



Sales Policy

1. Aim of policy

This policy outlines our approach to all applicants applying for our newbuild sales homes including shared ownership and re-sales.

2. Objectives of policy

- To ensure applicants are aware of how we will deal with applications for our newbuild properties, re-sales.
- To ensure applicants feel that we have treated them fairly and reasonably.
- Comply with Housing Association 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. For resale homes, depending on the length of the chain we will consider extending this time frame. Please get in touch if you think this is required.

Compensation

General principle is that no compensation will be given for handover delays (newbuild properties) or any associated costs with a delayed transaction.

Eligibility

Applicants will be checked in terms of do they meet the general requirements of Shared Ownership. I.e. do they earn under £80,000 per annum per household, do they meet the applicant requirement for a development e.g. a local authority specifies the need for local people to have priority.

Please note when discussing with a mortgage advisor VIVID require confirmation from the mortgage advisor that VIVIDs minimum surplus policy has been adhered to and the budget planner has been submitted to ensure affordability and sustainability.

VIVID are not able to provide any credit / financial advice. Hence all applicants must use and submit information from a qualified mortgage advisor who are experts in Shared Ownership.

Prioritization 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.

For VIVIDs policy on first come first served, see here: ([link to the appendix for First come, First served once approved and uploaded online](#))

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 favorable consideration than other applicants.

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 £250 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.

Staircasing

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 e.g. to 80% on rural exception properties).

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 as per below, unless legislation or sector developments require otherwise, ensuring that it continues to be fit for purpose.

6. Related documents

- Example of a budget planner used by a Shared Ownership mortgage advisor that VIVID work with
- First come, first served policy
- Minimum surplus policy

Author	Owner	Date approved	Review date
Sales Director	Sales Director	July 2024	December 2024

Minimum Monthly Surplus Income policy

This is what your mortgage advisor will discuss with you to ensure your circumstances aim to meet VIVIDs requirement to ensure that customers can afford and sustain home ownership.

VIVIDs requirement is for applicants to have 10% minimum surplus after the following;

(A) Gross income

(B) Less gross deductions (tax, National Insurance, student loan, etc)

(C) Less known commitments (loans, credit cards, childcare, etc)

(D) Less housing costs of the Shared Ownership purchase (rent and service charges)

(A – B – C – D) = income available to support a mortgage, other essential expenditure (identified through a budget planner) and to meet the provider’s surplus income policy

Your mortgage advisor is required to confirm to VIVID that you meet the above.

Author	Owner	Date approved	Review date
Liz Benson	Sales Director	July 2024	December 2024

Version	Date Issued	Reason for issue/Change	Authorised by

First come, first served policy

This policy applies to every allocation of a shared ownership home to a prospective customer. We will ensure all prospective customers are aware of our policy approach when offering them a shared ownership home.

We will ensure all prospective customers are aware of the process prior to expending any cost to themselves.

The demand for our shared ownership homes far outstrips the supply, it is therefore imperative that we are clear in how we allocate and offer our shared ownership homes to prospective eligible customers. In line with regulative guidance we have to be open in offering our shared ownership homes on a first come first served basis. This may differ on a local authority led development whereby planning states that local people have priority.

Our first come first serve policy at VIVID is based upon the first application received for a development. If more than one application received for a home, we will determine priority based on the date and time of the application.

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