



## **SHARED OWNERSHIP AND BUY BACK PROCEDURES 2021**

### **1.0 PURPOSE**

Ochil View Housing Association Limited ("Ochil View") provides quality, affordable and sustainable housing and associated services for people in housing need in Clackmannanshire and West Fife.

Ochil View has a small number of shared ownership properties. This Procedure lays out how it manages its shared ownership properties and how it deals with requests from sharing owners to sell or increase their share in their property.

These properties, where applicable, are managed or factored by Ochil View or its agents.

### **2.0 SCOPE**

The Procedure applies to the following individuals:

- ✓ all employees who will be trained regarding their responsibilities and obligations;
- ✓ all former employees;
- ✓ all Board Members;
- ✓ all 'associated persons' acting for or on behalf of Ochil View;
- ✓ any other 'associated persons' including temporary staff, 'bank' or agency workers, consultants, contractors, suppliers and any other person engaged under any form of contract to act for, or on behalf of the Association.

The purpose of these procedures is to ensure that Ochil View fulfils the aims and objectives of the Shared Ownership Policy whilst minimising any financial and operational risks to Ochil View when managing a shared ownership property.

### **3.0 REGULATORY AND LEGISLATIVE FRAMEWORK**

This Procedure should be referred to in conjunction with:

- ✓ Housing (Scotland) Act 2010
- ✓ Equality Act 2010
- ✓ General Data Protection Regulation (EU) 2016/679
- ✓ Data Protection Act 2018
- ✓ Freedom of Information (Scotland) Act 2019

In addition, these procedures should be read in conjunction with Scottish Government guidance on shared ownership from time to time, including:

- ✓ Scottish Homes: Shared Ownership Procedures Guide SHGN 2000/15 issued August 2000;
- ✓ Scottish Government: Changes to Shared Ownership Procedures Guide: Priority Groups HIGN 2010/03 issued March 2010;
- ✓ Scottish Government: Changes to the Shared Ownership Procedures Guide HSGN 2012/02 issued January 2012; and
- ✓ Scottish Government: Changes to the Shared Ownership Procedures Guide HSGN 2012/10 issued August 2012.

### 3.1 Scottish Housing Regulator

There is no specific reference to sharing ownership in the Scottish Housing Regulator Charter Return (ARC).

## 4.0 **OTHER GUIDING DOCUMENTS**

### 4.1 Exclusive Occupancy Agreement

All sharing owners will have signed an Exclusive Occupancy Agreement ("EOA") with Ochil View based on the Scottish Homes' standard template, as amended in conjunction with guidance provided by Ochil View's solicitors.

The annual occupancy payment payable by the sharing owner comprises:

- ✓ a "Basic Payment" calculated in accordance with Ochil View's rent policy, multiplied by Ochil View's share in the property;
- ✓ a "Management Fee";
- ✓ an "Insurance Charge" (where applicable); and
- ✓ a "Service Charge" in respect of the maintenance and other services provided by Ochil View to the sharing owner.

Service charges relate to services such as communal landscape maintenance. There is a range of services that can be provided. The number in any one development depends on its design, purpose and the level of communal facilities within that development.

## 5.0 **MANAGEMENT OF SHARED OWNERSHIP PROPERTIES**

### 5.1 Amendments to annual occupancy payment

Ochil View will inform each Sharing Owner annually in respect of the annual increase to the monthly occupancy charge (including any change to the management fee/insurance charge/service charge) where possible using the current template review notice which is contained within Schedule Part 4 of the current template EOA. The annual increase will be applied as at 31 March each year. Ochil View must provide each applicable sharing owner with at least 4 weeks' written notice of any material change to the services to be provided.

The occupancy charge is set in accordance with Ochil View's rent policy. It is payable in advance and is reviewed annually. Ochil View's preferred payment method is by direct debit however we also accept other methods such as Allpay or through our online portal, My Home. Sharing owners are given at least 4 weeks' written notice of any change to the occupancy charge following the annual review. Such review notice should be given in accordance with the terms of the EOA and where possible using

the current template review notice which is contained within Schedule Part 4 of the current template EOA.

Disputes and appeals about a proposed change in the occupancy charge will be handled in accordance with the terms of the EOA. The sharing owner will have four weeks from the date of service of the notice setting out the proposed change in the occupancy charge to serve a written notice on Ochil View of their intention to appeal the change. Written notice must be either delivered by hand or sent by recorded delivery post to address detailed in the review notice.

If agreement cannot be reached between Ochil View and the sharing owner on the appropriate amount for the occupancy charge within four weeks of the date of service of the notice of appeal by the sharing owner, either Ochil View or the sharing owner may, for the purpose of having the occupancy charge fixed, apply to an independent valuer being (a) a Chartered Surveyor nominated by the Chairman for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors or (b) such other person as may be approved by the Sharing Owner and the Association to have the occupancy charge determined. The decision of such independent valuer will be final and binding. The expenses of the appeal will be allocated between the parties by the independent valuer as they deem equitable.

The occupancy charge detailed in the review notice will be payable unless and until another occupancy charge is agreed or fixed as the case may be.

5.2 Year 1, 5, 10, 15 reminder letters

Ochil View should contact each sharing owner at five yearly intervals to highlight the ability of the sharing owner to purchase additional shares of the property. The template letter is set out at **Annex B**.

5.3 Prior to 20 year expiry

On the nineteenth anniversary of the start date of the EOA a letter will be sent which will advise the sharing owner what their options will be with regards to their share of the property upon the expiration of the twenty year term of the EOA. The template letter is set out at **Annex C**.

The options are set out in detail in the sharing owner's EOA and are summarised here:

- ✓ The sharing owner may exercise their right to purchase Ochil View's remaining share, provided the sharing owner notifies Ochil View in writing to this effect within the particular terms of the EOA (normally three months' written notice prior to the expiry of the EOA); OR
- ✓ If the sharing owner does not exercise their right to purchase Ochil View's share as detailed above, Ochil View has the right to purchase the sharing owner's share, provided Ochil View notifies the sharing owner in writing to this effect within the particular terms of the EOA (normally two months' written notice prior to the expiry of the EOA); OR
- ✓ If neither party exercises the rights detailed above, both parties are deemed to have agreed to enter into a joint sale of 100% of the property to a third party on the open market;

Whilst not stating within the EOA, a fourth option is available to both parties if both parties wish to retain the current arrangements; the sharing owner and Ochil View could renew the EOA by entering into a new EOA to run for a maximum of another twenty years.

The Assistant Property Services Officer will maintain records, monitor and issue owners reminder letters on an annual basis in line with the expiry date of the owners current EOA.

#### 5.4 Staircasing

Sharing owners may increase their share of the property at any time after one year of occupancy, as long as the sharing owner is not in default of any of the obligations imposed on the sharing owner in terms of the EOA. The one year restriction does not apply in cases where the EOA has been renewed following the expiration of the initial twenty year occupancy period. No more than one staircasing transaction can be carried in each twelve month period.

A sharing owner does not require to fill out a specific form when requesting to staircase. If a sharing owner wishes to increase their share in the property, they must serve written notice on Ochil View of their intention to do so. Ochil View must then instruct the valuer (as detailed above) to determine the market value as at the date of service of the said notice on Ochil View and Ochil View must notify the sharing owner of the valuation in writing within seven days of the determination by the valuer. The sharing owner will be responsible for the cost of this valuation and for their own legal costs. Settlement must be effected within three months of the notification by Ochil View to the sharing owner of the valuation and any arrears (or other such sums due by the sharing owner to Ochil View) must be paid at settlement.

Ochil View will amend the occupancy payment according to the new monthly charge.

Once a sharing owner buys 100% of the property, the EOA will cease to have effect and shall be terminated.

In the event that a sharing owner tranches up to 100% ownership of a property, Ochil View should ensure that it has satisfactory arrangements in place for its authority to act as factor for any communal areas in line with the title conditions applicable to the property. Ochil View should consider what services it provides only to sharing owners and therefore will cease to provide once the sharing owner purchases 100% of the property.

If Ochil View has not been properly appointed as factor for the property and wishes to continue to act as factor after the sharing owner tranches to 100% of the property, the matter should be referred to the Associations Assistant Property Services Officer, who will follow the undernoted process:

- ✓ Notice/letter received from sharing owner to staircase. Ochil View should discuss this option with sharing owner and costs involved (valuation etc.)
- ✓ Ochil View should consider if there is any reason to refuse the staircasing request, e.g. that the sharing owner has arrears and appears to be struggling financially.
- ✓ If Ochil View is consenting to staircasing request, it shall instruct a valuation.

- ✓ Within 7 days of the valuation being received, Ochil View should notify the sharing owner.
- ✓ The sale should settle within 3 months of the date that the sharing owner is notified of the valuation.
- ✓ If staircasing transaction is proceeding, Ochil View should instruct its solicitors using the form contained in **Annex F**

Refer to: Shared Ownership Policy

#### 5.5 Voluntary removal

If a sharing owner wishes to end their occupation and dispose of their ownership interest in the property, they must serve written notice on Ochil View giving Ochil View the option to:

- ✓ to purchase the sharing owner's Share;
- ✓ to join with the sharing owner in a joint sale of 100% of the property on the open market: or
- ✓ to allow the sharing owner to sell the sharing owner's share on the open market subject to such reasonable conditions as Ochil View may require.

#### 5.6 Buy back by Ochil View

The default position will be that Ochil View will exercise its right to buy back following consideration of the financial implications and risk. If the financial implications or risk are too high, Ochil View will work with the sharing owner over to allow them to sell their share or agree to sell the whole property in a joint sale with the sharing owner.

If the sharing owner wishes to voluntarily remove themselves from the property, or is in financial trouble, Ochil View should, where possible, explore all available options to the sharing owner.

If by agreement, or in instances where the sharing owner has been unable to find a purchaser for their share of the property on the open market Ochil View may purchase the property. If Ochil View purchases the property back from the sharing owner it will advertise the sale of the share of the property on the open market.

In instances where Ochil View has bought the property back and there is no apparent market for shared ownership, Ochil View should consider the terms of any HAG and loan funding, as well as title conditions or other restrictions which may prevent the property from being rented by Ochil View or 100% of the property being sold on the open market. If Ochil View is satisfied that it can do so, it may allocate the property as rented accommodation. The decision to implement this option should be used as a last resort and only after all reasonable efforts to market the shared ownership property had failed, as a guide a 3 month rule would apply, but circumstances of the current property market and anything specific to the particular property in question should be considered. Ochil View should consult with its solicitors regarding the above, and in particular in relation to any title conditions.

In either case there is a requirement to seek Board approval and there may be a requirement to seek the approval of the relevant lender where Ochil View has granted a standard security (commonly known as a mortgage) on the property to a lender.

If Ochil View wish to purchase the sharing owner's share, it must provide written notice to the sharing owner of its intention to do so in accordance with the terms of the EOA (usually 42 days from the serving of the notice by the sharing owner on Ochil View), otherwise both parties are deemed to have agreed to enter into a joint sale of 100% of the property to a third party on the open market. Any decision by Ochil View to purchase the sharing owner's share should be dependent on a full appraisal on why this would be advantageous to Ochil View, and the financial costs and benefits.

If Ochil View decides to purchase the sharing owner's share it shall, within seven days of serving the notice detailing such intention, instruct a valuer (either the District Valuer or such other professionally qualified valuer as Ochil View and the sharing owner may agree or) to determine the market value as at the date of service of the said written notice by Ochil View and shall notify the sharing owner of the outcome of the valuation in writing within seven days of the determination by the valuer. Ochil View must settle the sale within 8 weeks of the determination by the valuer.

The following process will apply:

- ✓ Notice received from sharing owner.
- ✓ Ochil View to respond within given timescale (usually 42 days). If not, then parties are deemed to have agreed to enter into a joint sale of 100% of the property.
- ✓ If Ochil View wish to buy back share, it should carry out full appraisal of options
- ✓ Within 7 days of service of the notice to purchase the share from the sharing owner, Ochil View should instruct a valuer to value the property in accordance with the above section.
- ✓ Within 7 days of the valuation being received, Ochil View should notify the sharing owner.
- ✓ The sale should settle within 8 weeks of the valuation.

#### 5.7 Consent to onwards sale

If both parties decide to allow the sharing owner to sell its share in the property to another party, the sharing owner shall be wholly responsible for marketing and selling their share on the open market and for meeting associated costs under the EOA. The advert should make clear that it is a shared ownership property and make clear the associated costs (i.e. monthly occupancy charge and service charge fees). Ochil View should review the wording for the advert before it is publicised. However, any shared ownership properties may be added to Ochil View's website on request. Ochil View should ensure that the price offered for the sharing owner's share is a reasonable price and should, where possible, withhold consent to a sale where the price offered is significantly under value as this could indirectly affect the future valuation of Ochil View's share of the property.

Prospective purchasers for shared ownership properties must meet Ochil View's criteria for shared ownership properties. Refer to the Shared Ownership Policy for further details.

If, after three months marketing of the property by the sharing owner there is no interest from potential purchasers who meet Ochil View's criteria, then the sharing owner can approach Ochil View about selling the property outright on the open market via a joint sale.

## 5.8 Assessing Shared Ownership Applications

Applicants for a shared ownership property should apply to Ochil View using the application form. A copy of the application form is contained at **Annex A**.

Ochil View will apply the assessment of housing need to applicants in accordance with Ochil View's Allocations Policy, to determine priority where demand for the properties exceeds supply.

Ochil View should request proof of income or any other document required to ascertain the financial status of the applicant. This may include such things as evidence of your salary, proof of savings, proof of mortgage payments and satisfactory references from your previous landlords.

Ochil View considers that sharing owners cannot support occupancy payment and mortgage outgoings which exceed 30% of net household income. Consent to such an applicant will not be made where this would be the case.

If the applicant's income and / or savings are such that they could afford to purchase a suitable property outright on the open market, they should not be considered for shared ownership.

Prior to a decision being made to the shared ownership application, a home visit may be necessary to verify the accuracy of the application details.

If a sharing owner wishes to end their occupation and dispose of their ownership interest in the property and Ochil View does not wish to purchase the share back, the sharing owner can sell their share on the open market, subject to such reasonable conditions as Ochil View may require

In order to sell the property on the open market, a Home Report is required. Depending on the terms of the applicable EOA, Ochil View may be required to contribute to the cost of the Home Report and/or marketing of the property. The sale proceeds following a joint sale should be split in accordance with the proportion of the shares owned by Ochil View and the sharing owner having due regard shall be had to the effect on the sale price of (a) any improvements made to the Property by the Sharing Owner otherwise than in pursuance of an obligation incumbent upon him in terms of this Agreement and (b) any failure of the Sharing Owner to comply with and perform the obligations incumbent upon him in terms of this Agreement.

The following process will apply:

- ✓ Notice if received from sharing owner
- ✓ Ochil View to respond within given timescale (usually 42 days). If not, then parties are deemed to have agreed to enter into a joint sale of 100% of the property.
- ✓ If Ochil View is consenting to sharing owner selling their share on open market, Ochil view should be clear if there are any conditions (such as the sharing owner paying Ochil View's legal fees for the consent etc.)
- ✓ The sharing owner should market the property, but the wording should be reviewed by Ochil View to ensure it correctly states that only a share is being sold and narrates the costs.

- ✓ When an offer is received, sharing owner should pass a copy of the offer to Ochil View. Ochil View should confirm as soon as possible whether the offer is acceptable in principal. If the offer is lower than the valuation, Ochil View should consider if it should refuse to consent to the sale on the basis that it may indirectly affect the value of Ochil View's share.
- ✓ If no offers are received, then marketing should be reviewed and/or other options are to be explored;
- ✓ If sale is proceeding, Ochil View should provide details of onwards sale to its solicitor using the form contained at **Annex E**.
- ✓ Ochil View's solicitor will ensure that outgoing sharing owner pays all arrears at settlement, and incoming sharing owner has signed an Exclusive Occupancy Agreement with Ochil view. Ochil View should provide accurate arrears information to solicitor when requested.

## 5.9 Joint Sale

If, either through agreement or in accordance with the Exclusive Occupancy Agreement, Ochil View and the sharing owner are to jointly sell 100% of the property on the open market, Ochil View will need to instruct its solicitors to deal with the sale.

Normally the sharing owner should instruct its own solicitor and confirm the solicitor's details to Ochil View. Ochil View should pass these details onto its solicitors at the time of instructing them in the joint sale.

Unless otherwise agreed, the sharing owner's solicitor will lead on the sale, and will be expected to provide the purchaser's solicitor with the usual due diligence information and property searches. Ochil View's solicitor will review and revise the contract for sale ("missives") on behalf of Ochil View and shall ensure that any arrears are paid on or before settlement. This process aims at reducing the need for Ochil View to incur outlays that would normally be paid for by the sharing owner, and in turn reduces the overall cost to Ochil view.

As a disposal, approval by Ochil View's Board is required. Where an agreement is made to proceed with a joint market sale Ochil View will reimburse the sharing owner for half the cost of marketing the property, up to a maximum of £250 inclusive of VAT, unless the EOA states otherwise. The sharing owner will meet their legal costs and we will pay ours. Ochil View is entitled to a share of the proceeds of the sale which shall be split according to the ownership ratio of each party.

Consent from the Scottish Housing Regulator is no longer required; however Ochil View may require to repay any HAG and loan funding.

The following process will apply:

- ✓ Notice if received from sharing owner.
- ✓ Ochil View to consider possibility of selling 100% of property. Regard should be had to HAG/Loan funding, and any title conditions.
- ✓ Ochil View to respond to sharing owner's request within given timescale (usually 42 days). If not, then parties are automatically deemed to have agreed to enter into a joint sale of 100% of the property.
- ✓ Sharing owner to instruct marketing of property, subject to agreement to fees, sale price etc. with Ochil View.
- ✓ Sharing owner provides estate agent and solicitor details.



- ✓ Once offer is received, Ochil view should instruct its solicitor and provide all relevant details
- ✓ The legal conveyancing process will be followed. Ochil View's solicitors will liaise with contact in the negotiation of the missives on behalf of Ochil View.
- ✓ Once a date of settlement is agreed for the sale, Ochil View should provide its solicitors with a note of any arrears or other sums due to Ochil View up to the date of settlement.
- ✓ Once sale completes, Ochil View's share of the net proceeds will sent over by solicitor.
- ✓ If any HAG is repayment, Ochil View should deal with this promptly.

## **6.0 DEATH OF A SHARING OWNER**

The EOA terminates immediately on the death of the sharing owner. Ochil View can;

- ✓ purchase the sharing owner's Share;
- ✓ join with the sharing owner in a joint sale of 100% of the property on the open market: or
- ✓ allow the executor acting for the sharing owner's estate to sell the sharing owner's share on the open market subject to such reasonable conditions as Ochil View may require.

Ochil View will try to recover the equivalent of the occupancy charges and any other costs incurred from the date of death until the sale of the sharing owner's share by the executor from the sharing owner's estate. The specific terms of the relevant Exclusive Occupancy Agreement should be checked. Ochil View should seek advice from its solicitors where required.

Ochil View should notify the executor in writing as soon as possible following the death of the sharing owner (but having regard to the sensitivities of the death of the sharing owner) of the sums due and should issue demands for payment in accordance with Ochil View's debt collection policy if the sums remain unpaid. If requested by the estate, Ochil View may agree that such sums due can be settled from the sale profits at the conclusion of the sale, having regard to the financial position (including the anticipated sale price, percentage share held by the estate and the amount of any outstanding mortgage due by the estate).

Ochil View will liaise with the executor of the estate to require them to keep the property in a reasonable state of repair and condition.

Any decision in relation to a prospective purchase by Ochil View will be made in line with the provisions above in relation to voluntary removals.

Please note that if only one sharing owner passes away, their interest may require to be legally transferred to the surviving sharing owner. This does not always happen automatically. The title to the deceased's share should be dealt with as soon as possible. The executor and/or surviving sharing owner should instruct a solicitor to deal with this as soon as possible to avoid complications at a later date.

The following process will apply:

- ✓ Upon notification of death of a sharing owner, Ochil View should contact the executor to make them aware that the occupancy charges are applicable until the property is sold (if applicable).
- ✓ If there is a surviving sharing owner, Ochil View should contact them to highlight to them that the legal title to the property will need to be checked by a solicitor to ensure that the surviving sharing owner now legally owns the whole share of the property not owned by Ochil View in their sole name.
- ✓ If property is being sold, then follow the process for a consent to onwards sale to a third party or joint sale.

## **7.0 DEFAULT BY SHARING OWNER**

If a sharing owner misses a payment we will contact them to discuss making up the payment. Our default position is to expect the missed payment made in full, however if the sharing owner's circumstances make this impossible, we will accept an affordable and realistic arrangement to pay. Any sharing owners with arrears or debt issues will be referred (or can self-refer) to Ochil View's Tenancy Sustainment service.

If more than two months' worth of occupancy charge arrears accrue we will liaise with our solicitor about the most appropriate action to recover. An action for the division and sale of the property will be taken as a last resort when all other action has failed. All actions should be taken in accordance with the applicable co-operation agreement signed with a lender where the sharing owner still has a mortgage/standard security over the property.

Should the sharing owner continue to occupy the property after termination of the EOA they will be liable to pay Ochil View an equivalent sum to the occupancy payment which was due prior to the default or termination until the sharing owner removes themselves from the property. Upon termination of the EOA, Ochil View has the option to either purchase the sharing owner's share of the property or require the sharing owner to join with Ochil View in the joint sale of the property with vacant possession on the open market subject to such reasonable conditions as Ochil View may require. All actions should be taken in accordance with the applicable co-operation agreement signed with a lender where the sharing owner still has a mortgage/standard security over the property.

Refer to:  
Shared Ownership Arrears Policy  
Shared Ownership Policy

## **8.0 REVIEW**

This policy will be reviewed every five years or more frequently if required following changes in legislation or good practice.

Andrew Gibb  
Property Services Manager

**April 2021**

### Policy Review & Consultation Process

|  |                                   |
|--|-----------------------------------|
| Reviewed by the Management Team                | 6 <sup>th</sup> April 2021        |
| Recommended by the Customer Services Committee | 15 <sup>th</sup> April 2021       |
| <b>APPROVED BY THE BOARD OF MANAGEMENT</b>     | <b>29<sup>th</sup> APRIL 2021</b> |
| <b>Date of Next Review</b>                     | <b>April 2026</b>                 |

Approved

## ANNEX A

### Shared Ownership Application Form

Name .....

Address .....

.....Postcode.....

Telephone ..... (Home) .....(Work)

Age .....

Occupation .....

Employer .....

Address .....

Are you a first time buyer YES NO

Are you an Owner/Occupier (if yes, please see overleaf) YES NO

Are you a tenant of Ochil View Housing Association Limited YES NO

Are you a tenant of another Housing Association YES NO

If yes, name .....

Are you a tenant of Clackmannanshire Council or Fife Council YES NO

Are you a tenant of a private landlord YES NO

Are you living with relatives or friends YES NO

Number of bedrooms required .....

Signature ..... Date .....

- Please remember to tell us if you move house and wish your details to be amended.

## ANNEX B

### **Letter to be sent to Sharing Owners on 5th, 10th and 15th Anniversary of settlement of shared ownership transaction. To be typed on the registered social landlord's headed notepaper**

Dear #

I am writing to you about the property at #[address] which you bought #[number of years] ago with help from the Scottish Government's Shared Ownership scheme. You currently have a share of #[enter percentage] in this property.

#### **Increasing the size of your share**

I would like to remind you that you have the option to buy further shares in the property (in multiples of #10/25 per cent) at any time after the first anniversary of your initial purchase. You are only allowed to exercise this option once per year. The purchase would be based on the current market value of the property. In line with all Scottish Government Low Cost Initiative for First Time Buyers (LIFT) schemes, you would be required to pay for all valuation costs and your own legal costs and expenses.

**Before you decide to increase your share in the property, you are advised to take independent financial and legal advice.**

If you decide you want to buy another share then you should write to us, using the address at the top of this letter, to tell us that this is what you want to do. You will also need to tell us what additional percentage you wish to buy. We will then instruct a valuation of your property and we will write to you with details of the valuation and the valuation fee within seven days of receiving it.

If you increase your share then there will be a change in the Occupancy Payment that you pay. We will therefore also confirm what your new Occupancy Payment would be if you increase the percentage of the property owned by you. You then have three months to increase your share from the date you receive notification from us of the valuer's valuation.

#### **Exclusive Occupancy Agreement**

We are also writing to remind you that the Exclusive Occupancy Agreement you entered into when you bought the initial share in your property lasts for 20 years. The Exclusive Occupancy Agreement that you entered into is due to expire on #.

This means that before this date you will be expected to have:

1. increased your share up to 100 per cent; or
2. sold your home; or
3. make alternative financial arrangements which will enable you to buy a 100 per cent share in the property;  
or
4. retain the status quo by extending the existing Exclusive Occupancy Agreement for an agreed period

The fourth option is not actually stated in your current Agreement but is an option approved by the Scottish Government as it is recognised that not everyone is in a position to choose options 1, 2 or 3. We will write to you 12 months prior to the expiry date of your Minute of Agreement with further information in relation to option 4 to allow you time to make your decision.

We will also contact you again in around 5 years' time to remind you that you have the option of increasing the share you own in your property and to let you know how long your current Exclusive Occupancy Agreement has to run.

Yours sincerely

## ANNEX C

### Letter to Sharing Owner regarding renewal of Exclusive Occupancy Agreement

Dear Title(s) Surname(s)

[Full Address] (the "Property")

Ochil View Housing Association Limited (the "Association")

We are writing to remind you that the Exclusive Occupancy Agreement you entered into with Ochil View Housing Association Limited when you bought the initial stake in your Property lasts for 20 years. At present, the stake of the Property owned by you is [25/50/75 – delete as appropriate]% ("Your Stake") and the stake owned by us is [25/50/75 – delete as appropriate]% (the "Association's Stake")

The Exclusive Occupancy Agreement that you entered into [is due to expire / expired] on [enter expiry date] (the "Termination Date"). We enclose a copy of the Agreement and suggest you discuss this with your legal and financial advisers as soon as possible.

Under the terms of your Exclusive Occupancy Agreement, you have the right to buy the Association's Stake at market value. This would result in you owning the whole of the Property. If you are interested in buying the Association's Stake, please indicate that on the enclosed response form.

Otherwise, the Association will have the right to buy Your Stake from you or sell the Property on the open market and divide the sale proceeds in proportion to our respective Stakes, with [insert the Association's Stake as 25/50/75]% of the net proceeds being paid to us and [insert the sharing owner's stake as 25/50/75]% being paid to you.

Please note that it is the Association's policy that it will not buy back shared ownership properties and allow sharing owners to remain in the property as tenants under a new Scottish Secure Tenancy except under exceptional circumstances. If a sharing owner makes a request to the Association to buy back a shared ownership property then that request will be considered on its own merits and in accordance with the Association's Shared Ownership policy, which is available on request.

Although not stated in the Agreement there is another alternative, which is that the existing Exclusive Occupancy Agreement is extended for an agreed period and you remain in the Property as a sharing owner. If, following discussions with your advisers, you wish to select that option, you should indicate this on the enclosed response form. We will consider your request and we will be back in touch with you as soon as possible. If we do agree to your request, we will send you a new Exclusive Occupancy Agreement for you to sign and return to us. Please note that you will be responsible for the Association's legal costs which will be approximately

Please note that we recommend that you seek independent legal advice on the terms of the Exclusive Occupancy Agreement. However, you will be solely responsible for the costs of any legal or financial advice obtained in connection with this matter.

Please complete and sign the enclosed response form and return this to us in the enclosed envelope by [enter date 4 weeks from issue]. If you require more time to take advice and complete this form, please contact us to agree an extension to this period.

Please contact us on 01259 722899 if you have any questions about this letter or want to discuss the contents.

Yours sincerely

Approved

**Please complete this form and return to Ochil View Housing Association in the enclosed envelope**

**Sharing Owner(s) Details:**

[Title and Full name of sharing owner(s)]

[Address 1

Address 2

TOWN

Postcode]

I/We have read and understood the terms of letter from Ochil View Housing Association Limited regarding the expiry of my/our Exclusive Occupancy Agreement and confirm that it is my/our intention to:

1. Purchase the Association's Stake in the Property; or ☐
2. Sell my/our Stake in the Property; or ☐
3. Extend the Exclusive Occupancy Agreement for a further agreed period. ☐

(Tick one of the options above and sign below.)

-----  
Signature of sharing owner

-----  
Signature of joint sharing owner  
(if applicable)

Date:-----

**Do you intend to appoint a solicitor?**      Yes ☐      No ☐

**If yes, please give details below:**

The solicitor I/we will be using is \_\_\_\_\_ (Name of solicitor)

Of the firm \_\_\_\_\_ (Firm of solicitors)

Based at \_\_\_\_\_ (Address of solicitor)

**Please provide the name and address of your mortgage lender, if you have one:**

Mortgage Provider: \_\_\_\_\_

Address: \_\_\_\_\_



## ANNEX D

### Instruction sheet for renewal of Exclusive Occupancy Agreement

#### Exclusive Occupancy Agreement Renewal Instruction Sheet to Harper Macleod LLP

|   |   |
|---|---|
| <b>Name of sharing owner(s)</b>   |   |
| <b>Address of property</b>  |   |
| <b>Any changes to the sharing owner since original agreement entered into? (e.g. addition / removal / death of a sharing owner or change of name)</b> |   |
| <b>Amount of share owned by sharing owner(s)</b>  | 25 / 50 / 75 % (*delete as appropriate) |
| <b>Date of expiry of current agreement</b>  |   |
| <b>Services provided to sharing owners, if any (e.g. grounds maintenance, stair / close cleaning, grass-cutting)</b>                                  |   |
| <b>Contact details for sharing owner's solicitor, if known, or confirmation that no sharing owner not instructing solicitor</b>                       |   |
| <b>Primary mortgage lender, if known</b>  |   |
| <b>Additional information, where applicable</b>   |   |

#### Calculation of Annual Occupancy Payment

|  |               |
|--|---------------|
| Basic Payment:-                                    |               |
| <b>Total occupancy charge for whole property :</b> | £             |
| <b>x Percentage owned by Association :</b>         | X 25/50/75% * |
| <b>= Basic Payment :</b>                           | = £           |
| <b>+ Management Fee</b>                            | + £           |
| <b>+ Insurance Charge (common ground)</b>          | + £           |
|  | + £           |

|   |            |
|---|------------|
| <b>+ Insurance Charge (buildings)</b>                         |            |
| <b>+ Service Charge</b>                                       | <b>+ £</b> |
| <b>= Total Occupancy Payment Payable<br/>by Sharing Owner</b> | <b>= £</b> |

Please attach copies of any correspondence with the sharing owner with regard to the expiry of the current agreement, and any other documentation relating to historic changes to the shared ownership agreement (e.g. a minute of assignment).

Approved

## ANNEX E

### Instruction sheet for consent to sale of shared ownership property

#### Re-sale of Shared Ownership Property to New Sharing Owner Instruction Sheet to Harper Macleod LLP

|   |                                       |
|---|---------------------------------------|
| Address of shared ownership property  |                                       |
| Names of current sharing owner(s)   |                                       |
| Current sharing owner's solicitor's contact details   |                                       |
| Names of new sharing owner(s)   |                                       |
| New sharing owner's solicitor's contact details   |                                       |
| Market value of property  |                                       |
| Percentage share currently owned and being re-sold by sharing current owner(s)                                | 25%/50%/75% (*delete as appropriate)  |
| Services provided to sharing owners, if any (e.g. grounds maintenance, stair / close cleaning, grass-cutting) | If no services provided please state: |
| Purchaser's primary mortgage lender (if known)  |                                       |
| Proposed dated of entry (if known)  |                                       |
| Amount of arrears (if any) owed by current sharing owner(s)   | £0.00                                 |
| Additional information, where applicable  |                                       |

#### Calculation of Occupancy Payment

|   |   |
|---|---|
| Basic Payment:-<br><b>Total occupancy charge for whole property :</b> | <b>£00.00</b>                                 |
| <b>x Percentage owned by Association :</b>                            | <b>x 25%/50%/75% (*delete as appropriate)</b> |
| <b>= Basic Payment :</b>  | <b>= £00.00</b>                               |
| <b>+ Service Charge</b>   | <b>+ £0.00</b>                                |
| <b>= Total Occupancy Payment Payable by Sharing Owner</b>             | <b>= £00.00</b>                               |

**Please attach a copy of the valuation report or any correspondence between the Association and the current or prospective sharing owner's solicitors relating to the re-sale.**

Approved

## ANNEX F

### Instruction sheet for tranche up sale of shared ownership property

#### **Tranche up of Shared Ownership Property Instruction Sheet to Harper Macleod LLP**

|   |   |
|---|---|
| <b>Address of shared ownership property</b>   |   |
| <b>Names of current sharing owner(s)</b>  |   |
| <b>Current sharing owner's solicitor's contact details</b>                            |   |
| <b>Market value of property</b>   |   |
| <b>Purchase price of tranche</b>  | [Insert price for current tranche being sold] |
| <b>Percentage share currently owned and being re-sold by sharing current owner(s)</b> | 25%/50%/75% (*delete as appropriate)          |
| <b>Percentage share to be sold to sharing owner(s)</b>                                | 25%/50%/75% (*delete as appropriate)          |
| <b>Purchaser's primary mortgage lender (if known)</b>                                 |   |
| <b>Proposed dated of entry (if known)</b>   |   |
| <b>Amount of arrears (if any) owed by current sharing owner(s)</b>                    | £0.00   |
| <b>Additional information, where applicable</b>                                       |   |

Please attach a copy of the valuation report or any correspondence between the Association and the current or prospective sharing owner's solicitors relating to the sale.