



Sales Policy

1. Aim of policy

This policy outlines our approach to all applicants applying for our newbuild sales homes including shared ownership and private sale properties, re-sales, flexi tenure and lease extensions.

2. Objectives of policy

- To ensure applicants are aware of how we will deal with applications for our newbuild properties, re-sales flexi tenure and lease extension.
- To ensure applicants feel that we have treated them fairly and reasonably.
- Comply with charitable rules and obligations where applicable
- Ensure the sale of homes meets our financial and timescale requirements

3. Policy Statements

Advertising

VIVID sales homes will be advertised using a range of media to both potential new customers and existing residents. Shared Ownership newbuild homes will be advertised from 25% - 75% shares to ensure they are accessible to a wide range of customers.

Timeframes

We will operate a '28-day exchange' timeframe for all newbuild sales.

Refusals

We reserve the right to refuse applications on the grounds outlined in Appendix 1.

Compensation

General principle is that no compensation will be given for handover delays (newbuild properties) or any associated costs with a delayed transaction, unless the Consumer Code requirements (private sales only) apply.

Shared Ownership and resale sales only

Charity assessment

Applicants will be assessed in terms of their housing need to ensure they are suitable charitable beneficiaries, and / or in accordance with the HE affordability parameters.

Financial assessment

All applications will undergo an outline financial assessment by our sales staff and a rigorous assessment of income and expenditure by a 'panel' Financial Advisor. Applicants will be required to purchase the maximum share they can afford to sustain. This 'means' test will be undertaken using the HE affordability assessment calculator or similar methodology.

Prioritisation of applicants

Properties will be allocated in-line with the current priority groups as determined by Homes England (if properties are grant funded) and / or the local authority priorities.

Customers will not be prioritised for a property solely based on date of application or enquiry, unless the property / scheme they are applying for is grant funded.

Employees

We'll ensure any properties sold to employees or those to whom they are closely connected will only take place in accordance with the Code of Conduct contained within Standing Orders to ensure those persons receive no more favourable consideration than other applicants.

Property size

We aim to maximise the occupation of our homes in accordance with applicants housing needs. Applicants with dependants will be given priority – subject to all other eligibility/nomination provisions being satisfied – over applicants without dependants.

Leases

We will use the Homes England model lease for all shared ownership sales.

Costs

All customers will pay VIVID's solicitors for the following services:

- Engrossment of lease
- Local search
- Mortgage approval fee
- Notice fees

These fees will be paid via the customers solicitor during the purchase.

On the day a customer completes their purchase they will be required to pay rent to the end of the calendar month and 1 months' rent in advance.

Costs - (shared ownership newbuild sales only)

To reserve an offer of a property a customer must pay a £500 holding fee. This money will be deducted from the final completion monies on the day they complete their purchase.

We will ask for a 5% deposit at point of exchange.

Re-sale customers only

Shared owners who wish to resell their home will be responsible for the valuation fee to set the market price of their home.

Shared Owners will be responsible for the cost of the Leasehold pack.

If we find a shared ownership buyer for the home, a nomination fee will be payable to VIVID. This will be outlined in the sellers lease.

Re-sales

Customers who wish to resell their home will be offered 2 options (unless planning / their lease restricts the selling options):

Option 1

We will advertise the property for 1 week and notify the shared owner at the end of the 2nd week whether we have a proceedable applicant. If at the end of the 2 weeks we do not have a buyer the shared owner can put the property on the open-market and sell via an estate agent the 100% value.

Option 2

We will advertise the property for the 8 weeks and notify the shared owner at the end of the 8th week whether we have a proceedable applicant (applicant to have shown proof of available mortgage funds). If at the end of the 8 weeks we do not have a buyer the shared owner can put the property on the open-market and sell via an estate agent the 100% value, and / or advertise their share on the open market with an estate agent.

We reserve the right to use a third party to offer these services on our behalf.

Stair-casing

Shared owners can staircase to increase their share in the property as defined in the lease up to 100% (unless there is an exception in the lease eg. to 80% on rural exception properties).

Private sales

We will conduct private sales following the consumer code.

Lease extensions

We will carry out lease extensions under the Leasehold Reform Housing and Urban Development Act 1993 or as a discretionary extension outside this Act by agreement between VIVID and the leaseholder.

Buy backs

We may agree to buy back part or all of a property originally sold on a shared ownership basis, at current market value. Customers do not have any right or entitlement to 'buy back'. Eligibility will be determined on a case by case basis and is subject to detailed affordability checks.

4. Statutory Requirements

This policy is linked to, and fully compliant with, the Homes England Capital Funding Guide and current leasehold legislation.

5. Management and Review

This policy will be managed by the Sales Director in line with financial regulations as determined by the Board.

This policy will be reviewed every three years, unless legislation or sector developments require otherwise, ensuring that it continues to be fit for purpose.

6. Related documents

- Local Authority Prioritisation Form
- Consumer Code
- Guide to extending your lease

Author	Owner	Date approved	Review date
Sales Director	Sales Director	October 2021	October 2024