

Resales Policy

1 Purpose

This policy outlines the Resale approach for Shared Owners for when they wish to sell their share of their home.

2 Scope

- This policy and associated procedures apply to all Shared Owners of MTVH or other third-party landlords to whom MTVH (via its SO Resi brand) is providing a service.
- The Resales Team within the Residential Investment Team (Development Directorate) manage the sales.
- The Agency Sales Manager directs and manages the team, with the Head of After Sales overseeing the area.
- Any other colleagues within the business who may provide information for the purposes of Resales, such as the After Sales, Revenues, Home Ownership and Service Charges Teams.

3 Our Approach

3.1 Definitions and Abbreviations

Resale - When a Shared Owner who owns a share of their home, sells their share with SO Resi acting as agent.

Staircasing - When a Shared Owner who owns a share of their home, purchases further shares in their homes.

RICS - Royal Institute of Chartered Surveyors.

Market Value - The full market value of a property if being sold at 100% on the open market.

Third-party Landlords – other housing associations, councils or for-profit registered providers to whom MTVH (via its SO Resi brand) is providing a resales service.

SO Resi – the customer facing brand which MTVH and other third-party landlords use to facilitate the sale of shared ownership homes.

EWS process and EWS1 forms - the EWS process, and resulting form, is a set way for a building owner to confirm that an external wall system on residential buildings has been assessed for safety by a suitable expert, in line with [government guidance](#).

3.2 Our Customers

SO Resi aims to provide a consistent and supportive customer service to all Shared Owners. To assist with this, all Shared Owners will be advised to read the So Resi 'Time to Sell' guide. Clear and concise communication between SO Resi, the Shared Owner, the buyer, MTVH or the third-party landlord (where relevant), the solicitors and other third-party advisers is essential throughout the process.

3.3 Selling a Shared Ownership Home

Shared Owners of MTVH or third-party landlord properties have the opportunity to sell their share of the property at any time after the purchase of the original property. All of the costs associated with selling a Shared Ownership property will be paid by the Shared Owner (seller). The Shared Owner is obliged in the first instance, to sell the property via its landlord, as specified in the standard terms of the lease and referred to as the 'nomination period'. MTVH and other third-party landlords will facilitate the sale through So Resi's specialist Resales Team. However, for those properties which require an EWS1 form &/or remedial works, the Resales Team may decide to waive the nomination period and give the seller the option to sell directly on the open market.

The target is to find a buyer within the nomination period (typically 4-8 weeks). Thereafter, the Shared Owner can choose to sell the property on the 'Open Market'.

SO Resi charges a fee (1% of the full value +VAT) for the Resale service, assuming the team successfully achieve a sale. The cost is typically below the standard estate agent fee and, where MTVH is the property manager, includes the fee for the leasehold management pack fee and MTVH's legal fees. Other landlords may have different pricing arrangements which will be made clear to the customer by the SO Resi resales team

NB. Some MTVH leases (typically pre-2010) detail the admin fee that can be charged, commonly 1% of the share price. The Resales 'Time to Sell' Guide acknowledges this, and the team can offer a reduced service (with fewer marketing options and would require the Shared Owner to pay for MTVH legal fees and the leasehold management pack).

The property is marketed as a 'Shared Ownership Resale' and the percentage share that is available to purchase is the share currently owned by the seller. The incoming buyer must buy the share being sold or, if higher, the maximum share they are able to afford, up to the maximum of 75%. The financial advisor will advise of the maximum share that is affordable when they are carrying out the affordability checks. Buying a higher share than is for sale is known as a Resale Interim Staircasing sale. The value of the share is determined by a RICS valuation.

If the nomination period has lapsed and the Shared Owner decides to sell on the 'Open Market' via an estate agent, the options are:

1. Sell their share and pass on the lease to the buyer. Any solicitor enquiries will be managed by the Resales Team (provided that MTVH is the landlord &/or the property manager).
2. Sell 100% of the property to an 'Open Market' buyer. This transaction is known as a simultaneous Staircasing and Sale and would be processed as a Staircasing transaction via the After Sales Team (provided that MTVH is the landlord &/or the property manager) .

If the Shared Owner decides to sell on the 'Open Market', they can sell it for more or less than the RICS valuation if selling to a 100% buyer. However, if they accept a 100% offer for an amount that is less than the RICS valuation, the outgoing buyer will still need to simultaneously staircase to 100% based on the RICS valuation figure. If selling for more than the RICS valuation, the Shared Owner will be required to pay MTVH for their share based on the higher sale price. The Shared Owner will also be responsible for any other associated costs incurred in the selling process including estate agency fees, all legal fees, the management pack and the valuation fee. In these open market cases, SO Resi will charge an administration fee that is significantly lower than the full 1% fee.

SO Resi has a partnership in place with an established estate agent who can provide open market services to leaseholders if SO Resi is unable to sell their share of the home within the nomination



period. If the leaseholder chooses to instruct this estate agent, SO Resi will receive a proportion of the sales fee if the estate agent is successful in finding a buyer and completing the sale. The sharing of this fee is declared transparently to leaseholders through the estate agent's terms and conditions.

4 Background legislation

- GDPR and Data Protection
- Consumer Protection Regulations
- Anti – Money Laundering Regulations

Consumer Protection Regulations

MTVH has systems and safeguards in place to provide accurate and balanced marketing information and will act promptly to correct or update marketing material and to pass on new information whenever it becomes available.

The information provided by MTVH and SO Resi on its websites and other marketing collateral must be accurate for Resales, to include:

- A description of the property
- The location
- Internal specifications, (floor plans and dimensions – if available)
- Parking provision
- The energy performance of the property (EPC)
- The full price of the property, share value, monthly rent and service charges
- Time remaining on the lease.

Anti – Money Laundering Regulations

In accordance with MTVH’s Policy on Anti – Money Laundering (AML) and the AML Guidance, MTVH must comply with the Anti-Money Laundering Regulations (2017) due to the marketing and selling of Shared Ownership property (new and resale).

To achieve compliance with AML it is essential that the appropriate verification of the seller and the buyer is carried out. This must include the verification of an individual’s identity with proof and a check to ensure that there are no irregularities with the applicant/s (buyer/s) financial records. Please refer to the AML Policy and AML Guidance, and Compliance Checklist.

Each transaction must be subject to Customer Due Diligence and Risk Assessment. Further detail on how to undertake this is set out in the AML Guidance and the MTVH Resales Procedure.

5 Our commitment to Equality, Diversity and Inclusion

In implementing this policy MTVH will not discriminate against any colleague, customer or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status and pregnancy/maternity.

An Equality Impact Assessment has been completed for this Policy and is retained by the Policy Team.

5 Key Policy Information

Policy Owner	Head of Aftersales
Author	Agency Sales Manager



MTVH

Approved by	Director of Residential Investment
Effective from	July 2022
Approach to review	This Policy & associated Procedures will be reviewed if legislation, regulatory changes or operational need requires. Any amendments will be appropriately consulted on and signed off before being clearly communicated to customers and colleagues.
<p>This is a controlled document maintained on electronic media. When appearing in paper form it should be checked against the master copy held by MTVH to verify that this is the current version.</p> <p>Any printed copies shall be considered uncontrolled.</p>	