



**Havering**  
LONDON BOROUGH

# **HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME**

## **HOUSING REGENERATION PACK**

### **(2) Local Lettings Plan**

This document forms the Council's Local Lettings Plan setting out the re-housing options and allocation principles and procedures for secure (and introductory tenants) of the Council affected by the Housing Regeneration Scheme

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## 1. INTRODUCTION

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- 1.1. This Local Lettings Plan is made pursuant to the provisions of s.166A(6) Housing Act 1996 (as amended) and/or s.21 Housing Act 1985 and sets out the principles and procedures adopted by the Council for the allocation of housing to Council tenants who will be affected by the Regeneration Schemes as defined below.
- 1.2. The Local Lettings Plan also takes account of the following legislation:
  - Homelessness Act 2002
  - Housing Act 1985
  - Housing Act 1996
  - Housing Act 2004
  - Housing and Regeneration Act 2008
  - Human Rights Act 1998
  - Land Compensation Act 1973
  - Planning and Compulsory Purchase Act 2004
  - Town and Country Planning Act 1990
  - Housing and Planning Act 2016, Pt 4 Ch.6
- 1.3. The Local Lettings Plan has the following objectives:
  - 1.3.1. Ensure the delivery of the development proceeds on time by facilitating the moves of affected tenants from the estates into alternative suitable homes
  - 1.3.2. Fairly manage the rehousing and payment compensation process
  - 1.3.3. Use the development opportunity to improve housing conditions in the borough
  - 1.3.4. Create a sustainable community in each regeneration area
- 1.4. The Local Lettings Plan forms part of the Council's overall Allocation Scheme pursuant to s.166A(1),(6) Housing Act 1996.
- 1.5. Section 25.2 of the Housing Allocations Scheme (2016) states:

*“Local lettings schemes can be put in place for a specific area or estate on new developments which is agreed with the Provider in response to particular local circumstances. They will include a clear commitment to equality of opportunity, the provision of clear and accurate information to applicants and an appeals mechanism. In order to implement the policy we may have to select applicants for an offer of social housing who are in a lower band than we would usually offer to.*

*We may also make targeted offers in order to identify suitable applicants in particular circumstances in order to implement a local lettings policy. In such cases the offer will be made to the applicant with the earliest priority date in the highest band that will meet the criteria within the local lettings policy”.*

- 1.6. The Local Lettings Plan will be subject to consultation with Council tenants and private registered providers of housing in accordance with s.166A(13) Housing Act 1996 and s.105 Housing Act 1985, for a period of 12 weeks.

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## 2. DEFINITIONS AND ELIGIBILITY

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### APPLICATION

- 2.1. The Local Lettings Plan applies to the temporary and/or permanent rehousing of all Council tenants who are affected by the Regeneration Schemes in respect of the following properties:

SITE	TOTAL No of PROPERTIES*
1. Waterloo Road Estate	285
2. Napier House and New Plymouth House	98
3. Maygreen Crescent and Park Lane Estate	93
4. Oldchurch Gardens Estate	84
5. Chippenham Rd, Farnham Rd, and Hilldene Ave	57
6. Queen Street Sheltered Housing Scheme	31
7. Maygreen Crescent and Park Lane Sheltered Housing Scheme	40
8. Solar, Serena, Sunrise Court Sheltered Housing Scheme	55
9. Brunswick Court Sheltered Housing Scheme	47
10. Dell Court Sheltered Housing Scheme	29
11. Royal Jubilee Court Sheltered Housing Scheme	79
12. Delderfield House Sheltered Housing Scheme	14
13. Delta TMO	60
14. Bridge Close	37

- Please note that these figures include all Council properties regardless of tenure.

## **DURATION**

- 2.2. The Local Lettings Plan will cease to apply upon the completion of the Regeneration Schemes. The Council's main Allocation Scheme will continue to apply throughout and thereafter to all Council tenants.

## **COUNCIL TENANTS**

- 2.3. For the purposes of the Local Lettings Plan, Council tenants are secure (or introductory) tenants who rent a home from the Council, including those who live in sheltered housing

## **HOUSEHOLD MEMBERS**

- 2.4. All household members will be considered as part of the eligible tenant's household. This includes:
- Secure and joint tenants of the council
  - Co-habiting partners and spouses living together in a settled relationship with the eligible tenant for at least 12 months prior to the serving of the initial demolition notice.
  - Non-dependent children living continuously as part of the settled household since the start of tenancy or who have lived with the household since birth.
  - Children born since the start of the tenancy or other dependent children where the eligible tenant has principal care of the child on a permanent basis. Birth certificates will need to be produced to confirm relationship and dependency.
  - An adult relative who has become a settled member of the household because they are in need of support and cannot live independently. This may be an elderly relative or someone who is disabled. Such persons must have resided with the household for a minimum of 12 continuous months before being considered as part of the household.
  - Live-in carers providing full time care to a member of the household.
- 2.5. The Council will consider any exceptions not covered by the criteria above on a case-by-case basis. Approval will be given by the Housing Demand Services Manager.
- 2.6. The following household members will be excluded from being rehoused:
- Unauthorised occupants including friends, lodgers and sub-tenants living with the tenant;
  - Squatters;
  - Any household member who has moved in and caused overcrowding;
  - Children of the tenant whose main, principal home is elsewhere;
  - Any other person the Council deems ineligible.
- 2.7. If the composition of any household changes or is expected to change (i.e. pregnancy) the main tenant is required to inform the Council as soon as reasonably possible. Evidence will be required to support any change to a household's composition. The Council reserves the right to refuse the addition of a household member or members if it considers, in its absolute discretion the evidence submitted is considered insufficient

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### 3. RE-HOUSING OPTIONS FOR COUNCIL TENANTS

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- 3.1. The Council will rehouse any Council tenant being displaced from their home as a result of the Housing Regeneration Programme, with the following exceptions:
  - 3.1.1. The Council will **not** rehouse any tenant against whom an outright possession order has been made by a Court for breach of their tenancy conditions for example, due to rent arrears or anti social behaviour;
  - 3.1.2. The Council will not rehouse any tenant against whom a suspended possession order has been made if the terms of suspension of the Order have been breached and/or if any breaches are not remedied;
  - 3.1.3. The Council will not rehouse any introductory tenant who fails to satisfactorily complete the introductory period and where a Notice has been served under s.128 Housing Act 1996 (save where the Notice is suspended on statutory review);
  - 3.1.4. Tenants who have rent arrears will not be eligible to move into a new-build property in the redeveloped site, unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months.
- 3.2. Tenants have a right of appeal to the Appeals & Reviews Officer against a decision not to rehouse.
- 3.3. The rehousing options available to Council tenants are set out below:

#### ***OPTION 1 – MOVE TO AN EXISTING COUNCIL PROPERTY ELSEWHERE IN THE BOROUGH.***

- O1.1.** Council tenants who wish to move to an existing council property elsewhere in the borough will be given the opportunity to do so.
- O1.2.** Tenants will be entitled to **two direct offers** of alternative accommodation.
- O1.3.** For tenants who would like to move outside of London, the Council will identify suitable vacancies including through the Seaside and Country Homes

## ***OPTION 2 – MOVE TO AN EXISTING HOUSING ASSOCIATION PROPERTY ELSEWHERE IN THE BOROUGH.***

- O2.1.** Council tenants who wish to move to a property owned and managed by a Housing Association elsewhere in the borough will be given the opportunity to do so.
- O2.2.** Tenants will be entitled to **two direct offers** of alternative accommodation.
- O2.3.** Tenants who choose this option will be supported by the Regeneration Housing Officer to ensure they understand the differences between the Council and Housing Association tenancies and can afford the rent.

## ***OPTION 3 – MOVE TO A SHELTERED HOUSING OR EXTRA-CARE SCHEME PROPERTY ELSEWHERE IN THE BOROUGH (SUBJECT TO ELIGIBILITY FOR THE PARTICULAR SCHEME)***

- O3.1.** Council tenants who are eligible and wish to move to a property in either a Sheltered or an Extra Care housing scheme elsewhere in the borough will be given the opportunity to do so.
- O3.2.** Dedicated scheme officers will also provide residents with on-site support including for the viewing and moving processes.
- O3.3.** Tenants who meet the following criteria will be eligible for offers in a sheltered scheme:
  - 60 years and over; or
  - Aged 55 to 59 years and in receipt of Personal Independence payments; and
  - Single or joint applicants with no children; and
  - In need of the housing support provided by the scheme.
- O3.4.** Tenants will be nominated for consideration by a Panel for Extra Care accommodation. Extra Care housing is for people who require a high level support due to:
  - Frailty;
  - Ill-health; or
  - Restricted mobility.
- O3.5.** Tenants will be entitled to two direct offers of alternative accommodation.

#### ***OPTION 4 – PURCHASE OF AN AFFORDABLE HOME ELSEWHERE THROUGH A LOW COST HOME OWNERSHIP SCHEME***

- O4.1.** Council tenants who are working and have savings will be supported in the process to purchase an affordable home.
- O4.2.** A number of affordable homes are being built in the borough under Shared Ownership and Shared Equity schemes and tenants can also be supported to purchase such properties, as well as properties on the open market. Further details are set out in Appendix 1.
- O4.3.** Officers will be able to provide housing advice on whether this is an affordable and viable option based on individual financial circumstances.

#### ***OPTION 5 – RENT A PROPERTY ELSEWHERE WITH A PRIVATE LANDLORD***

- O5.1.** The Council can help tenants to move to a property in the private rented sector. This may be a good option for a tenant who would like to move near a support network in another borough or outside London.
- O5.2.** The Council can provide assistance by liaising about affordable private rented accommodation with landlords in or outside of the borough as well as offering financial assistance towards the required deposit and first month's rent through the Council's 'Find Your Own' scheme.

#### ***OPTION 6 – MOVE TO A NEW PROPERTY IN THE NEW DEVELOPMENT ONCE COMPLETED***

- O6.1.** The Council will build new council housing across a number of sites in the borough as part of the Housing Regeneration Programme. Priority for the new build homes will be given to those who have had to move because of the regeneration programme. Tenants who express an interest in moving back to one of the new homes within the redevelopment area once the properties are built will be given the opportunity to do so.
- O6.2.** This option will apply to tenants who have initially:
  - moved to a council or housing association property elsewhere within the borough
  - moved to a sheltered housing property elsewhere in the borough
- O6.3.** Tenants who have rent arrears will not be eligible to move into a new-build property in the redeveloped estate, unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months.

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## **4. ALLOCATION & ELIGIBILITY PRINCIPLES AND PROCEDURES**

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- 4.1. Officers will carry out one to one meetings with Council tenants to help with completing the relevant 1-2-1 & Decant Assessment Forms and establish the needs of the family including whether or not they would like to register an interest to return to a new build property in the redeveloped area when they are become available.
- 4.2. As part of this process, the following information will be gathered:
- Proof of tenancy
  - Housing composition (verifying who lives at the home and that all household members are eligible for rehousing)
  - Rehousing option preference
  - Bed size requirement
  - Type of property preferences (floor level, block type and house type)
  - Location of property preferences (area preference in Havering or out of borough)
  - Preference to be near to friends, family, current neighbours (as a group move) or support service
  - Any medical, health, mobility, social or risk factors that should be considered
  - Current location of children's schools and workplace
  - Preference of when they would like to move (i.e. as soon as possible, within the next year or two years+)
  - Equalities information for monitoring purposes
- 4.3. The information will also shared with the Council's development partner, helping to understand what existing tenant's accommodation needs are for the new provision.
- 4.4. The tenant will be notified of the outcome of the application following assessment of their eligibility and needs. This notification will:
- Confirm the Housing Needs Band that the tenant has been placed in
  - Confirm the size (and if applicable, the type) of property the tenant is eligible for
  - Confirm the tenant's effective date
  - Include a reminder about informing the Council of any change in the household's circumstances
  - Provide details of the Appeal process
- 4.5. The tenant will be awarded the Emergency Rehousing (ER) Priority Band based on the requirement for them to move as a 'decant' for regeneration purpose. The effective date will be based on the date their first Council tenancy commenced.
- 4.6. Where the tenant is already on the housing register, the application will be updated with the relevant housing priority band and effective date.



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## IDENTIFYING AND MAKING AN OFFER OF ACCOMMODATION

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- 4.7. Tenants will be entitled to a maximum of two direct offers of accommodation.
- 4.8. The Council will check whether a vacant property is suitable for a tenant on the regeneration decant waiting list.
- 4.9. Once a suitable property has been identified, the Council will contact the tenant (usually by telephone) to give the details of the property that is being offered and make an arrangement for the tenant to view the property. This will be followed by a formal offer letter.
- 4.10. The tenant will be asked to view the property within 14 days and then to sign the tenancy agreement. If they do not consider the property is suitable for themselves or their household, they will be asked to complete a form setting out their reasons for refusing the offer. If a tenant fails to view the property then this will be deemed a refusal of the offer.
- 4.11. A tenant can ask for a Review of the suitability of the accommodation offered regardless of whether they accept the offer or not by a Reviews Officer. The reasons will be considered as part of the Review and a decision will be made as to whether the offer was reasonable or not.
- 4.12. If the offer is considered unreasonable, the offer will not count against the tenant. This means that they will still be entitled to two further offers.
- 4.13. If the offer is considered reasonable, it will count as the first offer. This means that the tenant will be left with one more offer to be made.
- 4.14. If the tenant is dissatisfied with the outcome of a Review decision, they may Appeal to the Appeals Officer
- 4.15. Should the tenant refuse both direct offers of suitable accommodation; the Council may start early possession proceedings in order to obtain vacant possession of the property in time for demolition.
- 4.16. Taking into account the long timescale of the programme and waiting times for rehousing, the Council will check the detail of the needs assessment at the point of making an offer to ensure that there has been no change of circumstances and the offer is suitable.
- 4.17. The Council will liaise with other council services such as the Occupational Therapy Service, Adult Social Care, Children's Services etc. to ensure the tenant's health and support needs are addressed.

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## **ESTIMATED WAITING TIME FOR AN OFFER OF ACCOMMODATION**

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- 4.18. The timescales of when a tenant may be offered alternative accommodation will depend on:
- The available supply of accommodation that is suitable to meet their housing needs
  - The redevelopment priority of the estate that the tenant is living in.
- 4.19. Offers of accommodation will be prioritised based on the following criteria:
- A tenant from a priority redevelopment site will be matched to a vacant property
  - The housing needs and vulnerabilities of each tenant matched will then be assessed to determine which tenant has priority for the match
  - If there is more than one tenant from the priority site whose needs are suitable for the vacant property, the offer will be made to the tenant who has been a council tenant the longest (based on the tenancy start date)
  - If there is no suitable tenant from the first priority site, the Council will use this criteria to continue to identify a tenant from the second priority sites and so on until the property is let.

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## **BEDROOM SIZE ENTITLEMENT**

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- 4.20 The size and type of property that an applicant could have will depend on the size of their household.
- 4.21. The table overleaf sets out the Council's bedroom standards:

## 4.21. TABLE OF BEDROOM STANDARDS

<b><i>1 bedroom property or studio</i></b>
<ul style="list-style-type: none"> <li>• Single person or couple with no children</li> </ul>
<b><i>2 bedroom property</i></b>
<p>Single person / couple with any of the following:</p> <ul style="list-style-type: none"> <li>• one child of any age</li> <li>• two children of different sexes where both are under 10 years</li> <li>• two children of same sex where both are under 16 years</li> <li>• one other person (not the lead tenant's partner or child) or couple</li> </ul>
<b><i>3 bedroom property</i></b>
<ul style="list-style-type: none"> <li>• Single person / couple with any of the following:</li> <li>• two children of different sexes, at least one of which is 10 years or over</li> <li>• two children of the same sex where one is 16 years old or over</li> <li>• three children of any sex or age</li> <li>• four children of the same sex</li> <li>• four children with two girls of any age and two boys of any age</li> <li>• four children with three of the same sex and one of the opposite sex, where one girl and one boy are both under 10 years</li> <li>• one person (not the lead tenant's partner or child), with or without a partner plus one child, or two children of different sexes who are both under ten, or two children of the same sex regardless of age</li> </ul>
<b><i>4 bedroom property</i></b>
<ul style="list-style-type: none"> <li>• Single / couple with any of the following:</li> <li>• four children where the need for a three bedroom property does not apply</li> <li>• five children of any sex or age</li> <li>• six children of the same sex regardless of their age</li> <li>• six children with five of the same sex and one of the opposite sex where there is one girl and one boy both aged under 10 years</li> <li>• six children with four of the same sex, two of the opposite sex regardless of the age of the children</li> <li>• six children with three girls and three boys where all the bedrooms available to the children can be shared by either a girl and boy under 10 years or the same sex children of any age can share</li> <li>• one of the reasons for being eligible for a three bedroom property plus one person (not the lead tenant's partner or child), with or without a partner</li> </ul>
<b><i>5 bedroom property</i></b>
<p>Single / couple with any of the following:</p> <ul style="list-style-type: none"> <li>• six children where the rules for a four bedroom home do not apply</li> <li>• seven children of any sex or age</li> <li>• eight children all of the same sex</li> <li>• seven of the same sex and one of the opposite sex where one girl and one boy are both under 10 years</li> <li>• eight children with five of the same sex and three of the opposite sex, where all four bedrooms available for the children can be shared by either a girl and boy who are both under 10 years or two children of the same sex regardless of age</li> <li>• eight children with four girls and four boys</li> <li>• one of the reasons for being eligible for a four bedroom property plus one person (not the lead tenant's partner or child), with or without a partner</li> </ul>

- 4.22. The Council will support tenants in deciding whether the size of any accommodation is affordable for individual families.
- 4.23. In general, the Council's bedroom standard is as follows;
- The bedroom standard allocates a separate bedroom to each: married or cohabiting couple adult aged 21 years or more, pair of adolescents aged 10-20 years of the same sex, pair of adolescents aged 10-20 years of the opposite sex;
  - A single parent is counted as a couple;
  - An unborn baby beyond the first trimester is counted as a child. The Council will require verifying documentation;
  - Single people will usually be offered one bedroom accommodation, studio/bedsit;
  - Two children of the opposite sex under 10 will be expected to share a bedroom.
- 4.24. **Tenants needing larger homes** – For households who require more than four bedrooms, the Council will work with them to consider alternative housing options on a case-by-case basis as there is limited supply of larger council-owned accommodation. For example, the family might wish to consider separate housing for adult children. Such housing situations will be approved by the Housing Demand Services Manager where appropriate.
- 4.25. **Tenants moving into a smaller property** – qualifying under occupiers will qualify for an additional bedroom above their assessed need. For example:
- a tenant in a four bedroom property but the current housing need is assessed for a two bed, will be allowed to keep an additional bedroom and therefore will be offered a three bedroom property; or
  - a tenant in a three bedroom property but the current housing need is assessed for a one bed, will be allowed to keep an additional bedroom and will therefore be offered a two bedroom property.

To qualify for this offer, the conditions of the Allocation Policy must be met, and tenants should have a clear rent account and no history of anti-social or other unacceptable behaviour in their council tenancy.

Officers will complete an affordability assessment to ensure that the tenants can afford to pay the rent for the additional bedroom without discretionary housing payment on a long-term basis. Any shortfall will not be covered by the Council

- 4.26 **Group Moves** - Where it is possible and there is available supply, the Council will seek to facilitate group moves where two or more eligible tenants wish to be rehoused in close proximity to each other, if this is requested. This is to ensure existing communities and support networks can be kept intact so far as reasonably practicable. Tenants will be asked as part of their rehousing application if they wish to express this preference.
- 4.27. **Downsizing** – If a tenant chooses to move in to a smaller property that meets their housing needs as part of the Housing Regeneration Programme, they will be entitled to a downsizing payment of £1000 for the first room and £500 for any subsequent room returned to the Housing Service

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## TENANCIES

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- 4.28. In September 2013 the Council introduced flexible tenancies. For most new Council tenants, the tenancies offered will be fixed term with a 12-month introductory period followed by a 5-year tenancy.
- 4.29. Council tenants moving under the regeneration programme into alternative council accommodation will retain the same tenancy rights as they currently have. This means that secure tenants will be offered a secure tenancy and flexible tenants will be offered another flexible tenancy.
- 4.30. For Council tenants who wish to change their tenancy status from a sole to a joint tenant, or from a joint to a sole tenancy, due to a change in household circumstances, which is agreed by the Council, then:
- 4.30.1. Where there is a joint tenancy and one of the tenants terminates the tenancy, a new tenancy will be issued on the same tenancy status as the previous joint tenancy.
- 4.30.2. Where there is a sole tenancy and the tenant wishes to add a joint tenant a new tenancy will be issued on the same tenancy status as the previous single tenancy.
- 4.31. A tenant on an existing flexible tenancy with an introductory period who is rehoused into another Council property will be granted another flexible tenancy with a continued introductory period from their previous tenancy.
- 4.32. **Tenants who move into a Housing Association property (Registered Provider accommodation):** tenants will be granted an assured tenancy in accordance with the policy of that landlord (i.e. periodic or fixed term tenancy). Assured tenancies give tenants similar rights as a Council secure tenancy but without the Right to Buy. Housing Officers will be able to provide more information on differences between Council and Housing Association tenancies.
- 4.33. In split household scenarios, secure tenancy provisions will remain with the primary tenant and any split household rehoused into a council property will be offered a flexible tenancy or the equivalent, which may be offered by Registered Providers.
- 4.34. The same principles will apply to those tenants opting to return to a new build home in the redeveloped area once completed and ready for occupation.
- 4.35. All Council tenancies will be granted in accordance to current legislation in operation at the time the tenancy is offered and in line with the Council's Tenancy Policy.

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## **RENTS**

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- 4.36. Rents for new homes will be at Council rent levels set in accordance with then Government guidelines

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## **5. NOTICES OF PROCEEDINGS FOR POSSESSION AND COURT POSSESSION ORDERS**

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- 5.1. Council tenants will note that the procedure for issuing formal Notice of Seeking Possession and Court Orders for Possession in order to ensure that legal and vacant possession of the site can be provided to the Council's development partner will be conducted on an estate-by-estate basis, with Notices and Court claims for possession being served on all tenants at the same time;
- 5.2. This will mean that, in some cases, Notices of Seeking Possession, and Court claims for possession may be commenced before Council tenants have received any offers of alternative accommodation under this Policy;
- 5.3. The Council confirms therefore that no Order for Possession will be enforced by the Council until such time as two offers have been made to Council tenants under this Policy, and any period of Review or Appeal has expired;
- 5.4. Legal and Court costs will not be sought against Council tenants save where a legal Defence is filed and the case is adjourned, or where it has been necessary to issue proceedings because two offers have been refused.

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## 6. REVIEWS AND APPEALS

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- 6.1. Applicants have the right to information about the decisions which are taken in respect of their rehousing application or suitability of the accommodation that has been offered. Applicants also have rights to review or appeal against rehousing decisions.
- 6.2. Applicants who are unhappy with a rehousing decision should in the first instance contact their Housing Officer who will be able to explain or clarify the situation, and whether there is a Right of Review or Right of Appeal, as set out in this Policy
- 6.3. Allocation and eligibility decisions under this Policy have a direct right of appeal to the Appeals and Reviews Officer
- 6.4. If the applicant is unhappy with the outcome of a Review, they can submit a formal appeal which will be considered by the Appeals and Reviews Officer, who is more senior than the original decision-maker, and who was not involved in making the original decision.
- 6.5. A request to appeal can be emailed to: [housingapplicationappeal@havering.gov.uk](mailto:housingapplicationappeal@havering.gov.uk). Where an applicant cannot make a request in writing; they can get help from their Housing Officer to do this on their behalf, or ask the Council to hear their case orally.
- 6.6. Applicants intending to make an appeal may want to take independent legal or specialist housing advice, for example the Citizens Advice Bureau or other advisory agency. Housing Officers will be able to provide guidance on how to access the services of independent advice agencies.
- 6.7. The formal appeal will be carried out on paper without an oral hearing and a decision issued within 14 days.

25 September 2017

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## APPENDIX 1 – LOW COST HOME OWNERSHIP INFORMATION

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### About Shared Ownership Schemes

Shared ownership schemes offer a way of part owning and part renting a property and is aimed at helping people who cannot afford to purchase a property on the open market.

To purchase a shared ownership home, applicants could use the funds from the sale of their property, any home loss payment (if entitled), any savings and any mortgage entitlement. An initial share of no less than 25% and no more than 75% of the full market value of the property would have to be purchased. Rent would be paid on the remaining share of the property which would be owned by the Local Authority, Housing Association or through a development partner. The rent level would be set by the provider. The rent that is paid could be no more than 3% of the value of the share in the property that is not owned.

Over time, the leaseholder can purchase further shares in the property which is otherwise known as 'staircasing'. In most cases they can if they wish, purchase additional shares up to 95% of the equity in the property.. The cost of increasing the share will depend on the value of the property at the time. Shared ownership leaseholders will have the normal rights and responsibilities of a full owner-occupier however will not usually be able to let or sub-let the property.

### **Prioritisation**

In accordance to the Council's Shared Ownership policy, priority for shared ownership is given to:

- Existing social tenants in Havering, serving military personnel and former military personnel.
- Existing Havering residents
- Eligible applicants who work but do not reside in the Borough

### **Eligibility**

In order to be eligible to purchase a shared ownership property in general, under the Help to Buy initiative applicants must;

- Have a household income of less than £80,000
- Be otherwise unable to afford a suitable property on the open market
- Be able to afford to purchase the largest share they can sustain alongside all associated housing costs
- Not be in rent arrears or in breach of their current tenancy agreement at the time of making the application (in the case of leaseholders, council tenants and private tenants) In the case of private sector tenants, the Help to Buy agent must also be satisfied that the tenant has not had a history of rent arrears.

Freeholder's applications will be subject to assessment by Help to Buy agents and providers to determine whether they are in housing need and cannot comfortably afford an alternative home. This will be the Council's discretion.

To advise residents on general applicant eligibility and affordability for Help to Buy schemes, the Council will use Government's HCA 'Capital Funding Guide' (2016) which contains rules and procedures surrounding the delivery of affordable housing. The Councils rehousing officer will support applicants with registration on the Help to Buy Scheme for the locality and with initial assessment to ensure basic eligibility criteria is met. .



## About Shared Equity Schemes

Shared equity schemes allow applicants to take out a low-interest equity loan which is added to a deposit amount when buying a property. A mortgage is taken on the remainder of the property price. Unlike shared ownership, buying a home with a shared equity loan could mean residents can own 100% of the property.

To purchase a shared equity home, resident leaseholders and freeholders would use the funds acquired from the sale of their home on the estate and any compensation to buy a property on a new development, continuing to invest the same level of mortgage borrowing that was held with the property on the estate.

If the cost of the new property is higher, then the Council or development partner of the scheme would hold on to a share of the property. No rent or interest would be charged on the share of the property that the Council or development partner would hold.

This means that resident leaseholders and freeholders could purchase a new higher value property without increasing their previous level of borrowing. If desired, using the funds acquired from the sale of the existing home, those affected could invest more in the new property.

Affected residents would have the opportunity to increase the share in the property over time by buying up the Council or development partner's equity share.

### **Eligibility**

The eligibility for intermediate housing is determined by the London Mayor. The home that is purchased must:

- be a new build
- have a purchase price of up to £600,000 in England (or £300,000 in Wales)
- be the only one that is owned by the household
- not be sub-let or rented out after purchase

Applicants would need at least a 5% deposit and would need a mortgage of up to 75%. The government may lend up to 40%. Equity loan fees will have to be paid and the loan itself will have to be paid back after 25 years or when the home is sold, whichever comes first, where the amount that is paid back will depend on the market value of the home at the time of sale.

### **Selling a shared equity home**

If leaseholders wanted to sell their new shared equity home, they would keep their share of the proceeds and the Council would keep its share it has in the property. Any increase in property value would be shared between the leaseholder and council according to the proportion of equity owned by each party.

If a leaseholder owned 60% of the value of the property, they would therefore receive 60% of the value if sold and any increase in value.