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| <b>Policy Name</b> | <b>Partial Ownership policy and procedure</b> |
| <b>Policy No.</b>  | <b>031</b>                                    |

## Are you eligible for partial ownership?

**An applicant or applicants will be accepted onto the waiting list subject to the following criteria:**

1. Aged 18 years or over.
2. At least one applicant is living in Guernsey and is a locally qualified resident of Guernsey under the Housing (Control of Occupation Guernsey) Law, 1994.
3. Is unable to purchase a property in the private sector based on the applicant(s) current need.
4. The GHA will only allocate a property suited in size to the applicant's needs at that time.
5. Has no outstanding rent arrears or repair arrears from a current or previous tenancy and/or has not broken any tenancy conditions.
6. Provide updated information when requested.
7. Outside of the criteria below, the GHA can use its discretion to accept other applicants onto the waiting list where individual exceptional circumstances may merit it. Applications will be accepted only at the discretion of the Housing Manager, Chief Executive or the GHA's Board.

### Income information

8. Applicants must be able to finance the minimum percentage of a partial ownership property. The minimum annual income requirements are:

| Property required   | Minimum income required   |
|---|---|
| <b>1 bedroom</b>  | <b>£24,000 per annum*</b><br>(based on purchasing a 1 bedroom partial ownership property at Cour Du Parc valued at £240,000 in February 2018)   |
| <b>2 bedroom flat</b>   | <b>£27,500 per annum*</b><br>(based on purchasing a 2 bedroom partial ownership flat at Cour Du Parc valued at £275,000 in May 2018)            |
| <b>2 bedroom house</b>  | <b>£34,500 per annum*</b><br>(based on purchasing a 2 bedroom partial ownership house at Hougue a la Perre valued at £345,000 in February 2018) |
| <b>3 bedroom property (with a flat below and limited parking)</b> | <b>£33,500 per annum*</b><br>(based on purchasing a 3 bedroom partial property at Roseville valued at £335,000 in January 2016)                 |
| <b>3 bedroom house</b>  | <b>£37,000 per annum*</b><br>(based on purchasing a 3 bedroom partial ownership house at Rue Jamouneau valued at £370,000 in April 2017)        |
| <b>4 bedroom house</b>  | <b>£41,250 per annum*</b><br>(based on purchasing a 4 bedroom partial ownership house at Roseville valued at £412,500 in March 2017).           |

9. Applicants must have a sole or joint income of less than:

| Property Required | Maximum Income Threshold  |
|-------------------|---|
| <b>1 bedroom</b>  | <b>£46,000 per annum *</b><br>(based on being able to borrow a minimum of £230,000 from a mortgage lender to purchase a one bedroom property in the private sector, not taking into account any savings required or outgoings such as loans and credit cards.)    |
| <b>2 bedroom</b>  | <b>£54,000 per annum *</b><br>(based on being able to borrow a minimum of £270,000 from a mortgage lender to purchase a two bedroom property in the private sector, not taking into account any savings required or outgoings such as loans and credit cards.)    |
| <b>3 bedroom</b>  | <b>£69,000 per annum *</b><br>(based on being able to borrow a minimum of £345,000 from a mortgage lender to purchase a three bedroom property in the private sector, not taking into account any savings required or outgoings such as loans and credit cards. ) |
| <b>4 bedroom</b>  | <b>£73,000 per annum *</b><br>(based on being able to borrow a minimum of £365,000 from a mortgage lender to purchase a 4 bedroom property in the private sector, not taking into account any savings required or outgoings such as loans and credit cards. )     |

**\*Please note these above limits only apply to applications received on or after the 14<sup>th</sup> June 2018. All previous applications will adhere to the previous limits.**

10. The maximum incomes are based on applicants being able to borrow with a 25 year repayment plan. Should an applicant be unable to borrow enough funds to purchase a property based on their current need using the properties values in point 8, not taking into account any outgoings they may have such as loans or credit cards, then the Allocation's Officer will assess the application on a case by case basis.
11. If applicant(s) are not earning the minimum required income to be eligible for partial ownership they will be kept on the secondary list until the applicant(s) contacts the GHA to provide clear financial confirmation that they are now able to afford partial ownership. This is required in writing and following receipt of this the applicant(s) will be moved onto the active waiting list. The date of the original application will be honoured providing the applicant has kept in contact with the GHA and provided all updates as and when required.
12. If the applicant(s) is/are self-employed, 2 full years income tax returns will be required as confirmation of income. If an applicant does not have the relevant 2 years accounts, they will be placed on the secondary list until the information is available. It will be the applicant(s) responsibility to advise the GHA and provide this information when it becomes available.

### **Child care**

13. We will take into account your child care costs and will require up to date payment details upon your child's birthday on how much your child care costs are. Also, you will need to send in confirmation of your child care costs when you are requested to supply up to date financial information.

## Savings information

14. Applicants will be required to have the following minimum amount of savings, to be placed on the active waiting list for partial ownership. These **must** be held in an account in the applicants' name/s for a minimum period of two months. The amounts are detailed below:

|                |                |
|----------------|----------------|
| One bedroom:   | £2,500 minimum |
| Two bedroom:   | £3,000 minimum |
| Three bedroom: | £3,500 minimum |

**\*Please note that these limits only apply to applications received on or after 14 June 2018. All previous applications will use the previous limits.**

15. If the applicant(s) do not hold the required amount of savings to be eligible for partial ownership they will be held on the secondary list until the applicant contacts the GHA and provides clear financial confirmation that they are now in receipt of these funds held in an account in the applicant(s) name, for a minimum period of two months. The applicant(s) will be moved to the active waiting list and the date of the original application will be honored providing the applicant has kept in contact with the GHA and provided all updates as and when required.
16. If the above amount is gifted from a family member, the funds will need to be held in the accounts of the applicant(s). If you applied before 14 June 2018, we will require a letter from your family member to confirm that this amount is still available. This will be asked for every six months as part of the update procedure. Failure to do so may affect your application.
17. Whilst the applicant(s) are waiting to be allocated a property, the GHA would like to see that the applicant(s) are saving a minimum amount of £25 per person per month to enable them to complete the purchase, and the costs of moving to a new property, once allocated.

## Property ownership

18. If applicants currently own a property (whether in sole ownership or held jointly) in Guernsey or elsewhere they can apply, but they will be placed on the secondary list until such time the property has been sold.
19. At this time the GHA will require confirmation of how much equity was received by the applicant(s) following the sale of the property. Once this information has been provided the application will be re-assessed to ensure that the applicant(s) still meet the criteria for the GHA partial ownership scheme.
20. A decision will be made based on the information provided, on whether the applicants could purchase a suitable property to meet their needs in the private sector.
21. If the application is accepted, the applicant(s) will be transferred onto the active waiting list, and the date of the original application will be honoured providing they have kept in contact with the GHA and provided all updates as and when required.

## Existing partial owners

22. Current GHA partial owners are able to join the partial ownership waiting list if their need has changed, or the partial owner is in a flat and would like to be considered for a house. The partial owner will need to meet the above criteria and will join the waiting list as at the date the new application is received.

## **Dependent children**

23. An applicant who has shared care/custody of a dependent child may be allocated a property suited to their need i.e. one additional bedroom. Evidence of care/custody, in the form of either a Court order, or letter from the other parent/ legal guardian will need to be provided.

## **Right of review and appeals**

24. If an applicant is dissatisfied with a decision, they may ask to have an internal review to be carried out. Any request to have a decision reviewed should be made in writing within 28 days of the date of the letter communicating the original decision.
25. Should the applicant still be dissatisfied with the decision made after the internal review has been carried out, they may appeal to the Independent Housing Appeals Tribunal if the decision relates to the following areas:
- Allocations (the properties that GHA offer you or refuse to offer you)
  - Applications for partial ownership
26. The appeal should be submitted in writing no later than 28 days after the decision of the internal review and on a form that will be provided through Housing.
27. The applicant will be advised of their statutory right to appeal in any decision communicated to them.

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| <b>Date Approved :</b> June 2018 | <b>Date for Review :</b> June 2020 |
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