



VHA Policy Document

HOME OWNERSHIP

DISCOUNTED MARKET SALE POLICY

Reviewed: July 2021

Next Review Due: July 2024

VECTIS HOUSING ASSOCIATION LIMITED

DISCOUNTED MARKET SALE POLICY

1. Introduction

In accordance with the Association's general policy on promoting and supporting affordable home ownership, VHA has developed an individual policy in respect of discounted market sale.

This policy supplements the two alternative paths to home ownership for those not able to access full market sale and has been created on the basis that homes which are acquired by the Association, primarily but not exclusively, through Section 106 planning conditions, and thereby at a discount, facilitate such an option for eligible applicants.

2. The Context

Discounted Market Sale (DMS) will be considered for certain properties within the Association's development pipeline. The policy will be applied where there is scope for DMS to contribute towards the funding of the rented element of any wider scheme, and where there is established demand/need for such housing in the area. Each scheme will be considered on its economic merit. There will be no uniform criteria in terms of proportions to be sold under DMS.

Properties will generally be sold to eligible applicants at no more than eighty per cent of market value, such value to be determined by an RICS chartered surveyor, with professional knowledge of the local market. **The price at which the property will be offered for sale shall be non-negotiable.**

3. Marketing

Properties to be sold under DMS will be marketed by a local Professional Agency (the Agency) with capacity to assist with any mortgage arrangements, nominated by, and on behalf of, the Association. The Agency will liaise closely with the Association's allocations team, so that the qualification rules and due procedure are properly co-ordinated. It is paramount that both the Agency and Association officers are providing the same information, and that such information is accurate.

4. Eligibility

Applicants will be assessed following completion and submission of an application form. This will include, among other basic information:

- evidence relating to 'local connection', where the planning consent so dictates; and

- evidence that the applicant can meet the financial commitments required to proceed to home ownership under this scheme.

The application may be submitted:

- Online
- In paper form
- Either of the above with face-to-face assistance from an officer

Where there are more than the requisite numbers of applicants qualifying for the properties on offer, a judgement will be made by senior management as to whom the properties should be allocated. This process will be subject to appeal to an appointed panel of the board of management, and thereafter the Association's complaints procedure will be followed.

In the event of a shortfall in applications, a broader trawl of applicants will be attempted, normally in accordance with planning conditions.

If no suitable applicant can be found following the exhaustive process, the Association will either take the property into rent or attempt to amend the planning conditions so that it may be disposed of on the open market.

5. Contractual documentation

Once a sale has been agreed, subject to contract, the Agency will draw up all heads of terms and pass such information to the Association's appointed solicitors for processing. This will include any criteria relating to shared services in the locality of the property.

The Association will retain the right to cancel arrangements with any potential buyer if due process is delayed without good reason and through no fault of the Association.