct choice for you

3. DEFINITION & INTERPRETATION

- 3.1 Shared Ownership is a government supported framework which allows first time buyers who might be unable to acquire their property outright to incrementally acquire a stake in their home.
- 3.2 By a process known as staircasing, eligible customers are able to buy a percentage of their property with a small initial deposit and purchase the remainder of the property over a period of time until it is owned outright.
- 3.3 During the staircasing period, customers will continue to pay rent on the percentage of their property still owned by the Landlord. Once the property is owned outright, customers will cease to pay rent, though they will remain liable for certain fees, such as service charges, which are associated with the landlord's continued management of a given property.

4. CONSULTATION

- 4.1 Staff, Tenants, Committee

5. SHARED OWNERSHIP PROCESS

- 5.1 Contact our housing team to discuss shared ownership and view available properties
- 5.2 If eligible based on initial assessment, complete an application form and provide income evidence and residency documents. A copy of the application form can be found on our website
- 5.3 We will undertake full eligibility checks including affordability assessment, referencing, and credit checks which take up to 8 weeks.
- 5.4 Once your eligibility has been confirmed, you will be able to conduct a viewing of our available Shared Ownership Properties. Once you find one which suits your needs, you will be able to reserve the Property for a fee normally £500.
- 5.5 This fee will be refundable where:
 - 5.5.1 We are unable to offer you the Property of your choice
 - 5.5.2 You acquire all of the Shares in your Property – where we will deduct the reservation fee from your final purchase price, this only applies to staircasing.
 - 5.5.3 Where your mortgage application has fallen through

5.6 This fee will not be refundable where:

5.6.1 You decide that you do not wish to move forward with the Shared Ownership purchase after we have made you an offer

5.6.2 We discover any misleading information on your application for which makes you ineligible for Shared Ownership

5.6.3 You miss any payments or otherwise fail to meet any deadlines as set out in this policy

5.6.4 Determined to be misleading and evasive.

5.7 Provided you pass our identity and credit checks, you will be scheduled for an interview with an independent mortgage advisor, who will discuss the payment structures for acquiring initial and future shares in your Property and set your initial percentage share purchased. This percentage will be calculated with due consideration for your financial circumstances at the time.

5.8 Once your initial share percentage has been set, you will be free to engage solicitors and begin the purchasing process!

6. STAIRCASING

6.1 After owning your initial share for a minimum of 12 months, you can purchase additional shares in your home with a view to owning the Property outright. This is known as 'staircasing'.

- 6.2 If you are interested in increasing your share, contact us to discuss the process of staircasing. We will arrange for an RICS Surveyor to carry out a valuation of your Property.
- 6.3 We will work out the cost of purchasing additional shares. You can usually buy shares in 1% increments for the first 15 years, and 10% increments thereafter, all the way up to 100% ownership.
- 6.4 As the staircasing process provides you with a greater percentage share of the Property, your rent and service charge payments will be adjusted to reflect your increased ownership.

7. FLEXIBLE TENURE

- 7.1 Also known as reverse staircasing, or buyback, this is the process by which KCH may repurchase your share of your property following your request.
- 7.2 The decision to agree to buy back any proportion of your share will be at the discretion of KCH and will be assessed on a case-by-case basis. KCH will only agree in exceptional circumstances, and when it possesses sufficient funds earmarked specifically for this purpose.

8. YOU WILL NEED TO BUDGET FOR:

- Mortgage payments - plan for interest rate rises
- Deposit for your share, as set by your mortgage advisor
- Rent and service charge on the unowned share, usually 2-3% of property value
- Buildings insurance - typically £100-£300 annually
- Sinking fund for repairs – usually set at the point of scheme service charge setting.
- Life insurance to cover your share
- Solicitors fees for purchase/staircasing
- Mortgage arrangement fee and valuation fee for any new mortgage
- Stamp duty where buying additional shares

9. POLICY DETAILS

- 9.1 It is important to remember that entering into a Shared Ownership Lease creates a contractual relationship between yourself and KCH. As with any other lease or tenancy which you may have held previously, you will be committing to certain obligations such as:

- Payment of rent on your outstanding share of the property, as well as any ground rent in your lease, on time.
- Payment of service charges demanded from time to time by KCH as a result of our management of the property, including the costs of any major works following valid consultation.
- Where necessary, payment of your contribution towards any sinking fund for a building to cover the costs of major works.
- Payment towards your proportion of any building insurance or other policy.
- Not to part company with the property or to use it other than your only and principal home.
- Not to cause a nuisance or otherwise engage in Anti-Social Behaviour, or to let visitors to the property to engage in similar conduct.
- Not to use the property for any illegal or immoral purposes.
- Repairing those parts of the property within your control.
- Seeking KCH's consent for any alterations or improvements to the Property which you may wish to carry out from time to time.

- 9.2 Failure to comply with your obligations may qualify grounds for a breach of your lease and could result in KCH making an application to regain possession of the property. Following repossession, you will lose your ability to further acquire a stake in the property and may be unable to recover any historic capital used to acquire your existing shares. It is therefore of the utmost importance that you read, understand, and comply with the specific terms of your individual lease to avoid any potential for repossession.
- 9.3 The terms of any lease can only be changed by the agreement of both yourself and KCH, or by an order of the Court; where the requested change in terms modifies a provision which is considered core to the operation of a Shared Ownership Lease, you may need to obtain further agreement from a relevant third party. If you wish to alter the terms of your lease, KCH advise that you first seek independent legal advice.
- 9.4 As a Shared Owner, the remainder of KCH's policies shall apply as a framework for your ongoing relationship with us. KCH strongly advises that you read and understand the remainder of the KCH policies and procedures found on our website.
- 9.5 If you wish to sell your property before you have acquired the full 100% share in your property, you must inform KCH in writing so that we can find another eligible individual who is capable of purchasing your share of the property. Notice should be in writing and must be given in the correct form as set out in your lease agreement.

10 DATA PROTECTION, RECORD STORAGE AND RETENTION

- 10.1 KCH will treat any personal information (that is data from which a data subject can be identified, such as name, address, e-mail address, etc.) that is provided to us or that we obtain from third parties in accordance with the requirements of the Data Protection Act 2018 as amended from time to time and, unless and until it is no longer directly applicable in the UK, the General Data Protection Regulation ((EU) 2016/679) (“GDPR”) and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then any successor legislation to the GDPR or the Data Protection Act 2018.
- 10.2 However, KCH is under a duty to protect the public funds it administers, and to this end may use data for the prevention and detection of fraud. KCH may also share this data with other bodies responsible for auditing or administering public funds for these purposes.
- 10.3 Information sharing agreements will be created with guidance from a solicitor, including as a minimum:
- Details of the type of information that will be shared, and how it will be identified.
 - Details about how the information should be transmitted and stored.
 - Details about for how long the information shall be retained, and mechanisms for the data subject to access information held.
 - Details about the circumstances under which information will be shared with a third party.
 - Where there is not an information sharing agreement in place information will only be shared after confirmation from a solicitor, ASB Specialist or the Data Protection Officer that it is lawful to do so.
 - Pursuant to the Data Protection Act 2018 necessary information disclosed as a requirement of law or in connection to legal proceedings or obtaining legal advice is exempt from the non-disclosure provisions.

11. EQUALITY IMPACT ASSESSMENT

- 11.1 KCH will ensure that this policy is applied fairly and consistently and in line with its Equality and Diversity Policy.
- 11.2 KCH will act sensitively towards the diverse needs of individuals and communities and will take positive action where appropriate. KCH may provide communications in alternative languages or formats and or interpretative or transcriptive assistance where appropriate to assist customers with distinct communication need

12. REVIEW OF POLICY

- 12.1 KCH will formally review this policy every three years, or sooner if appropriate due to changes in law, regulation, or practice.
- 12.2 The following table identifies whether this policy disproportionately impacts upon any individuals in regard to the key protected characteristics, as identified in the Act:

Special Characteristic	Any impact? (Yes or No)
Age	No
Disability	No
Gender reassignment	No
Marriage and Civil partnership	No
Pregnancy and maternity	No
Race	No
Religion or belief	No
Sex	No
Sexual orientation	No

- 12.3 We do not consider this policy to disproportionately impact on any individuals in regard to these characteristics and therefore a detailed Equality Impact Assessment is not required.

