Resale Procedure Shared Ownership

Pinnacle Group

Introduction

This policy outlines the process for shared owners wishing to sell their property, including the nomination period and requirements for marketing the property.

Legal and Regulatory References

- Homes England Capital Funding Guide
- GLA Capital Funding Guide
- Lease Agreement
- Head Lease Agreement
- Section 106

Abbreviations:

SO – Shared Ownership

SO Coordinator – Shared Ownership Coordinator

HE – Homes England

CGF – Capital Funding Guide

AML – Anti-money laundering

GLA: Greater London Authority

MPC: Mortgagee Protection Clause

FCFS: First Come First Serve

Definitions

RICS: Royal Institute of Chartered Surveyors

Nomination Period: Timeframe in the lease allowing Pinnacle to nominate a buyer

Staircasing: Purchase of additional shares in a shared ownership property

Back-to-Back Staircasing: Simultaneous sale of the full ownership after staircasing to 100%

Homes England: Governing body for Registered Providers

Capital Funding Guide: Rules for providers delivering affordable housing funded by public money

Resale Process via So Resi

A shared owner selling their share during the lease nominations period to a shared ownership purchase – So Resi as appointed sales agent.) Seller sells their share to another shared owner. However, this may include interim staircasing if the incoming buyer is able to buy more shares.

Customer enquiry received

- Pinnacle receives customer enquiry
- Pinnacle obtains consent to pass customer details to So Resi (via email) and then forwards enquiry on to So Resi
- So Resi confirm they are familiar with the client's SO sales policy and restrictions
- With any third-party clients who have stock that falls under Homes England, SO Resi must be made aware of their first come first serve policy. SO Resi links customers to the providers policy, which must be accessible on their website. SO Resi tailor affordability assessments based on GLA/Homes England requirements.

Sales Agent Contacts Customer

- Resi contact customer, explaining the process and providing them with a selling guide.
- Customer initiates Resale process with So Resi and they begin to gather necessary documents.
- Pinnacle provide So Resi with a copy of the lease for review, details on any % caps or DPA restrictions, S106 local connection criteria and building safety documents including EWS1 if applicable.
- Resi contact customer, explaining the process and providing them with a selling guide.

Valuation received & approved

- Customer commissions and sends over completed RICs valuation to So Resi
- Valuation is approved or disputed by the client (or Pinnacle on behalf of the client in most cases)
- Pinnacle add new case to tracker / SO app & allocate to a dedicated SO Coordinator to record key milestones

Instructions to sell

- So Resi issues customer with 'instructions to sell' letter
- Customer signs and returns letter
- So Resi confirm to the client, the total fee payable by shared owner upon completion
- Resales nomination fee is always payable by the seller not the provider – this fee is 1% of full market value.
- SO Resi produce photos and floor plans within this fee.
- So Resi organise marketing materials and publish listing to portals

- Pinnacle kept updated on progress

Selling Process

- So Resi manage enquiries and organise viewings
- So Resi assess affordability of prospective buyers using own mortgage broker panel

Buyer Approval

- Following initial affordability approval and viewing, So Resi collate further relevant approval documents from prospective buyer (including AML checks)
- Buyer approval reviewed and confirmed via SoResi Manager/Senior
- Buyer approval reviewed and approved by client (or Pinnacle on behalf of the client in most cases)

Legal Representation

- So Resi or Pinnacle instruct the client’s solicitor and provide necessary documents

Memorandum of Sale

- So Resi prepare and issue MOS by email to the customer, the customer’s solicitor, the client, the client’s solicitor and Pinnacle

Management Pack

- Pinnacle are instructed by seller's solicitor to issue Management Pack (check applicable fee on charges policy)
- Seller covers fee (payable directly to Pinnacle)

Conveyance Process

- So Resi confirm milestones with Pinnacle, such as, mortgage offer, exchange, proposed completion dates
- So Resi liaise with all parties as needed to respond to legal enquiries
- So Resi coordinate mortgage undertaking and approval and licence to assign.
- All documents to be provided to Pinnacle

Existing account balance

- Pinnacle provide So Resi with a statement of account on request from the client’s Solicitor
- So Resi liaise with solicitors to ensure any outstanding arrears / credits from the seller and advance apportionments from the buyer are included on the completion statement.

- Pinnacle provide So Resi with buyer’s new monthly costs

Completion dates agreed

- So Resi advise all parties once completion date is agreed
- So Resi confirm completion and send congratulations email to customer, explaining next steps and handover to Pinnacle
- Pinnacle to send relevant welcome pack to new buyer upon completion
- So Resi send completion data to Pinnacle inclusive of compliance documentation and information for Core submission

CRM system upon completion

- Pinnacle close seller’s account on system
- Pinnacle set up buyer’s new account on system
- Pinnacle set up new monthly payments direct with customer

CORE submission

- Pinnacle update CORE with relevant transaction information

Related Policies

- Surplus Income Policy
- Adverse Credit Policy
- First Come First Serve Allocations Policy
- AML (anti-money laundering) Policy
- Shared Ownership Additional Charges