karbon group

Providing a strong foundation for life.

SHARED OWNERSHIP AFFORDABILITY POLICY (NEW BUILD & RE-SALES)

Shared Ownership Affordability Policy (New Build & Re-sales)

Responsible Officer	Head of Sales, Lettings & Customer Care
This policy is applicable to	Karbon Group
Policy version	2
Date this version implemented	August 2026
Date of next review	July 2029

Policy Statement

This policy explains how Karbon Homes Group (the Group) approach to allocating New Build Shared Ownership homes, ensuring they are affordable and sustainable for customers. The policy is applied in line with our commitments to equality, inclusion, data protection and supporting customers in vulnerable circumstances. The Group is committed to providing excellent standards of service to its customers.

Risk the policy is designed to control

6. Governance and Compliance - to ensure that the Group documents its approach and is compliant with regulation/legislation.

Key performance measures

Regular sales performance reporting to AMD (monthly) and GDC (quarterly) on a range of performance indicators.

Definitions

Shared Ownership – is a scheme to help people become home owners who cannot afford to buy a home on the open market. Through Shared Ownership people can buy a share in the property and pay rent on the remaining share.

Independent Financial Advisor – professionals who offer independent advice on financial matters to customers and recommend suitable financial products, such as mortgages from the whole of the market.

Abbreviations

CPI – Consumer Price Index
RPI – Retail Price Index

Policy Detail

1.0 Purpose of policy

1.1 We have adopted this policy so that all customers purchasing a shared ownership home meet Homes England affordability guidance as detailed in the Capital Funding Guide. In this way we will act proportionately to ensure that all such purchases are affordable and sustainable to applicants.

2.0 Objectives

2.1 To ensure the Group;

- Allocates new build shared ownership homes in a fair and consistent manner
- Ensures purchases are affordable and sustainable for customers

3.0 Policy detail

3.1 Applications will be stress tested over an initial period of five years, to ensure that buyers can afford not only to meet the rent and other payments due to the Group at the point of purchase, but also over the forthcoming years as annual rent increases under the shared ownership lease (which will be based upon either CPI or RPI increases) are expected to impact.

3.2 Applying this stress testing to their applications, we must be convinced that applicants have a minimum of 10% of their net mortgageable income remaining after all deductions throughout this five-year period.

3.3 In addition to this, the mortgage payments should not exceed 30% of the net mortgageable income of the household.

3.4 The reason for including the 10% tolerance is that it provides a degree of protection for the customer against possible increased costs or unforeseen circumstances that have not been budgeted for in the application.

3.5 Successful assessments must fall within these parameters, and both the Group and the Independent Financial Advisor must separately give their confirmation to this being their belief prior to the offer to proceed to reservation. Applications that do not fall within these parameters will not be accepted, as we would not deem the purchase to be affordable or sustainable for them.

3.6 This policy will apply whether applicants use a Group Panel Independent Financial Advisor or choose to use their own separately appointed Independent Financial Advisor. The Group would always reserve the right to apply the standard affordability calculator to any application received via an Independent Financial Adviser who is not on their panel, if they are not convinced that it has been properly applied in the application.

3.7 All income used for the assessments must be considered sustainable. The Independent Financial Advisor will use a list of acceptable income that is regarded as being sustainable, which is based on similar principles to those applied by mainstream mortgage lenders and will form the budget planner. If it falls outside of these categories, and would not be considered acceptable by mainstream lenders, the Independent Financial Advisor may exclude the income from the assessment.

4.0 Customer Vulnerabilities

4.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.

4.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.

4.3 Policies and key information are made available on our website.

5.0 Monitoring and Review

5.1 This policy will be monitored and reviewed by the Executive Director of Development & Asset Management

5.2 This policy will be reviewed at least every five years.

5.3 Policy review will be undertaken before the expected review date if there are significant changes to legislative or regulatory requirements, good practice or any other situation arises that makes a review necessary.

6.0 Equality and Diversity

6.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.

6.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

6.3 If you would like this or any other policies in a different language or format please contact inclusion@karbonhomes.co.uk.

7.0 Data Protection and Privacy

7.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.