

Rural Shared Ownership

Mansfield BS

You need to ascertain whether the Section 106 applies to just the developer due to the development of the land or is it particular to each property?

We consider S106 agreements on a case by case basis so we would need to see the S106 agreement.

As shared ownership it sounds like restricted staircasing.

On Section 106 agreements and shared ownership restricted staircasing we have to obtain escalated approval here.

Newbury BS

We are not very keen where there are staircasing restrictions to 80% and usually avoid. Where we have accepted them in the past it has been as individual cases where the housing association have guaranteed a buyback in the case of arrears issues.

As you are aware we operate shared ownership within a defined postcode area that largely reflects our usual branch and operating areas. Yorkshire is outside that area and it is very unlikely we would ever agree to accepting shared ownership outside area where there are restrictions.

Nationwide BS

Nationwide have never precluded Shared Ownership with restricted staircasing providing the lease is drafted such that it meets our published Shared Ownership requirements which the solicitors will check the lease to ensure it complies.

Teachers BS

We've checked this and it would not be one we could currently do due to the restrictions of residency status or limited max ownership (80% LTV max) conditions on these types of properties.

Although we are very happy to support standard shared ownership cases with 5% deposit requirement and 5 times lending multiple we would struggle with these specific shared ownership applications.

Kent Reliance BS

We will not lend on rural exception sites or any lease that will not allow 100% stair casing I am afraid.

Halifax

Not particularly common to see Rural or DPA S/O scheme's anymore – but we are happy to lend on them.

More commonly we do see schemes that limit stair casing to a certain percentage – 80% seems most common. We refer to this as “fixed shared ownership” – attached are the Affordable Housing Guidance notes – section 3.2 covers fixed s/o.

Leeds BS

It is increasingly common for properties to have clauses which restrict who may purchase a property. These clauses are typically designed to maintain the supply of local affordable housing. Restrictions typically require the buyer to already live within a defined area or meet local salary restrictions, albeit there are many other types of restrictions and specific clauses can vary by location.

The Society will typically accept the following types of restrictions:

Salary restrictions (typically Affordable Housing/Discounted Housing Schemes);

Local living restrictions (typically Local Ownership Schemes); or

A combination of the above

However, acceptance is subject to one (or more) of the following:

A cascade mechanism is in place that commences after a maximum of 3 months from the date of possession, with no restriction of any kind after 6 months; OR

A Mortgagee Exclusion Clause applies immediately upon possession and will continue in force for successors in title to the mortgagee ensuring that all successors also take free from the relevant restrictions; OR

The restriction only applies to the first transaction (i.e. the initial purchase transaction) and is subsequently dis-applied to any future transactions.

Full details are provided in the Solicitors Guidance notes. Any restrictions should be disclosed in the application in order to ensure the valuer is fully informed in their assessment of the property. This information should be included under ‘other information.’

The Society will not consider any other clauses/restrictions than those listed above.

Barclays/Woolwich

'We will consider Shared Ownership cases even where the property is not available to staircase to 100% ownership'

Section 106 properties – each case will be looked at individually depending on the Section 106 requirements

It is unacceptable for restrictions to be placed on resale of the property, except where these comprise the Scheme Provider having an option to buy back the customer's share in the property at the full market value for a maximum period of 3 months, such that if the Scheme Provider does not wish to exercise the option to buy back, the lender can staircase to 100% (if necessary) and otherwise sell the property on the open market without any further restriction applying (provided always that the operation of any such resale provision does not prejudice in any way the operation of the mortgagee protection provisions in the lease

Santander

Nothing in policy with the categories you name, but policy say as long as model lease from RP with ability to stair case to 100% should be OK.

TSB

TSB does consider "Fixed Shared Ownership" schemes. We just need to be made aware of the type of scheme to ensure valuer is aware, and then the solicitor needs to comply with our guidelines for these type of properties.

Ecology BS

We actively support sustainable local economies through our lending on shared ownership, housing association and housing co-operative properties, and through our commercial mortgages for ecological and community businesses.

Our business development team has extensive experience of working with co-operative and commercial projects, and through our newsletter and members' network we're developing a community of organisations working for a more sustainable future.

