

Homeownership Management Policy

What you need to know about how we manage and deliver services to our Homeowners

1. Policy Statement

- 1.1 At Yorkshire Housing (YH) we are committed to delivering high-quality, transparent, and fair management of all homeownership properties and services. This policy sets out our aims and principles for managing shared ownership, leasehold, freehold, and other affordable homeownership schemes, ensuring that our customers receive consistent, fair, and responsive services regardless of tenure type.
- 1.2 This policy is predominantly intended for shared owners and leaseholders but where services are provided to freeholder's and commercial leaseholders, relevant parts will apply.

2. Policy Aims

- 2.1 This policy aims to ensure that our approach to the delivery of services to Homeowners are compliant with the statutory and regulatory frameworks, including the Landlord and Tenant Acts, the Housing Acts, Leasehold Reform Legislation and the Building Safety Act 2022 alongside any requirements as a Social Housing Provider in receipt of grant funding.
- 2.2 This policy shall be applied alongside the lease and any other contractual documents relating to the property and the ownership and any regulatory guidance and decisions.
- 2.3 Homeowners should be aware of their obligations and responsibilities, we will ensure that customers have access to accurate information, where YH have or are able to obtain this information, and that they are aware of the appropriate channels to escalate their concerns or how they can seek legal or professional advice if they are unsure of any of the details covered in their documents.
- 2.4 Our approach is to offer clear guidance, fair processes, and tailored support for our homeownership customers in all services we offer. This policy covers the different services that are provided to homeownership customers and sets out how YH will approach them. It is supported by transparent procedures and processes for each of the services provided to homeowners.

3. Definitions

- 3.1 **Homeowner** in this policy is used for anyone who owns their home including a shared owner.
- 3.2 **Affordable Homeownership**, this expected to be Shared ownership but could include other affordable homeownership tenures such as Rent to Buy and Discount For Sale.
- 3.3 **Capital Funding Guide**, Homes England guidance for grant funded developments, including Shared ownership. Sets out conditions that must be met as part of receiving grant funding to build new homes.
- 3.4 **Shared Owner**, a customer who has bought through a part buy part rent scheme. They own a share of the property and pay rent on the share they don't own, which is owned by YH. For this policy this includes any shared owner who has bought under any version of the scheme.
- 3.5 **Leaseholder**, is someone who owns the right to live in a property for a set period, as agreed in a legal lease with Yorkshire Housing. While the leaseholder owns the home inside, Yorkshire Housing still owns the building and land it sits on
- 3.6 **Freeholder** is someone who owns both the property and the land it sits on outright. There's no time limit on ownership. This may be a homeowner who owns a house or landlord who owns a block of flats or the land that the property is built on.
- 3.7 **Commercial leaseholder** is an individual, company, or organisation that holds a legal interest in a property under the terms of a lease agreement and where the property is used for non-residential purposes such as retail or office.
- 3.8 **Legal Agreements**, this means the lease, transfer, TP1, Land Registry Documents. All associated with the home and that contain details of its ownership and any other conditions that may apply.

4. Policy Details

What the legal documents say

- 4.1 There are a variety of services YH homeownership customers will receive, what is provided and how it is provided will vary depending on what the legal documents say in relation to responsibilities and what type of homeowner they are.
- 4.2 We recognise that many legal agreements were drafted at a time when current technologies, standards and sustainable practices were not yet established. We know that these provisions may be outdated and could impact the way homeowners live in their homes. Where a decision can demonstrate a clear benefit to the property's sustainability or long-term functionality, align with YHs strategic objectives and regulatory obligations and is in the best interest of all parties involved, YH may at its discretion agree to deviate from the strict wording of the legal documents. This approach will not set a precedent for future decisions.

- 4.3 Where the lease or legal documents has errors, we will seek to remedy these where possible in accordance with what the likely terms would have been if the error was not present. Rectifications will be fair, allowing for sustainable and suitable management of the property/properties, block, or estate. This must include ensuring that services needed will cover the cost of their provision, oversight, and ongoing management.
- 4.4 YH reserves the right to charge an administration fee for the services it provides. Details of what we charge for and how much is published on our website.

Alterations and permissions

- 4.5 There will be times when homeowners wish to make improvements or alterations to their homes, and we want to support them to be able to do so.
- 4.6 Homeowners must request written permission for all improvements and alterations where required in the legal agreement. Requests should include:
- A clear description of the proposed work
 - Relevant plans or drawings
 - Details of the contractor including relevant qualifications such as Gas Safe, Electrical Safety, HouseMark Tradesperson
 - Planning and building control information (where required)
- 4.7 This includes any requests that are to be completed by a local authority with a Disabled Facilities Grant (DFG) or any adaptations for disabilities.
- 4.8 YH will not unreasonably refuse permission for a homeowner to carry out alterations or improvements providing that the work is undertaken in accordance with the terms and conditions set out in the lease or legal documents
- 4.9 We may refuse the improvement or alteration if:
- It poses a health and safety risk, such as impacts building safety
 - It requires work to the common parts or areas not owned by the homeowner
 - It would be a breach of planning conditions
 - The property is in a Designated Protected Area (DPA) or Conservation Area and would be in breach of regulations
 - The property is subject to a mandatory buyback and the alteration or improvement would impact on the future saleability of the property.
 - It would compromise environmental sustainability or the functional performance of the property, e.g.: removal of grassed areas (permeable surfaces) and replaced with paving (impermeable surfaces)
- 4.10 Where proposed alterations offer clear benefits to the property, such as improvements in environmental performance, sustainability, or long-term functionality, YH may, at its discretion, agree to deviate from the wording of the lease or associated legal documents. This will be assessed on a case-by-case basis and will be based on there being no adverse impact on the property and that the alteration or improvement does not create a future risk for YH.

- 4.11 Upon completion of the works customers must provide relevant documentation (such as compliance documents upon completion of the works.) Improvements may be inspected by a member of the YH team.
- 4.12 If alterations or improvements are made without consent it will be considered a breach of lease, and we may require reinstatement at the homeowner's expense. Retrospective consent may be given and assessed on a case-by-case basis
- 4.13 If the improvements pose a risk to the safety of others, then YH will order immediate rectification. Depending on the situation YH may undertake works to remove the risk and recharge the customer.
- 4.14 Where YH identifies a repair, alteration or service is required and this falls under the homeowners responsibilities as set out in the legal agreement (for example, ensuring the flat entrance door meets fire safety standards), the homeowner will be notified and given a specified timeframe to complete the work.
- 4.15 If the homeowner does not carry out the required work within the timeframe provided, Yorkshire Housing reserves the right to undertake the work directly and recharge the cost to the homeowner

Breach of legal agreements

- 4.16 Yorkshire Housing will take appropriate and proportionate action wherever it becomes aware that a homeowner has breached the terms of their legal agreements, this will include, but is not limited to:
- Unapproved works to a premises
 - Improper use of a premises
 - Failure to maintain a premises
 - Damage to a premises or communal premises
 - Causing anti-social behaviour
- 4.17 Breaches of agreement relating to payment of rent, service charge or ground rent will be managed in accordance with the Income Collection policy.
- 4.18 YH will follow its internal procedures to investigate any potential breaches of lease or agreement and where appropriate explain any further action, including legal action, we will be taking and make it clear what is required to remedy the breach.
- 4.19 Where legal action is taken to remedy a breach, this could include an injunction or forfeiture (repossession).
- 4.20 Where we have taken possession of a shared ownership property which is then resold there may be proceeds left from the sale. At the discretion of YH the remaining sales proceeds will be returned to the shared owner minus the deductible costs which include:
- a. All costs related to the repossession and legal action
 - b. All costs related to the sale of the home (preparation and onward sale) including YH administration fee of 10% of the sales price

- c. All rent, service charge arrears and any other payments due under the terms of the lease
 - d. All loss of rent and service charge during the void period whilst the property was being sold.
 - e. All legal and third-party costs associated with the repossession and onward sale
 - f. YH share of the sales proceeds based on the share owned by YH
- 4.21 If the total costs of repossession, including all associated costs, exceed the equity then no money will be returned to the shared owner. In cases where the shared owner has experienced repossession due to hardship or vulnerabilities then we will not pursue recover of the charges over the available equity.

Buyback and downward staircasing

- 4.22 Buyback and downward staircasing allows YH to purchase some or all the shares (equity) in a shared owners home and is there to support customers at risk of having their home repossessed due to financial hardship.
- 4.23 Buyback and downward staircasing only applies to Shared owners who have not yet staircased to 100%
- 4.24 The expectation is that the shared owner retains a minimum of 20% equity, which can be reduced to 10% in exceptional circumstances. The rent will be reset when a downward staircasing transaction takes place based on the current equity owned.
- 4.25 In exceptional circumstances YH will consider buying the property back in full. In these situations, the shared owner will either leave the home or become a rented tenant and remain in the home and a YH customer. These options will be discussed during the buyback process
- 4.26 YH will be able to consider a buyback or downward staircasing request if:
- It will prevent the shared owner from having their home repossessed by their lender
 - The shared owner is in debt or not able to meet financial commitments due to a change in circumstances, such as reduced work hours, the loss of a job or a relationship breakdown resulting in reduced household income
 - A change in circumstances which would make it more manageable, for example adapting a home due to disability or ill-health
 - A large service charge/major works debt that is unaffordable and buyback is the only viable option for the shared owner
 - The property cannot be sold due to building safety issues and alternative arrangements can't be made, for example temporarily subletting the home
- 4.27 Buybacks and downward staircasing are only available if YH has Recycled Capital Grant Funding (RCGF) available and this will be subject to an internal assessment.

- 4.28 A home that cannot be sold on the open market is not a reason for YH proceed with a buyback. Unless it is due to building safety issues or that the home is no longer suitable as a shared ownership product.
- 4.29 Some shared ownership properties have a mandatory buyback clause. Here YH are required to buy the property back if the shared owner owns more than 80% of the property and wants to sell. Homes will be bought back at current market value and follow the process set out in the lease agreement. These homes will be resold as shared ownership once they have been bought back.

Enfranchisement and Lease Extensions

- 4.30 Leaseholders (excluding shared owners) may apply to acquire the freehold of the block in which their flats are situated, this is known as enfranchisement
- 4.31 Leaseholders will follow the enfranchisement process which is available on our website, and their application will be assessed in accordance with legislation which includes detail on eligibility.
- 4.32 Where YH retains rented accommodation within an enfranchised block then YH would become a leaseholder in the block
- 4.33 All leaseholders (excluding Shared owners) have the right to extend their lease. Leaseholders can choose to use the formal process (as set out in Legislation) or the informal process (set out by YH) and are both available on our website. Should leaseholders choose to follow the informal process they are able to make a formal request at any time
- 4.34 Whilst shared owners have no legal right to a lease extension, we understand that being able to extend their lease will be a benefit and often necessary when they come to sell or remortgage. Shared owners can follow the informal lease extension process to extend their lease
- 4.35 Shared owners will pay the full premium for the lease extension, regardless of percentage owned.

Remortgaging and Further Borrowing

- 4.36 Shared owners are required to seek consent from YH if they are wanting to remortgage or borrow additional funds.
- 4.37 YH will only approve further borrowing requests or remortgaging where:
- Any additional lending is for staircasing or essential property improvements
 - The total additional borrowing remains within the shared owner's current equity.

- 4.38 YH will not approve further borrowing or remortgages that conflict with the terms of the shared ownership lease or that puts YH share in the property at risk.

Rents and Service Charges

- 4.39 Service charges are set, collected, and managed in accordance with the lease or legal documents and in line with the rent and service charge policy.
- 4.40 There may be some services that we provide to our rented customers without payment that will require a payment from homeowners. These will always be charged in accordance with the lease or legal document, and homeowners will never pay more than their apportioned share of the cost.
- 4.41 Current legislation sets out how service charges can be formally challenged by homeowners and YH will follow this process in terms of any challenge received
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- 4.43 Where the Leaseholders has a qualifying lease (as defined by the Building Safety Act 2022) and where we are the building owner, we won't charge for costs relating to:
- a. Fire remediation work we need to undertake due to historic defects as defined by the Building Safety Act 2022
 - b. Interim safety measures including temporary alarm installations and waking watch
 - c. Costs incurred seeking redress from parties such as builders or others who have contributed to such historic defects.

Any other costs relating to fire safety will be recovered in full.

- 4.44 Ground rent is set out in the lease; we will notify Leaseholders each year that their ground rent is due by serving the relevant notice
- 4.45 No ground rent will be charged on any new leasehold property from 30th June 2022.
- 4.46 Existing ground rent will continue to be charged where the lease makes relevant provisions. If we find that a ground rent can be considered unreasonable then we will consider a variation of the lease. Leaseholders can make an application where they think this is the case.
- 4.47 Shared ownership rents are charged in line with our rent and service charge policy.

Resales

- 4.48 Information for homeowners selling their home or for potential buyers is available on our website.
- 4.49 Shared ownership resales will take into account the process set out in the lease along with any requirements detailed in the Capital Funding Guide.

- 4.50 Eligibility and affordability checks will be carried out on all shared ownership resales in line with the Capital Funding Guide requirements and any other requirements in planning documents.
- 4.51 When out of the nomination period and if the lease allows shared owners can sell their homes on the open market at 100% ownership. This can be done through either back-to-back staircasing or simultaneous staircasing. Where this option is chosen there is no eligibility or affordability criteria. Yorkshire Housing will be entitled to their share of the sales proceeds based on the percentage owned by Yorkshire Housing and the agreed open market value.
- 4.52 Freehold and Leasehold resales may require formal documentation serving on YH. This will be detailed in the lease or transfer documents.
- 4.53 Homeowners are responsible for the cost of selling their homes along with any administration charges or legal fees incurred by YH. These will be made clear on our website in our schedule of administration charges as well as set out when we are notified that a homeowner is wanting to sell.

RTA (Recognised Tenants Association) and RTM (Right to Manage)

- 4.54 YH will recognise RTAs that have requested our recognition and comply with the publicised guidelines on RTA recognition.
- 4.55 We will support Leaseholders who want to establish their own management company and exercise their RTM. We will assess applications in line with current legislation and be clear and transparent about the eligibility and process to be followed.
- 4.56 Where YH retains properties within the building we retain a right to become a member of the management company.

Section 20 Consultation

- 4.57 YH are required to consult all Leaseholders (including shared owners and commercial leaseholders) if they are carrying out works above a certain value or enters into a Long-Term agreement for the provision of services. This is referred to as Section 20 Consultation.
- 4.58 We will follow Section 20 Consultation as defined by the relevant legislation, providing, as a minimum:
- a. Detail of the work or contract,
 - b. Why the work is being carried out/contract is being entered into
 - c. The financial implications for the Leaseholders (where available)
 - d. Why we can recover costs relating to this service
- 4.59 We will allow Leaseholders time to feedback on proposals and as part of the process will provide a formal response to any questions that come out of the process.

- 4.60 Should YH fail to carry out the required consultation then the amount we are able to recover from Leaseholders will be capped in line with the relevant legislation.
- 4.61 Where the urgent or emergency nature of the works mean full consultation cannot be carried out, we will apply for dispensation from consultation to allow us to recover costs in full. Applications will be reviewed and Leaseholders notified of the outcome. We will notify Leaseholders where we are applying for dispensation along with the reason, we cannot carry out consultation.
- 4.62 The Section 20 process will be carried out by the Homeownership team with support from relevant teams across the business who are responsible for service delivery.

Staircasing

- 4.63 YH will support shared owners who want to buy more shares in their home (known as staircasing).
- 4.64 Most shared owners have the option to purchase up to 100% of the shares in their home and become outright owners.
- 4.65 Some leases do not allow 100% ownership, for example older persons shared ownership or rural shared ownership. Any restrictions on staircasing will be outlined in the shared ownership lease.
- 4.66 Any staircasing transaction will require an independent open market valuation (by a Royal Institute of Chartered Surveyors (RICS) qualified surveyor) which is valid for 3 months. A new valuation will be required if the transaction is not completed within this time.
- 4.67 Shared owners will be responsible for all costs associated with the staircasing transaction, including YH legal fees and administration costs.

Subletting

- 4.68 Shared owners and other affordable homeownership types (such as discount for sale) cannot sublet their homes as their home needs to be their main residence.

Requests may be granted in exceptional circumstances which include:

- Needing to move out or relocate temporarily for caring responsibilities
 - Needing to relocate temporarily for work
 - A serving member of the Armed Forces needing to serve away for a fixed period
 - Homes impacted by building safety who are unable to sell, remortgage or staircase.
- 4.69 Consent for a Shared Owner and other affordable homeownership types to sublet will be granted only if it is cost-neutral to the owner. Subletting must not generate profit from our affordable housing products and must comply with funder and stakeholder requirements for the scheme.

- 4.70 Consent for shared or affordable homeowners lasts up to 12 months (24 months if building safety issues apply). After this period, any requests to extend will be re-evaluated based on criteria and not automatically renewed.
- 4.71 Subletting requests will be assessed in line with the lease and where they can be approved, will be done so on the basis that:
- YH must be provided with contact details for the property owner including their address.
 - Homeowners will remain responsible for paying all charges for the property and ensuring that the conditions of the lease continue to be met
 - Homeowners will be responsible for any costs that may be incurred because of their tenant's actions or behaviours
 - Homeowners provide (upon request) evidence that they are complying with the relevant rules and regulations, including provision of gas safety certificates and tenancy agreements
- 4.72 We do not allow homes to be let as short-term accommodation, such as holiday lets, unless explicitly allowed under the terms of the lease.

YH Customers buying their own homes

- 4.73 We want homeownership to be an option for as many of our rented customers as possible
- 4.74 Current Yorkshire Housing customers have several options to be able to buy the homes they currently rent.
- 4.75 Each option has an eligibility criteria. Not all YH homes can be bought and not all YH customers are eligible.
- 4.76 Customers applying for Right to Acquire will have their applications assessed in accordance with the relevant legislation and eligibility criteria. If customers cannot buy their home, they will be given clear reasons why this is not possible.
- 4.77 Some customers, if they were a tenant of a local authority at the time the property transferred to YH, will have the Preserved Right to Buy. These applications will be assessed in line with the eligibility criteria for Right to Buy. Where customers cannot buy their homes through right to buy, they will be given clear reasons why this is not possible.
- 4.78 Some homes can be purchased through Rent to Buy; the sale of these homes is governed by the Rent to Buy Policy.
- 4.79 Some customers are eligible for Right to Shared Ownership; these homes must have been built using grant funding from the 21 - 26 Affordable Homes Programme. Applications will be assessed in line with criteria published in the Capital Funding Guide.
- 4.80 YH customers will be fully informed of their rights and responsibilities prior to the purchase of a property, including information on expected costs, so they are able to make an informed decision.

5. Policy Details

- 5.1 This policy applies equally to all customers; there are no apparent equality and diversity implications from this policy. The policy ensures fair treatment for all customers regardless of race, ethnic origin, nationality, gender, disability, religion, marital status, maternity, sexuality or sexual orientation, or age. We are committed to making this policy accessible to all and will provide it in alternative formats upon request.
- 5.2 We cannot change the language used in legal documents however in all other circumstances we will make every effort to communicate with homeowners in formats and language that they have requested and can understand.

6. Reporting and Monitoring

- 6.1 This policy will be reviewed regularly to ensure it remains compliant with legislation and reflects best practice. The Homeownership team will work continuously to ensure this policy is followed and monitored.

Date approved	October 2025
Approved by	Directors
Recommended / scrutinised by	Homeownership Team
Summary of changes	Has had a complete re-write
Frequency of review	Every 3 years or sooner if required by legislative changes
Next review date	October 2028
Policy owner	Head of Homeownership and Commercial Assets
Policy author	Head of Homeownership and Commercial Assets
Associated policies or guidelines	The Landlord and Tenant Act 1985 and 1987 The Housing Act 1996 and 2004 Commonhold and Leasehold Act 2002 Building Safety Act 2022 Leasehold and Freehold Reform Act 2024 Housing (Right to Acquire) Regulations 1997 Leasehold Reform, Housing and Urban Development Act 1993 Capital Funding Guide, Social Housing Regulatory Standards. Shared ownership Affordable Funding Agreement 2016 – 2021/2021-2026 First Come First Served Policy Money Laundering Policy Minimum income policy Income Collection Policy Rent and Service Charge Setting Policy Rent to Buy Policy
Associated procedure	All homeownership procedures: Staircasing Breaches of lease Resales

	Alterations/Improvements Section 20 Subletting Remortgage/further borrowing request Buyback and downward staircasing Lease Extensions/Enfranchisement Right to Buy/Right to Acquire sales
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