

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 23 JANUARY 2014
title: MINIMUM PERCENTAGE SHARE ON SHARED OWNERSHIP UNITS
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
principal author: RACHAEL STOTT – HOUSING STRATEGY OFFICER

1 PURPOSE

1.1 To request Committee endorse the Strategic Housing Working Group decision to accept a minimum of 35% buy-in on shared ownership properties.

1.2 Relevance to the Council's ambitions and priorities:

- Corporate Priorities – To address housing needs of individuals most in need in the community.
- Other Considerations – None.

2 BACKGROUND

2.1 Over the past few years we have had increasing requests to increase the minimum percentage buy-in for shared ownership units from 25%.

2.2 Most of the providers have experienced that the majority of applicants, who buy in at 25% usually remain with just 25% ownership and this is uncommon for them to purchase a greater share. This has an effect on the viability for registered providers purchasing the units to deliver them as shared ownership.

3 ISSUES

3.1 The HCA standard model for shared ownership sets out that the purchaser will buy an initial share of the property between 25% and 75%. This is usually funded through a mortgage. All providers must offer flexibility based on the individual circumstances. The issue is to remain within this recommended HCA initial share but to set the maximum % any RP can require first time buyers to buy in at 35%. Therefore, preventing a scheme requiring an initial buy in of any amount higher than 35% and therefore reducing the affordability of the scheme.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Allowing this change will ensure registered providers remain interested in delivering shared ownership affordable housing in Ribble Valley.
- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – It is important that we retain housing options for households.
- Equality & Diversity – None.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Endorse the Strategic Housing Working Group decision to allow the minimum shared ownership buy-in to be increased to 35% but no greater.

RACHAEL STOTT
HOUSING STRATEGY OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

None.

For further information please ask for Rachael Stott, extension 4567.

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