

Tenanted Sales Policy

Home Ownership

GENERAL - EXTERNAL

Policy Approval Date:	(Date) 2024	Date of next review:	2027
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1. Purpose

Riverside (TRG) offers a range of ways for tenants to purchase their home. This is known as a 'Tenanted Sale' or 'Home Purchase.' Some schemes are statutory, i.e. those where TRG is legally required to promote and facilitate sales to eligible tenants, while other schemes are offered voluntarily by TRG.

This policy provides clarity for customers, colleagues and stakeholders about TRG's approach to the sale of properties to existing tenants by setting out a set of principles for the delivery of our tenanted sales service.

Details of the current sales schemes for existing tenants is provided in Appendix 1. This policy also applies to any future tenanted sales schemes delivered by TRG.

2. Scope

This policy applies to all tenants within of TRG who are eligible to purchase their home under schemes listed in Appendix 1.

3. Principles

We will:

- Ensure that we provide a fair, transparent, responsive and efficient service to existing tenants
- Have a framework for establishing tenant and property eligibility for each sale scheme
- Make tenants aware of the sale schemes available to them and advise on eligibility
- Operate a sales service for each scheme that meets legislative and regulatory requirements, including the prescribed information, processes and timescales that apply
- Ensure homes are sold at values based on valid independent RICS valuation, less any discount required by the specific sales scheme. RICS valuations expire after 3 months unless otherwise stated

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- For relevant sales schemes, use the Homes England sustainability calculator and guidance as the basis for assessing whether an applicant can afford and sustain homeownership
- Request supporting information from tenants to evidence information given during the application and sustainability assessment e.g. proof of residence and income. In exceptional circumstances tenants may make a statutory statement, but this would need to be supported by other corroboratory evidence
- Provide an accessible service to people with disabilities by offering information in different formats and by offering support and guidance to help customers complete the application process
- Carry out due diligence including to verify the identity of tenants, request evidence of the origin of any funds being used to purchase and, to investigate any suspicions of fraud and/or money laundering
- Adhere to statutory timescales and for voluntary schemes, provide tenants with clear timescales for application and sale progression
- For voluntary schemes, cancel an application if we do not consider the tenant has acted reasonably in providing documents within our required timescales
- Operate a responsive and efficient post sales service that meets legislative and regulatory requirements in respect of discount repayment and TRG's right to buy back the property when the homeowner wishes to sell
- Deal with all complaints in line with the TRG's complaints procedure, ensuring all tenants and homeowners are treated fairly and equally
- Monitor and report on sales for each scheme

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4. Further Information & Support

- Home England Capital Funding Guide
- GLA AHP Funding Guide
- Affordable Housing Programme 2016-21 and 2021-26 Funding Agreements
- Regulator of Social Housing's regulatory standards
- Shared Ownership Sales Policy
- Tenancy Policy
- Leasehold Management Policy
- Rent Setting Policy
- Repairs Policy

5. Roles and Responsibilities

Executive Director of Customer Service

- Responsible for the overall policy implementation
- Ensure adequate resources are available to enable the objectives to be met

Director of Riverside Home Ownership

- Responsible for the delivery of the key policy objectives as set out in the policy, including designing and implementing procedures.

Head of Sales

- Responsible for the implementation and monitoring of the operational effectiveness of the policy.
- Ensure that relevant colleagues within the Sales, Resales and Housing Ownership teams have the appropriate level of skills, knowledge and training to deliver a high quality service

6. Risk Thresholds

Statutory and grant funded schemes have strict eligibility criteria and timescales which are subject to external audit. Procedures are in place to ensure compliance.

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Riverside is committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities and organisations, taking into account the diverse nature of their culture and background and actively promoting inclusion. This policy aligns with Riverside's [Equality, Diversity and Inclusion Policy](#) and has been subject to an Equality Impact Assessment.

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Appendix 1 Tenanted Sale Schemes

Right to Buy (RTB)

Statutory right that gives secure tenants of local authorities and some housing associations the right to buy the home they are living in at a discount. Some TRG tenants have a Preserved RTB because they were the tenant of a local authority when it transferred its stock to TRG.

Right to Acquire (RTA)

Statutory right that allows some secure and assured TRG tenants to buy their home with a discount. To qualify for the RTA their property must have either been built or bought by Riverside with public funds on or after 1st April 1997 or transferred from a local authority to a housing association that is now part of TRG, after 1st April 1997. Tenants with an assured shorthold tenancy granted after 2012 for a fixed term of two years or more may also qualify for the RTA subject to the property funding requirement.

Voluntary Right to Buy (VRTB)

Voluntary scheme offered by TRG that gives some tenants living in certain regions the opportunity to buy their home at a discount. To be eligible tenants must have an assured tenancy or an assured shorthold tenancy granted after 2012 for a fixed term of two years or more. The discounts are at the same level as those for the statutory Right to Buy.

Social HomeBuy (SHB)

Voluntary scheme offered by TRG that gives tenants of houses only, the opportunity to buy either a share in their home or purchase the property outright at a discount.

Home Ownership Scheme for Tenants (HOST)

Voluntary, non-discounted scheme offered by TRG that enables tenants of houses only in particular postcode areas to purchase their home.

Rent to HomeBuy (RTHB)

TRG has some properties that are let on assured shorthold tenancies at an intermediate rent (80 per cent market rent). The properties were let to people eligible to buy a shared ownership property but not in a position to do so at the time, as they did not have the required deposit. RTHB tenants may purchase their home on a shared ownership basis, although there is no requirement for them to do so. Any purchase must be at market value as no discounts are offered.

TRG will not agree to sell the property if the difference between the current property market value and outstanding costs to Riverside (such as build costs) is greater than 10%.

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Rent to Buy

This is a new scheme launched by TRG in 2021. It is delivered with grant funding from Homes England and provides newbuild homes on fixed term tenancies; tenants are offered tenancies of less than two years at a time, at a rent capped at 80% of the market rent for the property (inclusive of service charges). Tenancies can be renewed and once the home is five years old, the tenant is able to buy on an open market basis. Applicants must be planning to buy a home in the future but not be able to buy at the time the tenancy starts (i.e. insufficient deposit or access to mortgage finance). The tenant does not have to buy when the property is five years old; this is a minimum period to allow time for the tenant to save a sufficient deposit to buy.

London Living Rent

This is an intermediate rent scheme available to middle income households living in London. Tenants are offered a tenancy for a minimum period of three years and pay a sub-market rent, based on a third of local household incomes. The reduced rent period enables tenants to save a deposit to buy their home through shared ownership.

Right to Shared Ownership

Right to Shared Ownership was introduced in 2021 and gives some tenants of homes funded through the 2021-2026 Affordable Housing Programme (AHP) the right to buy their home on a shared ownership basis. Tenants must have lived in the eligible home for at least twelve months and have held a social housing tenancy for at least three years to qualify (either with TRG or another social housing landlord). Homes are sold using the new shared ownership model lease, which allows tenants to buy a minimum 10% share, staircase in 1% tranches for fifteen years and, receive payments from TRG of up to £500 per year for ten years after the home is built towards some repairs (which are specified in the lease)/

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