Shared Ownership Resales Policy

1 Purpose

1.1 When a shared owner decides to sell their home, L&Q has a role to play in making sure that the process is fair, transparent and straightforward, and that the property can continue to provide affordable housing for future buyers wherever possible.

1.2 This policy sets out our position on how we approach and manage the resale of shared ownership homes. It explains what shared owners can expect from us, how we exercise our nomination rights, and the principles that govern our decision-making throughout the process.

1.3 Through this policy we aim to ensure that:

- Shared owners who wish to sell understand their rights, responsibilities, and the support available to them
- The resale process is clear, consistent and carried out with fairness and transparency
- Shared ownership homes are sold as shared ownership wherever this is viable, protecting the long-term supply of affordable housing
- We act in accordance with the terms of the relevant lease and all applicable legislation and regulation
- Shared owners with non-standard leases or more complex circumstances receive specific and accurate guidance

2 Scope

2.1 This policy applies to all L&Q shared owners who wish to sell their shared ownership home, including:

- Standard shared ownership homes across all programmes and locations
- Older Persons Shared Ownership (OPSO) and Leasehold Schemes for the Elderly (LSFE)
- Home Ownership for People with Long-Term Disabilities (HOLD)
- Homes purchased through the Right to Shared Ownership
- Homes subject to regeneration or static homebuy arrangements
- Homes with non-standard lease provisions.

2.2 This policy does not cover:

- Staircasing – see our Shared Ownership Staircasing Policy

- Lease extensions – see our Lease Extensions Policy
- The initial purchase of a shared ownership home – see our Shared Ownership Eligibility and Allocations Policy

2.3 Additionally, we have procedures in place to implement this policy. We will share and ask for other information as needed at relevant points in the resales process.

3 Legislation and Regulation

3.1 We regularly review this policy to ensure it complies with relevant legislation and regulation. This includes, but is not limited to:

- Housing and Regeneration Act 2008
- Leasehold and Freehold Reform Act 2024
- Commonhold and Leasehold Reform Act 2002
- Equality Act 2010
- Data Protection Act 2018 and UK GDPR
- Proceeds of Crime Act 2002 and Anti-Money Laundering regulations
- Immigration Act 2014

3.2 We also follow regulatory and funding guidance from:

- Homes England Capital Funding Guide – requirements for grant-funded shared ownership homes outside London
- Greater London Authority (GLA) Capital Funding Guide – requirements for grant-funded homes in London
- Regulator of Social Housing Consumer Standards – in particular the Transparency, Influence and Accountability Standard and the Neighbourhood and Community Standard
- Housing Ombudsman Service – Complaint Handling Code and the Shared Ownership Code

3.3 Where shared ownership homes are subject to Section 106 planning agreements, any specific resale restrictions set out in those agreements will apply. The terms of an individual lease always take precedence where there is any difference from this policy.

4 Definitions

4.1 **Resale –** the process by which a shared owner sells their share of a shared ownership property, either through L&Q's nomination process or, (where nomination rights are waived or do not apply), through an estate agent on the open market.

4.2 **Nomination rights –** L&Q's right, as set out in the shared ownership lease, to find a new eligible buyer for the property within a defined nomination period and where viable keeping it as affordable housing.

4.3 **Nomination period –** the period during which L&Q exercises its right to find a buyer for resale. This is typically eight weeks from the date the property is first actively marketed, though the terms of the individual lease will confirm the exact period.

4.4 **Waiver –** a formal decision by L&Q to waive its nomination rights, allowing the shared owner to instruct an estate agent and sell the property on the open market. A waiver is typically issued where L&Q has been unable to find a suitable buyer during the nomination period, or where specific lease terms or other circumstances apply.

4.5 **RICS valuation –** an independent assessment of a property's current market value carried out by a surveyor accredited by the Royal Institution of Chartered Surveyors (RICS). A valid RICS valuation must be in place throughout the resale process, including at completion.

4.6 **Non-standard lease (NSL) –** a lease that contains specific requirements or restrictions that differ from L&Q's standard shared ownership lease. Shared owners with non-standard leases may follow different resale routes. See Section 8 for further detail.

4.7 **Low-lease –** a leasehold with fewer than 80 years remaining on the term. Low-lease properties require different resale arrangements and may only be marketed at 100%, or full sale of the property.

5 Selling Your Shared Ownership Home

5.1 You have the right to sell your shared ownership home at any time and it is important that you understand how the process works and what to expect from us.

5.2 The sale price of your share is based on the current full market value of the property, as determined by an independent RICS valuation at the time of sale. This means the price can go up or down in line with the housing market, and it is not based on what you originally paid.

5.3 If you are thinking about selling, We encourage you to review all information on our website Selling your shared ownership home | L&Q Group, Should you have any questions you can also reach out to our Homeownership team at resalemarketing@lqgroup.org.uk or on 0208 1897465, Option 1, Option 1 & Option 1.

What share can I sell?

5.4 In most cases you can sell whatever share you currently own. However:

- If you own more than a 75% share, your home cannot be sold through the shared ownership resales process, as first-time shared owners may only acquire a maximum share of 75%. In this situation the property must be sold at 100% on the open market and our Homeownership team will market your home while in the nomination period for 100%.
- If your lease contains restrictions on the maximum share that can be held, for example older persons shared ownership schemes like Caralina court, any buyer must be made aware of this restriction before reserving.
- The terms of your individual lease always take precedence. Please check your lease or contact us if you are unsure what applies to your home.

The RICS valuation

5.5 Before the resale process can begin you will need an independent RICS valuation of your property. This valuation must:

- Be carried out by a RICS-accredited surveyor
- Reflect the correct remaining lease term
- Be signed and dated
- Be in date throughout the resale process, including at the point of completion

5.6 You are responsible for arranging and paying for the valuation. The sale price of your share is calculated as a percentage of the full market value stated in the valuation. Where a mortgage lender's valuation differs from the RICS valuation, we may accept the lender's figure where it has been carried out by a RICS-accredited surveyor.

Low-lease properties

5.7 If your property has fewer than 80 years remaining on the lease it is considered a low-lease property. The following applies:

- If your property is a house with fewer than 80 years remaining, we will typically market and sell it at 100% as a private sale only, not as a shared ownership resale. We will advise you to ask your valuer to value the property as freehold.
- If your property is a flat, we will assess whether extending the lease makes a shared ownership resale viable. Where the estimated cost of a lease extension exceeds £15,000, we will typically only market the property at 100%.

- We will advise you as early as possible if your property falls into this category.

6 L&Q's Nomination Rights

Our right to find a buyer

6.1 Under the terms of most shared ownership leases, L&Q has the right to find a buyer for your home during a defined nomination period. This means that when you sell, we will actively work to find a new buyer where viable for shared ownership aiming to keep the property as affordable housing.

6.2 Our standard approach during the nomination period is:

- We will market your property as a shared ownership resale from the outset of the nomination period
- If we are unable to find a shared ownership buyer within the first two weeks, we will also begin marketing the property at 100% of the market value to widen the search
- The total nomination period is typically eight weeks from the date the property is first actively marketed – the exact period will be confirmed by your lease
- If we have been unable to find a buyer by the end of the nomination period, we will issue a waiver of our nomination rights

6.3 Some homes are subject to additional nomination or allocation arrangements linked to planning agreements, local authority requirements or other lease-specific restrictions. Where this applies, we may need to consult with a relevant third party before issuing a waiver, and the final allocation route may be determined by those requirements. We will explain any such restrictions to you clearly as part of the resale process.

Marketing your home

6.4 During the nomination period we will arrange professional photography, updated EPC if required and a walkthrough video of your property. The cost of this service is met by L&Q and recouped from the resale fee on completion.

6.5 We will publish your property on our sales platform and contact registered applicants directly. We will keep you updated throughout the process on the level of interest received.

6.6 From 1 February each year, all new sales materials will incorporate the updated rent and service charge figures that come into effect on 1 April of that year.

Resale fee

6.7 Our standard resale fee, payable on completion where L&Q has found the buyer, is 1.25% + VAT of the full market value of the property. This fee may vary depending on the terms of your individual lease. Our current fees are published on our website and will be confirmed to you when you notify us of your intention to sell.

6.8 Where L&Q is unable to find a buyer and where we have issued a waiver, the resale fee is not payable. However, our solicitors cost will still apply and are payable by the seller.

Waiving our nomination rights

6.9 In certain circumstances we may decide to waive our nomination rights. When we do:

- We will issue a formal waiver letter confirming you may market and sell your property on the open market
- You must sell 100% of the property (where permitted under your lease) through an estate agent
- The property can be marketed as you wish and should the sold price differ and you accept offers, its important to note that L&Q's share will be based on the RICS valuation.
- L&Q's resale fee is not payable, but our solicitor's costs remain applicable

6.10 For some homes, we must check whether any planning, local authority or lease-specific restrictions apply before issuing a waiver. Where this is the case, we will tell you what checks are needed and how they may affect the resale process.

6.11 If you receive a waiver and subsequently decide not to proceed with a sale, please let us know promptly so we can update our records. Our Homeownership team will check in regularly with you to see how the sale is proceeding with your estate agent.

7 Who Can Buy Your Shared Ownership Home

7.1 Any buyer found through L&Q's nomination process for Shared Ownership must meet our eligibility criteria for shared ownership, as set out in full in our Shared Ownership Eligibility and Allocations Policy. In summary, buyers must:

- Have a combined annual household income below the relevant threshold (currently £80,000 outside London and £90,000 within London, though thresholds are subject to change)
- Not own a property, or be in the process of selling one before completion
- Be unable to purchase a suitable home outright on the open market

- Be able to afford the share they are purchasing, including mortgage, rent and service charge costs

7.2 All buyers, including 100% buyers who are found by L&Q, must complete an affordability assessment with one of our appointed independent mortgage advisors. Any applicant who has not completed this assessment will not be considered for allocation.

7.3 Where an applicant states they are a current housing association or local authority tenant, we will require evidence of their tenancy agreement and a current rent statement confirming they are not in arrears, before an offer can be made.

How we allocate your home

7.4 In most cases we allocate shared ownership resales on a first-come, first-served basis among eligible and assessed applicants, in line with our Shared Ownership Eligibility and Allocations Policy. Some local authorities have arrangements and we will work to them when needed.

7.5 Where an applicant wishes to purchase using cash rather than a mortgage, this will be considered in line with our Cash Purchaser Policy.

Reservation

7.6 Once an eligible buyer has been identified and an affordability assessment successfully completed, they will be asked to pay a reservation fee to secure their interest in the property. The reservation fee is refunded on completion.

7.7 Following your financial interview and once you have been provided the summary of costs (KID) document, you will have 48 hours before your Memorandum of sale is issued to confirm if you do not wish to proceed. Once passed this point should you withdraw we will only refund the fee should the seller withdraw from the sale.

7.8 If a buyer withdraws from the process after paying the reservation fee, we will only refund the fee in extenuating circumstances. No other costs incurred will be refunded. Buyers are advised to speak with their broker or mortgage adviser for clarity on our Refund Policy.

8 Anti-Money Laundering

8.1 As part of the resale process, checks may be carried out to meet anti-money laundering requirements. These checks help prevent homes from being bought or sold using money linked to crime or fraud. We rely on relevant third parties, including panel mortgage advisers, financial advisers and solicitors, to complete these checks where required. If checks are needed, buyers or sellers may be asked to provide documents confirming their identity, address and source of funds. We will explain what is required at the relevant stage of the process.

9 Non-Standard Leases and Specialist Schemes

9.1 A number of properties in the L&Q portfolio have leases that differ from our standard shared ownership lease. These non-standard leases may contain specific requirements around how and to whom the property can be sold, maximum ownership percentages, age restrictions for buyers, or sinking fund obligations on resale.

9.2 Where a property has a non-standard lease, we will carry out a detailed review of the lease before providing any resale information to the owner. We will also confirm the appropriate resale route and any specific requirements will be confirmed once this review is complete.

Leasehold Schemes for the Elderly (LSFE)

9.3 We manage a number of leasehold schemes for older people. These schemes typically require buyers to be 55 years of age or over, and are subject to specific resale processes.

9.4 At Albemarle Lodge and Catalina Court, the resale process is administered by L&Q's Landlords Enquiries and Completions Teams rather than the Resales Team. Leaseholders at these schemes own 100% of their property but resale is restricted to buyers aged 55 or over. Vendors are responsible for making a contribution to the block sinking fund on completion, calculated as a percentage of the sale price.

Regeneration decants and static homebuy

9.5 A number of L&Q leaseholders acquired a share of a new home through regeneration programmes, where the value of their original home did not fully cover the cost of the replacement property. These leaseholders do not pay rent on the share they do not own. L&Q holds a pre-emption right on these properties which allow us the first opportunity to buy if you decide to sell.

9.6 If we choose not to buy the home back ourselves, you will need to sell the entire property (not your share) using an estate agent. Before you put it on the market you must get an independent valuation from a qualified surveyor (a RICS valuation). This helps us agree how much money you will receive when the sale completes, based on your lease and share you own. We'll explain the steps any specific requirements before you go ahead with the sale.

10 Repossession and Bankruptcy

Repossession

10.1 If a lender or solicitor notifies us that a property has been taken into possession, we will work with all relevant parties to address this. A mortgagee in possession will generally be entitled to sell the property at 100% of the market value.

Bankruptcy

10.2 If a shared owner is the subject of a court order requiring them to be declared bankrupt and the property must be sold. Shared owners in this situation should contact our Homeownership Team as early as possible so that we can provide appropriate guidance.

11 Monitoring and Controls

11.1 Controls are built into the resale process as outlined above. These include checks for the following:

- Resale restrictions, lease terms
- Lease length
- Buyer eligibility
- Buyer affordability assessment
- Anti-money laundering
- Resale timeframes

12 Equality, Diversity and Inclusion

12.1 An Equality Impact Assessment has been completed as part of the development and review of this policy. We consider the impact of our rent setting approach on different groups of residents, including those with protected characteristics under the Equality Act 2010. No resulting change was required to the policy.

13 Communication

13.1 This policy will be published on the L&Q website, ensuring it is accessible to all current and prospective shared owners. It will also be published on our internal systems for colleagues, alongside associated procedures and guidance.

13.2 The Homeownership Team will be briefed on the policy and given appropriate training prior to publication to ensure consistent application across all resale cases. Briefing materials will be prepared by the Head of Homeownership.

14 Policy controls sheet

Date of approval: 07/05/2026

Approved by: Customer Group

Effective date: 07/05/2026

Next Review date: 07/05/2029

Policy owned by: Director of Home Ownership

Associated documents: Shared Ownership Eligibility and Allocations Policy, Shared Ownership Staircasing Policy

Main change	Key points
New Policy	• Introduces a single, formal policy covering shared ownership resales • Introduces a single, formal policy covering shared ownership resales • Requires properties owned above 75% to be sold at 100% • Defines low-lease as under 80 years Introduces £15,000 lease extension threshold to determine resale route • Requires affordability assessment for all buyers, including 100% purchasers identified by L&Q
Reviewed by: Patrick Mills-Munday	
Approved by: Customer Group	