

LEASEHOLD – SHARED OWNERSHIP BUY BACK POLICY

Leasehold – Shared Ownership Buy Back Policy

Responsible Officer	Group Director Asset Management and Regeneration
This policy is applicable to	Karbon Group
Policy version	2
Date this version implemented	August 2026
Date of next review	August 2029

Policy Statement

This policy sets out the circumstances in which Karbon Homes Group (the Group) may, at its discretion, consider either purchasing a customer's share in a Shared Ownership property (buy-back) or facilitate a reverse staircasing arrangement to support customers facing financial hardship.

The purpose of this policy is to provide a fair, transparent and consistent framework for assessing requests from Shared Ownership customers who are experiencing exceptional circumstances and who may be unable to sell their property on the open market. The policy aims to support customers whilst ensuring the Group Homes manages its assets and financial resources responsibly.

The Group will consider buy-back and reverse staircasing requests on a case-by-case basis. Neither a buy-back or reverse staircasing request is an automatic entitlement, and all applications will be assessed against the qualifying criteria and approval requirements set out within this policy.

Risk the policy is designed to control

Governance and Compliance

Key performance measures

Reported internally to the Asset Disposals Manager.

Reported monthly to Asset Management and Disposal Panel (if applicable).

Definitions

Buy back - The purchase of the property at an agreed valuation by the Group (the landlord)

Actively marketed- Marketed by an estate agent with the knowledge of the Group's Homes Sales Team.

Abbreviations

RICS - Royal Institution of Chartered Surveyors

Policy Detail

1.0 Purpose of policy

- 1.1 This policy sets out the circumstances under which The Group may consider, at their own discretion, buying back the share held in a Shared Ownership property, up to the value of £300,000, with vacant possession.
- 1.2 This policy is not applicable to former shared owners, or those who have purchased their property through a discount scheme such as Right to Buy or Acquire.
- 1.3 Reverse staircasing requests will be considered, subject to the same qualifying criteria detailed below.

2.0 Objectives

- 2.1 The key objective relating to this policy is:
 - To help Shared Ownership customers in financial hardship due to changes in their own personal circumstances that they are able to evidence, where it may otherwise lead to financial detriment to The Group.

3.0 Policy detail

- 3.1 This policy aims to identify the appropriate actions that will be taken by The Group in relation to buying back the share held in a property when a Shared Owner has marketed their property for a specific duration without a successful purchaser.

NB: The Group limits the number of buy backs that are made each year and are more likely to consider requests that are as a result of a change in financial circumstances (rather than over-borrowing, for example).

3.2 Buy Back

- 3.2.1 The qualifying criteria for consideration of a buy-back are:
 - The shared owner currently owns less than 100% of the property and more than 10%.
 - Rent is paid on the unsold equity in the property (rent excludes ground rent and service charges).
 - The applicant has a clear rent account or agrees to clear any arrears from the proceeds of the buy back.
 - The property has been actively marketed with an estate agent and has been available for purchase for a period of more than 12 months at the current RICS market valuation.
 - Reasonable offers made by prospective purchasers have not been rejected by the Shared Owner.

- The Shared Owner has contacted their mortgage lender and/or sought professional budgeting, benefits and debt advice.
- There is to be a good case made as to what exceptional circumstances the customer is in that would prompt the Group to re-purchase the property.

3.2.2 Any buy-back offer will be made based on a current RICS market valuation, allowing for any works undertaken by the shared owner to be considered in the value.

3.2.3 All applicable sales fees, valuation fees, legal and administration costs, and arrears at the date of purchase will be deducted from the agreed purchase price.

3.2.4 All monthly charges applicable to the property will remain payable until the buy-back transaction completes.

3.2.5 Written confirmation of the agreed purchase price and the terms of the buy-back will be communicated to the Shared Owner. Written acceptance of the terms will be requested. Once the terms are accepted Solicitors will be instructed.

3.2.6 The Shared Owner must make the request to us and provide:

- Full details (in writing) of current financial situation explaining why the buy back request should be considered
- Evidence that other options have been exhausted, including actively marketing the property for a period of 12-months.

3.3 Reverse Staircasing

3.3.1 Reverse staircasing may be considered in exceptional circumstances where a Shared Owner is experiencing financial hardship.

3.3.2 Reverse staircasing is not an automatic entitlement and will be considered at the discretion of the Group, subject to financial viability, regulatory requirements and the availability of funding.

3.3.3 The qualifying criteria for consideration of a reverse staircasing request are:

- The applicant owns more than the minimum share that can be retained under the terms of the lease.
- The applicant has a clear rent account.
- The applicant can demonstrate financial hardship
- The applicant has sought appropriate financial, debt or benefits advice where appropriate.
- The applicant provides evidence that alternative options to sustain home ownership have been considered.

- The proposed reverse staircasing arrangement is considered financially viable for both the customer and the Group.

3.3.4 Any reverse staircasing transaction will be based upon an independent RICS valuation of the property and the value of the share being acquired by the Group.

3.3.5 Following completion of a reverse staircasing transaction, the Shared Owner will remain responsible for the rent on the increased unsold equity share together with any service charges and other charges due under the lease.

3.3.6 Any valuation fees, legal costs, administrative charges or arrears may be deducted from proceeds or otherwise payable by the Shared Owner as appropriate.

3.3 Processing Buy Back and Reverse Staircasing requests:

3.3.1 Once the Group have received all the information, the request will be reviewed and processed by:

- Arranging a full property inspection carried out by a member of the Property Team.
- Obtaining a current RICS valuation of the property. The cost of this valuation will be deducted from the purchase price and is payable by the Leaseholder.
- An appraisal will be carried out to show the gross purchase cost, gross post-purchase investment cost and the net revenue stream to ensure there are no significant adverse financial implications for The Group.
- A final decision will be made within 28 days of receiving the request outlined in paragraph 4.5, once the necessary approvals have been sought considering all financial and other risk factors either by Delegated Approval from the Group Director of Development & Regeneration or the Development Management Panel.
- If The Group approves an application, the applicant will need to liaise with their lender, instruct a solicitor and commence the conveyance process within three months of the decision.

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 and implemented by the Group Director of Assets & Regeneration
- 5.2 This policy will be reviewed at least every three 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.