

Part II – Provisions relating to Shared Ownership Units

1. Definitions

- 1.1 'Affordable Housing' has the meaning given to it in Annex 2 of the National Planning Policy Framework published in July 2021 (as may be amended from time to time or such other national policy that may from time to time replace or update this framework) or any successor policy thereto issued by HM Government.
- 1.2 'Affordable Housing Location Plan' means a document consistent with the provision of Affordable Housing Units pursuant to the Planning Permission detailing the following:
- i) the Affordable Housing Units and their location;
 - ii) the number of bedrooms per Dwelling;
 - iii) street name and postal address; and
 - iv) tenure.
- 1.3 'Affordable Housing Unit' means [enter number] Dwellings ([enter percentage number] % of the Dwellings) which shall be Shared Ownership Units (unless otherwise agreed by the Council) and 'Affordable Housing Units' shall be construed accordingly.
- 1.4 'Capital Funding Guide' means the rules and procedures for all providers delivering Affordable Housing through one of Homes England's affordable homes programmes and any successor guidance fulfilling the same function.
- 1.5 'Chargee' means any mortgagee or chargee of the RP, or any receiver or manager (including an administrative receiver) appointed by such a mortgagee or chargee or any other person appointed under any security documentation to enable such mortgagee or chargee to realise its security or any administrator (howsoever appointed) including a housing administrator.
- 1.6 'Dwelling' means a dwelling (including a house flat maisonette or bungalow and including both market housing units and Affordable Housing Units) to be constructed pursuant the Planning Permission and 'Dwellings' shall be construed accordingly.
- 1.7 'Homes England' means the non-departmental public body known as Homes England or

any successor organisation who is charged with the function of investing in the provision of Affordable Housing.

1.8 'Initial Purchase' means the initial equity purchase representing the first sale of the Shared Ownership Unit.

1.9 'Local Connection' means a connection to the District of [enter name] and as defined in the Local Connection Criteria.

1.10 'Local Connection Criteria' means the requirements that need to be met by an individual for a Local Connection as follows (for the avoidance of doubt, this is not in priority order):

- (i) Their only or principal home is within the administrative boundaries of the District in which the property is located; or
- (ii) They were placed in specialised housing which is not available in the relevant District but had a local connection to the relevant District previously through residence; or
- (iii) They (not a member of their household) are in permanent paid work within the District in which the property is located; or
- (iv) They have a son, daughter, brother, sister, mother or father, who is aged 18 or over and lives in the administrative area of the District and has done so for at least five years; or
- (v) They are a homeless care leaver aged 18 – 20 who have been looked after by Suffolk County Council and were looked after within the District in which the property is located; or
- (vi) They are serving in the regular armed forces of the Crown or who has served in the regular armed forces of the Crown within five years of the date of the purchase of the Shared Ownership Unit; or
- (vii) The main or joint applicant has recently ceased or will cease to be entitled to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner. where the spouse or civil partner has served in the regular forces and their death was attributable (wholly or partly) to that service; or
- (viii) The main or joint applicant is serving or has served in the reserve forces and is suffering from a serious injury, illness or disability which is attributable whether wholly or partly to that service; or

- (ix) Spouses and civil partners who are required to leave accommodation provided by the Ministry of Defence following a breakdown in their relationship with their Service spouse or partner.
- 1.11 'Occupation' means the action of living in or using an Affordable Housing Unit as an only and principal home, for the purposes permitted by the Planning Permission, not including occupation by personnel engaged in construction, fitting out, decoration, marketing or display; or occupation in relation to security operations and 'Occupy' and 'Occupied' shall be construed accordingly.
- 1.12 'Plan' means the location plan bearing drawing number [insert number] annexed to this deed.
- 1.13 'Planning Permission' means the planning permission which may be granted pursuant to the planning application reference number [insert number] subject to conditions, and also to obligations in the section 106 (Town and Country Planning Act 1990) agreement dated [insert date].
- 1.14 'Practical Completion' means issue of a certificate of practical completion by the RP's surveyor or, if the Affordable Housing Units are constructed by a party other than the RP, the issue of a certificate of practical completion by that other party's surveyor.
- 1.15 'Property' means the land at [enter full address of land] shown edged red on the Plan.
- 1.16 'Registered Provider' or 'RP' means a registered provider of social housing as defined in section 80(2) of the Housing and Regeneration Act 2008 and listed in the register kept by the Regulator of Social Housing under Chapter III of that Act. For the avoidance of doubt this could also include the Council under the Housing Act 1985.
- 1.17 'Shared Ownership Lease' means a lease in a form approved by Homes England or where there is no such lease in a form approved by the Council to provide:
- (a) not more than 75% and not less than 10% of the equity (or such other percentages the Council may agree) shall be sold to the purchaser on an Initial Purchase;
 - (b) an option for the purchaser to increase their ownership up to 100% by Staircasing if they so wish;

- (c) an initial rent not exceeding 2.75% of the value of the equity retained by the RP subject to annual increases not exceeding Retail Price Index (All Items) published by the Office for National Statistics (or if such index ceases to be published such other index as the Council shall reasonably determine) plus 0.5% or such other rent as complies with the requirements from time to time of Homes England.

1.18 'Shared Ownership Unit' means an Affordable Housing Unit sold subject to a Shared Ownership Lease and in accordance with the procedure set out in this deed to an individual who meets the Local Connection Criteria, and 'Shared Ownership Units' shall be construed accordingly.

1.9 'Staircasing' means the acquisition after the date of the Initial Purchase of additional tranches of equity in the Shared Ownership Unit, as set out in the Shared Ownership Lease for that Affordable Housing Unit, and as detailed in the Capital Funding Guide published by Homes England and any other publication that supersedes it.

2. Enabling Provisions

This deed is made pursuant to the Local Government Act 1972 Section 111, Section 1 of the Localism Act 2011 as amended and all other enabling powers.

3. Procedure

The Parties agree that:

- (i) The Shared Ownership Units shall be sold subject to a Shared Ownership Lease.
- (ii) The RP shall be responsible for assessing potential purchasers.
- (iii) The Shared Ownership Units shall only be sold to applicants with a gross household income of less than £80,000 and otherwise unable to purchase a suitable property for their housing needs on the open market, along with any other eligibility restrictions set out in the Capital Funding Guide (as amended).
- (iv) In respect of the Initial Purchase, each Shared Ownership Unit will, for a period of eight (8) weeks, only be available to purchase by individuals who meet the Local Connection Criteria. If a sale has not been agreed following eight (8) weeks of marketing, the Local Connection Criteria (only) can be waived.

- (v) In respect of future re-sales, each Shared Ownership Unit will, for a period of four (4) weeks, only be available to purchase by individuals who meet the Local Connection Criteria. If a sale has not been agreed following four (4) weeks of marketing, the Local Connection Criteria (only) can be waived.

4. RP covenants

The RP covenants with the Council to the intent that the Local Government (Miscellaneous Provisions) Act 1982 applies:

- 1) To ensure that each of the Affordable Shared Ownership Units that are acquired by the RP are Occupied as Affordable Housing Units.
- 2) To submit an Affordable Housing Location Plan to the Council not less than one (1) month in advance of the date when the first of the Affordable Shared Ownership Units will be ready for Occupation.
- 3) To conduct an assessment of potential Shared Ownership purchasers, prior to purchase and in line with the Capital Funding Guide, to ensure that they meet all eligibility criteria, to assess what share they can afford and to ensure that the purchase is affordable and sustainable for the purchaser.

5. Variation of nomination rights

The Council and the RP agree that the nomination rights contained in this deed may be varied from time to time by agreement in writing by the Parties.

6. Notices

Any notice required to be served hereunder shall be sufficiently served on the Parties at the address indicated below or such other address notified by one party to the other in writing and any notice shall be deemed to have been served two (2) working days after posting or, in the case of electronic mailing, the day on which such notice was transmitted by the party serving the notice or, if served after 4.30 pm, one (1) working day after electronic mailing.

The Council	Director for Housing, Babergh / Mid Suffolk District Council, Endeavour House, 8 Russell Road, Ipswich IP1 2BX or by email: [enter email address]
The Registered Provider	As per the address provided at the beginning of this deed or by email: [enter email address]

7. Transfer to other RPs

The RP shall use reasonable endeavours to ensure that any RP to which the Property and Affordable Housing Units erected thereon are transferred (other than by direction of Homes England under its statutory powers) shall enter into a similar deed mutatis mutandis with the Council on completing the transfer of the Property.

8. Disputes

Where any matters fail to be agreed between the Parties or any dispute or difference occurs the question shall be referred on the application of either party for the determination of a single expert to be agreed between the Parties or in default of agreement to be nominated by or on behalf of the President for the time being of the Chartered Institute of Housing or relevant body on the application of either party.

9. Agreements and declarations

The Parties agree:

- 9.1 Nothing in this deed fetters or restricts the exercise by the Council of any of its powers.
- 9.2 The obligations and covenants contained in this deed are covenants for the purpose of Section 33 of the Local Government (Miscellaneous Provisions) Act 1982.
- 9.3 From the issue date of a certificate of Practical Completion of each of the Affordable Housing Units acquired by the RP, the Affordable Housing Units shall be purchased in accordance with the terms of this deed, save that the obligations and restrictions contained in this deed shall not be binding on:

9.3.1 any Chargee of the whole or any part of the Affordable Housing Units or any persons or bodies deriving title through such Chargee PROVIDED THAT:

9.3.1.1 Such Chargee shall first give written notice to the Council of its intention to dispose of the Affordable Housing Units and shall use reasonable endeavours over a period of three (3) months beginning on the date of the written notice to complete a disposal of the Affordable Housing Units to another RP or to the Council for a consideration of not less than the amount due and outstanding under the terms of the relevant security documentation including all accrued principal monies, interest, costs and expenses; and

9.3.1.2 if such disposal has not completed within the three (3) month period and the Chargee has met its obligations in clause 9.3.1.1, the Chargee shall be entitled to dispose of the Affordable Housing Units free from the restrictions in this deed which provisions shall determine absolutely.

9.3.2 Any tenant that:

9.3.2.1 has been granted a Shared Ownership Lease by a RP (or similar arrangement where a share of the Affordable Housing Unit is owned by the tenant and a share is owned by the RP) in respect of a particular Affordable Housing Unit and the tenant has subsequently purchased from the RP all remaining shares so that the tenant owns the Affordable Housing Unit outright.

9.3.2.2 is a successor in title to the above; or any person or body deriving title through or from any of the parties mentioned in this clause 9.3.

10. Capital Receipts from Staircasing

Subject to Homes England funding requirements, any capital receipts received by the RP for shares sold between 81% and 100% must be reinvested in additional Affordable Housing Units within the District of [enter name] within five (5) years of receipt. Any capital receipts

not reinvested within five years may be spent on Affordable Housing outside of the District of [enter name].

AS WITNESS whereof the Parties have executed this instrument as a Deed hereto the day and year first above written

Signatories:

Babergh District Council/ Mid Suffolk District Council (delete as appropriate)

Registered Provider