

Sevenoaks District Intermediate Housing Protocol

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Introduction

This protocol sets out the local policy applying in the Sevenoaks District to Intermediate Housing. Intermediate Housing includes the low cost home ownership options of First Homes, Shared Ownership Housing and Discounted Market Housing.

First Homes offers first time buyers the opportunity to purchase a discounted, new build home. First Homes are offered for sale by the house builder or the First Homeowner at point of resale. Find out more about [First Homes](#).

Shared Ownership housing is offered for sale by Registered Providers of Social Housing, formerly known as housing associations. It allows an applicant to purchase a share of a property. This share can range from between 10% and 75% and the price of the share is based on the property's open market value. A subsidized rent is paid to the Registered Provider on the remaining unowned share. Upon purchase, the owner becomes a lessee. A lessee has the opportunity to purchase further shares, this is known as 'stair casing'. Only the lessee and their household live in the property the home is not shared with anyone else. Find out more about [Shared Ownership housing](#).

Discounted Market Housing offers first time buyers and other buyers who are unable to afford to buy a home on the open market home, the opportunity to purchase a discounted, new build home. Discounted Market Homes are offered for sale by the house builder or the Discounted Market Homeowner at point of resale.

Policy aims and objectives

- To establish a policy that is flexible, non-discriminatory and responsive to local needs, while contributing to inclusive and sustainable communities
- To help deliver a sustainable economy through the provision of a range of intermediate housing, thereby assisting local working people who are in housing need
- To establish an efficient, transparent, fair and effectively controlled basis for the processing of applications

Policy Review

Our local policy applying to Intermediate Housing will be reviewed on an annual basis. Any changes will require the approval of the Portfolio Holder for Housing and Health, and these will be published in an updated version of this Protocol.

Further information

Please contact the Housing Policy team at housing.policy@sevenoaks.gov.uk or call 01732 227000.

First Homes

Discounted Price

First Homes are offered at a discount of at least 30% of the open market value of the property. The maximum price of a First Home on initial sale, after discount, is capped at £250,000. The percentage discount will apply to a First Home forever and will be passed on every time the property is sold. In practice, this means the current owner will receive up to a maximum 70% of the open market value of the property when it is sold on.

Applying for a First Home – eligible applicants

You must be a first time buyer. This means you and anyone you are buying with, must not own a home now or have owned one in the past, in the UK or abroad.

Your annual household income must be less than £80,000.

You will need a minimum 5% deposit and a mortgage to cover at least 50% of the purchase price.

The Council will charge the applicant applying to buy the First Home a one off, non-refundable fee of up to £500, to cover the cost of processing their application.

The above requirements apply to first sales and resales.

Priority groups

When a First Home is marketed for sale, certain groups of eligible applicants will have priority during an “initial marketing period”. These groups are, those with a local connection to the District, armed forces personnel and local essential workers. Eligible applicant who do not fall within one of the priority groups, will be considered once the initial marketing period has come to an end.

Armed forces personnel includes active members of the Armed Forces, divorced and separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.

Local connection, “close family” and applicants who qualify as a local essential worker, are set out in our [Housing Allocations Policy](#). Close family must be resident in the District for at least 3 continuous years before the date of application.

First Sales

First Homes are marketed directly by the builder, usually on their own website or on home buying websites. Each house builder will usually have a sales office on site.

The initial marketing period will apply for 3 months. If homes remain unsold after the initial marketing period, other eligible applicants will then be considered during a subsequent 3 month period.

Once a prospective buyer has found a First Home that is available for sale, they should speak to the house builder's sales team. The sales team need to carry out initial checks before forwarding the buyer's application to us. The Council is unable to process any application until it receives this information from the house builder. The Council must approve any potential buyer during the 6 month period the property is marketed as a First Home and a non-refundable fee is payable to the Council by the potential buyer.

Resales

A First Homeowner can put their property on the market at any time and this is likely to be through an estate agent. The home will need to be marketed as a First Home, at the discounted price, for an initial marketing period of 3 months, to those applicants who fall within the priority groups set out above. If no sale is agreed during this time, the home will need to be marketed for a further 3 month period to other eligible applicants.

The Council must approve any potential buyer during the 6 month period the property is marketed as a First Home and a non-refundable fee is payable to the Council by the potential buyer.

If no buyer can be found for the property after 6 months of active marketing as a First Home, the property can be sold on the open market. From the sale proceeds, the owner will pay to the Council a sum equivalent to the % discount on the sale price achieved. Full details will be provided in the title deeds relating to your property and will be clarified by the conveyancer acting for you.

Developments permitted or in negotiation prior to July 2023

Certain new build developments permitted by, or in negotiation with, the Council prior to July 2023, may have different local policy applying. Please contact the Council if you would like to check which schemes this applies to.

Shared Ownership Housing

Eligible Applicants

You can apply to buy a shared ownership home if both of the following apply:

- your annual household income must be less than £80,000
- you cannot afford all of the deposit and mortgage payments to buy a home on the open market that meets your needs

One of the following must be true:

- you are a first time buyer
- you used to own a home but cannot afford to buy one now
- you are forming a new household for example, after a relationship breakdown
- you are an existing shared owner, and you want to move
- you own a home and want to move but cannot afford to buy a new home for your needs

If you own a home, you must have completed the sale of the home on or before the date you complete your shared ownership purchase.

Applicants must be able to afford the initial costs of purchase through savings or access to funds or such other reasonable amount stipulated by the Registered Provider.

Applicants must have a bank or building society account.

In the case of shared ownership housing developed specifically for older people, applicants must be at least 55 years old.

For full details, please see [who can apply](#) on the GOV website.

Priority groups

The following groups of eligible applicants have priority when homes become available for sale. These are shown in order of priority:

- 1) Serving members of the armed forces. Your offer may be prioritised if you previously served in the armed forces. It depends on what your role was. Please speak to the Registered Provider who is offering the home for sale.
- 2) Those with a local connection to the District. Local connection is set out in our [Housing Allocations Policy](#).

Where homes are provided on a Rural Exceptions Site, a local connection to the relevant Parish will be required. Please speak with the Registered Provider for details. It should be noted, certain personal data may need to be shared with the relevant Parish Council(s) for the purpose of verifying an applicant's local connection to the Parish in question.

First Sales

Serving members of the armed forces will have highest priority. You may have priority if you previously served in the armed forces. It depends on what your role was. Please speak to the Registered Provider.

For an agreed marketing period of 8 weeks, the Registered Provider will give priority to applicants with a local connection to the District. The Registered Provider will advise the Council when the 8 week period commences and ends, and how many homes they have sold to applicants with a local connection.

Following the end of the marketing period, all other eligible applicants will be considered for homes that remain unsold.

Buying additional shares – “stair casing”

Lessees can increase the level of shares they own. This is known as stair casing. When you staircase, it means the share you own will increase and the share you are renting will decrease. Most shared ownership homes can be staircased to 100% ownership.

Your Registered Provider landlord can give you full details on stair casing and any restrictions that may apply.

Resales

A lessee can sell their home at any time.

If a lessee has staircased their ownership and now owns 100% of their home, they can sell it on the open market without restriction. For example, through an estate agent. Different rules apply if the home is located on a Rural Exception Site. Please speak with the Registered Provider.

If lessee does not own 100% of their home, they must tell their Registered Provider landlord if they want to sell their home. This gives the Registered Provider the opportunity to find a buyer for their home. This is known as the “nomination period”. The lessee's lease will set out how long the nomination period applies this will be a period of either 4 or 8 weeks.

During the nomination period, the Registered Provider will give priority to applicants from the Priority Groups set out above.

If the Registered Provider is unable to find a buyer during the nomination period, the lessee is then free to sell their home (ie the share they own in their home) on the open market, for example, through an estate agent.

Different rules apply if the home is located on a Rural Exception Site. Please speak with the Registered Provider.

Sale of homes to Council staff or Registered Provider staff and Board Members

When carrying out the initial assessment of an applicant's eligibility, the Registered Provider will ascertain whether the applicant is a member of staff or Board Member or is a member of staff of the Council. This is referred to as the "specified link". In all such cases, the following will be adhered to:

- If the specified link is with the Council, an applicant must be approved by the Council's Head of Housing before an offer of sale is made.
- If the specified link is with the Registered Provider, an applicant must be approved by a senior officer from the Registered Provider before an offer of sale is made.
- Applications will not be treated with any preferential treatment. The Registered Provider will scrutinise their applications to ensure accountability, fairness and justification for their case to proceed.
- Any staff member of the Registered Provider involved in processing the sale of the home, must have no personal relationship to the applicant.
- A Board Member must have no influence in the sale or allocation of a home or funding for the particular scheme.
- If approval to proceed with the specified link is given, the Registered Provider should keep a record of this approval on file.

Discounted Market Housing

Discounted Price

Discounted Market Housing is offered at a discount of at least 30% of the open market value of the property. The percentage discount will apply forever and will be passed on every time the property is sold. In practice, this means the current owner will receive up to a maximum of 70% of the open market value of the property when it is sold on.

No price cap is applied at first sale. However, homes must be priced by the house builder such that after discount, the maximum mortgage required by a purchaser with a household income of £80,000, would be considered affordable by a mortgage lender.

Applying for Discounted Market Housing

You can apply to buy if both of the following apply:

- your annual household income must be less than £80,000
- you cannot afford all of the deposit and mortgage payments to buy a home on the open market that meets your needs

One of the following must be true:

- you are a first time buyer
- you used to own a home but cannot afford to buy one now
- you are forming a new household for example, after a relationship breakdown
- you are an existing shared owner, and you want to move
- you own a home and want to move but cannot afford to buy a new home for your needs

If you own a home, you must have completed the sale of the home on or before the date you complete your purchase.

You will need a minimum 5% deposit and a mortgage to cover at least 50% of the purchase price.

The Council will charge the applicant applying to buy Discounted Marketing Housing a one off, non-refundable fee of up to £500, to cover the cost of processing their application. The fee applies at both first sales and resales.

Applicants must be eligible under the same criteria set for Shared Ownership Housing. For full details on this, please see [who can apply](#) on the GOV website.

Priority groups

When a home is marketed for sale, certain groups of eligible applicants will have priority during an “initial marketing period”. These groups are those with a local connection to the District, armed forces personnel and local essential workers.

Armed forces personnel includes active members of the Armed Forces, divorced and separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.

Local connection, “close family” and who qualifies as a local essential worker, are set out in our [Housing Allocations Policy](#). Close family must be resident in the District for at least 3 continuous years before the date of application.

First Sales

Discounted Market Housing is marketed directly by the house builder, usually on their own website or on home buying websites. Each house builder will usually have a sales office on site.

The initial marketing period will apply for 6 months. If homes remain unsold after the initial marketing period, other eligible applicants will then be considered during a subsequent 3 month period.

Once a prospective buyer has found a Discounted Market Housing home that is available for sale, they should speak to the house builder’s sales team. The sales team need to carry out initial checks before forwarding the buyer’s application to us. The Council is unable to process any application until it receives this information from the house builder. The Council must approve any potential buyer during the 9 month period the property is marketed as Discounted Market Housing. A non-refundable fee is payable to the Council by the potential buyer

Resales

A Discounted Market Housing owner can put their property on the market at any time and this is likely to be through an estate agent. The home will need to be marketed as Discounted Market Housing, at the discounted price. For an initial marketing period of 3 months, the home will be marketed to those applicants who fall within the priority groups set out above. If no sale is agreed during this time, the home will need to be marketed for a further 3 months to other eligible applicants.

The Council must approve any potential buyer during the 6 month period the property is marketed as Discounted Market Housing and a non-refundable fee is payable to us by the potential buyer.

If no buyer can be found for the property after 6 months of active marketing as Discounted Market Housing, the property can be sold on the open market. From the sale proceeds, the owner will pay to the Council a sum equivalent to the % discount on

the sale price achieved. Full details will be provided in the title deeds relating to your property and will be clarified by the conveyancer acting for you.

Purchase by a Registered Provider

Exceptionally, the Council may ask a Registered Provider to purchase Discounted Market Housing at first sale. On such occasions, properties will not be available for purchase by individual applicants, notwithstanding their eligibility status.

www.sevenoaks.gov.uk

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