



VHA Policy Document

RENT TO BUY POLICY

Reviewed: June 2021

Next Review Due: June 2024

Rent to Buy Policy

1. Introduction

This policy details the details of the way VHA will determine process and priority for properties being allocated under the Rent to Buy.

We will consider the provision of Rent to Buy properties in circumstances where:

1. There is a demand for, or legal requirement to provide, such tenure in a given location as part of a development scheme; and
2. The demand is met by sufficient eligible households able to meet the financial commitment over the term of the fixed-term 5 year tenancy necessary to acquire the property and pay the required rent;
3. It meets a particular market targeted by the VHA's Business Strategy.
4. There is a need in any development scheme to provide Rent to Buy as a means of funding, at least in part, the Association's strategic objective of providing homes for rent.

2. Policy Objectives

The Key objectives of the policy are:

- To offer properties to those in the greatest need
- To ensure those buying properties can afford to do so
- To promote our commitment to sustainable communities
- To ensure that applicants are aware of their obligation to purchase within 5 years and their responsibilities as a tenant prior to purchase
- To treat applicants in a fair and non-discriminatory way in accordance with our Equality, Diversity and Inclusion policy.

3. Application Routes

We will accept applications for Rent to Buy stock via direct contact either directly to VHA or through our agents HRD. If accepted, their details will be held for consideration against any future Rent to Buy dwellings. Applicants will be sent details of properties they are eligible for as and when they become available and will be asked to view them.

4. Eligibility Criteria and Assessment

4.1 Consideration for Rent to Buy

In considering an applicant for Rent to Buy they must meet the following criteria. They must normally:

- Not be able to buy a suitable home on the open market.
- Be able to afford the associated costs of buying a home
- If required, be able to get a mortgage from a building society, bank or other reputable source of finance
- If an existing tenant of VHA, not be more than 4 weeks in arrears on application and the arrears must be cleared on purchase.
- Be prepared to give/provide evidence of circumstances as requested.

4.2 Assessment of application

Assessment of applications will be conducted jointly with HRD. This will comprise reviews of housing need and affordability.

4.3 Change of Circumstances

Applicant(s)' will have a responsibility to inform us of any changes to their circumstances, especially after an application has been assessed. Information in regard to such a change should be supplied in writing and will be attached to the original application.

4.4 Refusal of application

An application will be rejected for Rent to Buy at any stage where it is established that the applicant does not meet the eligibility criteria. The applicant will be advised of the reason for the decision in writing and will be given a right of appeal (see section 6)

5. ALLOCATIONS

5.1 Marketing

We will usually market Rent-to-Buy homes through our marketing agent or via VHA media.

5.2 Local Lettings Plan

Allocations for certain developments may be influenced by agreements with the Isle of Wight Council or Section 106 planning requirements. Such agreements are referred to in this policy as Local Lettings Plans but have a wider context to the interpretation used in the definition for use in General Needs rented accommodation. Whenever a property is available for purchase reference will be made to the Local Lettings Plan to ensure that the applicant selected fulfils our planning obligations.

5.3 Matching applicants to properties

Applicants will receive property details dependent upon type, location and affordability as determined by the application and assessment process.

5.4 Matching the property to household size

Rent to Buy properties will be allocated according to the size of the household. The following minimum household/property size matching will apply:

1 Bedroom (1 person)	- Single person
1 Bedroom (2 person)	- Single person
2 Bedroom (3 person)	- Single person / Couple / Family with 1 child / 2 single persons
2 Bedroom (4 person)	- Couple / Families with 1 or 2 children
3 Bedroom (5 person)	- Families with 1,2 or 3 children
4 Bedroom (6 person)	- Families with 2, 3 or more children

The following principles will apply when allocating accommodation:

- Properties will not be allocated in excess of the above standards unless there is either proven medical evidence or written confirmation that the applicant(s) have legal access to a child from a former relationship.
- No more than 2 children are to share a bedroom.
- A child of 8 yrs or more will not be expected to share a bedroom with a sibling of the opposite sex.

Exceptions: The occupation density requirement can be relaxed if there is no suitable applicant expressing interest in the property. This is particularly relevant in the case of re-sale where we have a responsibility to the outgoing resident to find a purchaser in a timely manner.

In the case of outright sale properties, we may allow greater flexibility in terms of bedroom requirement, dependent on the nature of the local market at the time of sale and any specific planning requirements.

5.5 Prioritisation of Applicants

Priority may be given to applicants who are first-time buyers or tenant(s) within the social sector whose property can be let to someone else who is in need.

We will also take the following factors into consideration:

- Nominations received from the Isle of Wight Council
- Applicants registered on the Island Housing Register
- Relocation to the Island for employment and unable to secure ownership on the open market
- Existing Shared Owners who need to move, for example due to overcrowding
- Applicants fleeing severe anti-social behaviour or domestic violence

6. Appeals

An applicant may request a review of a decision at any stage of the process. Should the applicant not be satisfied with a decision or action they may appeal against the decision by using the Appeals Procedure.

This is a separate process to the 'Complaints Procedure'. The Appeals Procedure should be followed if the applicant requests a review of a decision made in relation to their Rent to Buy application, NOT if they are dissatisfied with VHA in any other way.

Stage 1

An applicant wishing to appeal against a decision regarding their Rent to Buy application should:

- be made in writing
- be addressed to the Head of Neighbourhoods and Communities
- be made within 10 Working Days of the decision being made
- outline the reasons for the appeal

The applicant should expect a response from the Head of Neighbourhoods and Communities:

- within **5 working days** to acknowledge receipt of the appeal
- within **10 working days** (of acknowledgement) as a final response to their appeal (this response should include stage 2 appeal form)

After 1 month the appeal will be closed unless a stage 2 appeal form has been submitted.

Stage 2

Should the case be taken further, the applicant should:

- complete the appeal form
- address the form for the attention of the Chief Executive
- return it within 10 working days of receipt of the stage 1 response

The applicant should expect a response from the Chief Executive within 10 working days of receipt of the appeal form.

Stage 3

Should the applicant continue to be dissatisfied, as a third and final stage, they may request that the appeal be reviewed by the Board of Management.

To avoid lengthy delays and reduce financial losses it may be necessary to convene a special Board meeting to discuss the appeal or with the agreement of the Board, delegate the appeal to nominated Board Members.

Housing Ombudsman

Should the applicant complete all three stages and still be dissatisfied, they have the right to complain to the Housing Ombudsman.

The Ombudsman has the power to reject the appeal or order a solution. However, this process can take many months to resolve. In these circumstances, the Association will decide on the appropriate course of action on a case-by-case basis depending on the circumstances.

7 Data Protection and Confidentiality

The exchange and processing of personal information will be treated with appropriate levels of confidence and will be fair and lawful. We fully comply with our policies relating to GDPR and data protection.

By signing the application form applicant(s) are authorising VHA to process their personal information in accordance with the Data Protection Policy.