

Sevenoaks District Intermediate Housing Protocol

August 2024

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Introduction

This protocol sets out the local policy applying in the Sevenoaks District for Intermediate Housing. Intermediate Housing includes First Homes, Shared Ownership and Discounted Market Housing.

First Homes offers first time buyers the opportunity to purchase a home at a fixed 30% discount which applies in perpetuity. At initial sale, the new build home is offered for sale by the house builder and at resale by the homeowner. Find out more about [First Homes](#).

Shared Ownership housing offers first time buyers and other buyers who are unable to afford to buy a home on the open market the opportunity to buy a % share in a home and pay a subsidised rent on the unowned share. The home is offered for sale by a Registered Provider of Social Housing (formerly known as Housing Associations) who continues to own the unowned share. Only the buyer and their household live in the property and 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, the opportunity to purchase a home at a fixed % discount which applies in perpetuity. At initial sale, the new build home is offered for sale by the house builder and at resale by the homeowner.

Protocol 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

Protocol 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.

Local Connection

During an initial marketing period, priority for Intermediate Housing vacancies will be offered to those with a local connection to the District.

Local Connection means an applicant who is one or more of the following:

- Armed Forces Personnel
- Local Essential Worker
- Living in the District continuously for at least 1 year prior to application
- Employed and/or Working in the District continuously for at least 1 year prior to application
- Close Family who has been living in the District continuously for at least 1 year prior to application

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 Essential Worker

Defined as someone who is currently Employed in one of the “specified occupations” in the Sevenoaks District and has been so employed for at least one year prior to application.

The specified occupations” are:

- Public sector frontline staff, meaning
 - NHS nurses
 - NHS allied healthcare professional
 - Teachers, nursery nurses and teaching assistants
 - Police officers and Police Community Support Officers
 - Firefighters
 - Military personnel
 - Social workers
 - Local Government officers
- Any other frontline public sector occupational group experiencing recruitment or retention issues as evidenced to the satisfaction of the Council.

Employed and/or Working

A Local Essential Worker in one of the specified occupations is deemed to be employed in the following circumstances:

- Has been in paid fulltime employment or part time permanent employment for 16 hours or more per week for the required period set out above or
- Has been working at least 16 hours per week on a temporary or zero hour employment contract basis for the required period or
- Self employed and documentary evidence shows at least 50% of the applicant's work over the required period has been within the District or
- in respect of Local Essential Workers only, where the applicant has yet to commence employment and has a contract for full time permanent employment or where the employment is expected to last for a period of at least 1 year.

Plus

- The place of employment/work is located in the District, ie this does not include where a head office or regional office is situated in the District but the applicant carries out their duties elsewhere. For those with a caseload or a roving remit (eg nurses, social workers, police officers, etc), the applicant would need to obtain written confirmation from their employer that a significant part of their day to day activity occurs within the District or, in the case of the self employed, provide documentary evidence of the same.

Applicants will need to provide documentary evidence to confirm that their employment, contract of employment and location of said employment, is genuine.

Appropriate evidence could include:

- A contract of employment
- A letter from the employer confirming the nature and location of any roving remit
- Wage/salary slips or bank statements covering for the required period
- For the self employed only, invoices for work carried out within the District for the last 2 year period

Close Family

Means parents, siblings and children only. The applicant does not need to be currently living with their Close Family.

First Homes

Discounted Price

First Homes are offered at a fixed discount of at least 30% of the open market value of the property, with the exception of Broom Hill, Swanley please see below. The maximum price of a First Home on initial sale, after discount, is capped at £250,000. The percentage discount is fixed and will apply to the First Home in perpetuity and will be passed on every time the property is sold. In practice, this means the current homeowner will receive up to a maximum 70% of the open market value of the property when it is sold on.

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.

At point of application, the Council will charge the prospective buyer a one off, non-refundable fee of up to £500, to cover the cost of administering their application. This requirement applies to initial sales and resales.

Initial Sales

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

An initial marketing period will apply for 3 months. During this period, only those applicants with a Local Connection will be considered. Homes will be sold by the housebuilder on a first come first served basis. If homes remain unsold after the initial marketing period, all other eligible applicants who may not have a Local Connection will be considered during a subsequent 3 month period. The Council must approve any potential buyer during the 6 month period in which the home is being marketed as a First Home.

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 prospective buyer's application to us. The Council is unable to process an application until it receives this information from the house builder and the prospective buyer has paid a non-fundable fee to the Council for administering the application.

Resales

A 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 for an initial marketing period of 3 months, at the discounted price, ie the current Open Market Value minus the fixed % discount. Only applicants with a Local Connection may be considered during this period. If no sale is agreed during this period, the home will need to be marketed for a further 3 month period at the discounted price to other eligible applicants who may not have a Local Connection.

The Council must approve any potential buyer during the 6 month period the property is marketed as a First Home. The Council is unable to process any application until it receives the application details from the homeowner's estate agent or conveyancer and the potential buyer has paid us a non refundable fee for administering the application. If no buyer can be found for the property after 6 months of active marketing as a First Home, the property can be sold by the homeowner on the open market. From the sale proceeds, the owner must pay to the Council a sum equivalent to 30% of the sale price achieved, with the exception of Broom Hill, Swanley. Full details on resales will be provided in the title deeds relating to your property and will be clarified by the conveyancer acting for you.

Broom Hill, Swanley

The Broom Hill development (planning reference SE/22/03450) is permitted with a fixed % discount of 50%.

Shared Ownership Housing

A Registered Provider owns the freehold (or Head Lease) of a property which is offered for sale as shared ownership housing. At initial sale, buyers can purchase a % share in the property of between 10% and 75%. The minimum % share that can be purchased will be confirmed by the Registered Provider as this can vary. The price of the share to be purchased is based on the property's current open market value. A buyer is expected to purchase the maximum size share they can afford. A subsidized rent is then paid to the Registered Provider on the remaining unowned share. In most cases, it is possible to buy 100% of the property through a process called "staircasing".

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 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 (known as OPSO), applicants must be at least 55 years old. Applicants can staircase to 75% ownership at which point, there is no rent payable on the remaining unowned % share.

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

Advertising vacancies

The Registered Provider will advertise all new build homes on their website. Resale homes may be advertised on the Registered Provider's website and advertised on home buying websites such as Right Move and Share to Buy.

Initial Sales

For homes which have been grant funded under the Homes England Affordable Homes Programme 2021-2026, sales are strictly on a first come first served basis. The exceptions to this rule are:

- where an applicant is Armed Forces Personnel, these applicants have overriding priority at all times and
- where homes are provided on a Rural Exceptions Site, details below

For homes that have not been grant funded, an initial marketing period will apply for a period of 8 weeks. During this period, only applicants with a Local Connection and who have passed an initial affordability assessment will be considered. If more than one applicant has a Local Connection, the Registered Provider will determine the order of priority. The Registered Provider may determine this by reference to the housing need of said applicants, taking into account the size of accommodation required based on the composition of an applicant's household and/or the date of an applicant's registration of interest with the Registered Provider.

If homes remain unsold after the initial marketing period, all other eligible applicants who do not have a Local Connection and who have passed an initial affordability assessment will be considered. If more than one applicant is eligible, the Registered Provider will determine the order of priority as set out above.

Where homes are provided on a Rural Exceptions Site, a local connection to the relevant Parish(es) will be required and the overriding priority for Armed Forces Personnel does not apply. Where a Local Sales Plan applies, a Local Connection to the relevant Parish(es) will be required however the overriding priority for Armed Forces Personnel remains.

Please speak with the Registered Provider for details. Please note the Registered Provider may need to share certain personal data may with the relevant Parish Council(s) for the purpose of verifying a potential buyer's local connection to the Parish in question.

Buying additional shares – “staircasing”

Shared Ownership homeowners (“lessees”) can increase the amount of shares they own in their property. This is known as staircasing. 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 will provide full details on stair casing and any restrictions that may apply to staircasing to 100% ownership.

Resales

A lessee can sell their home at any time. If a lessee has staircased' their ownership and they now own 100% of their home, they can generally 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, or where a Local Sales Plan applies, or if the home has been purchased as OPSO (shared ownership housing developed specifically for older people).

Please speak with the Registered Provider to find out if your home is affected.

If a lessee has not staircased to 100% ownership 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 lease will set out how long the nomination period applies. It will last for a period of either 4 or 8 weeks.

For homes which have been grant funded under the Homes England Affordable Homes Programme 2021-2026, the Registered Provider will give priority to Armed Forces Personnel during the nomination period. For all other applicants, sales will be on a first come first served basis.

For homes that have not been grant funded, the Registered Provider will give priority to applicants who have a Local Connection to the District (or relevant Parish as set out in a Local Sales Plan) and who have passed an initial affordability assessment.

If the Registered Provider is unable to find a buyer during the nomination period, the lessee is free to sell their home on the open market without restriction. There are two scenarios that can apply at this stage.

- Scenario 1, the lessee sells the % share they own in their home. A buyer purchases the same % share, the home remains a Shared Ownership home and the Registered Provider continues to be the landlord. When the new lessee decides to sell, unless they have staircased to 100% ownership, they must tell their Registered Provider landlord if they want to sell their home. The procedure set out in the paragraph above will need to be followed.
- Scenario 2, the buyer may decide to do a back to back purchase whereby they purchase 100% of the property, ie they purchase the % share owned by the lessee and the % share owned by the Registered Provider. In this case, the home will no longer be a Shared Ownership home and the new lessee will be free to sell their home in future without restriction.

Different rules apply if the home is located on a Rural Exception Site. For these homes, a local connection to the relevant Parish(es) will be required by the prospective buyer. The overriding priority for Armed Forces Personnel does not apply. The nomination period is

not time limited and remains in place until a buyer is found with a local connection to the Parish and who has passed an initial affordability assessment. It should be noted the Registered Provider may need to share certain personal data may with the relevant Parish Council(s) for the purpose of verifying a potential buyer's local connection to the Parish in question. Please speak with the Registered Provider to see if your home is affected.

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 fixed 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 homeowner 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, at initial sale, homes must be priced by the house builder such that an applicant with a household income of £80,000 would be able to buy the home with a 95% mortgage.

Eligible Applicants

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.

At point of application, the Council will charge the prospective buyer applying to buy Discounted Market Housing a one off, non-refundable fee of up to £500, to cover the cost of administering their application. The fee applies at both initial sale and resales.

Initial Sales

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

The initial marketing period will apply for 6 months. During this period only applicants with a Local Connection will be considered. Homes will be sold on a first come first served basis by the house builder. If homes remain unsold after the initial marketing period, other eligible applicants who do not have a Local Connection will be considered during a subsequent 3 month period. The Council must approve any potential buyer during the 9 month period the property is marketed as Discounted Market Housing.

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 prospective buyer's application to us. The Council is unable to process any application until it receives this information from the house builder and the potential buyer has paid a non-refundable fee to the Council for administering the application.

Resales

A 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 Discounted Market Housing for an initial marketing period of 3 months at the discounted price, ie the Open Market Value minus the fixed 30% discount. Only applicants with a Local Connection may be considered during this period. If no sale is agreed during this period, the home will need to be marketed for a further 3 month period to other eligible applicants who may not have a Local Connection.

The Council must approve any potential buyer during the 6 month period the home is being marketed as Discounted Market Housing. The Council is unable to process any application until it receives the application details from the homeowner's estate agent or conveyancer and the potential buyer has paid a non-refundable fee to the Council for administering the application.

If no buyer can be found for the property after 6 months of active marketing as Discounted Market Housing, the property can be sold by the homeowner on the open market. From the sale proceeds, the owner will pay to the Council a sum equivalent to 30% of the sale price achieved. Full details on resales 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

In exceptional circumstances, the Council may ask a Registered Provider to purchase Discounted Market Housing at initial sale. On such occasions, properties will not be marketed for purchase by individual applicants, notwithstanding their Local Connection or applicant eligibility.

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This publication is available in large print or can be explained in other languages by calling 01732 227000.