

SHARED OWNERSHIP ALLOCATION POLICY

Shared Ownership Allocation Policy

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

Policy Statement

The Karbon Homes Group (the Group) Shared Ownership Allocation Policy sets out how applications for new-build shared ownership properties are assessed and allocated, ensuring a fair, transparent and consistent approach for all customers. The policy explains that applicants must meet basic eligibility criteria, including having a household income of £80,000 or less and being unable to buy a suitable home on the open market. A two-stage assessment process is used: an initial eligibility check followed by a detailed affordability assessment completed with an Independent Financial Advisor, which determines the share an applicant can purchase and confirms mortgage arrangements or proof of funds. Homes are normally allocated on a first-come, first-served basis once applicants have passed both stages.

There are circumstances where some applicants receive priority. These include serving or recently discharged members of the Armed Forces, as well as surviving partners of those who have died in service. In certain rural locations—such as National Parks or Areas of Outstanding Natural Beauty—local connection requirements may apply in line with planning rules, there may also be a restriction on staircasing to 100% where homes are to be affordable for perpetuity, as stipulated by the local authority. Eligibility criteria are determined in line with Homes England Capital Funding Procedure Guide, which may be subject to change.

The policy also emphasises support for customers with vulnerabilities, alignment with equality and inclusion commitments, and compliance with data protection legislation. It is reviewed every five years, or sooner if required due to regulatory or best-practice changes, to ensure it remains fair, accessible and legally compliant.

Risk the policy is designed to control

6 – Governance and Compliance: Failure to comply with statutory and regulatory requirements and failure in the arrangements for managing the organisation at the highest level.

Key performance measures

Key performance measures for Shared Ownership sales are as follows. All are reported on monthly, at Asset Management & Development (AMD) Panel, and quarterly at Group Development Committee (GDC).

- Time to sell, which is 12 weeks
- Having a minimum level of stock
- Having a minimum level of void loss

In addition, the team are responsible for auditing every file to ensure we are adhering to Capital Funding Guide requirements. For example, showing Independent Financial Advisor sign off.

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.

Abbreviations

Not applicable.

Policy Detail

1.0 Purpose of policy

1.1 We have adopted this policy to determine the order in which applications for new build shared ownership properties will be reviewed and allocated.

2.0 Objectives

2.1 To ensure the Group;

- Allocates new build shared ownership homes in a fair and consistent manner
- Check all applicants fit the criteria of the scheme

3.0 Policy detail

3.1 To establish eligibility, the Group will assess interested purchasers by using a two-stage process.

3.2 Properties will be advertised on the Karbon Homes website, as well as on other relevant marketing platforms.

3.3 **The first stage** will require applicants to complete an Affordable Home Ownership Approval Form which requests details of their household members, current housing situation, employment, earnings and any other income. This will establish if applicants fit the basic eligibility criteria for Shared Ownership, which includes;

- Household income is £80,000 a year or less
- Inability to afford the deposit and mortgage payments necessary to purchase a home that meets their needs

One of the following must also be true of the applicant:

- a first-time buyer

- Previously owned a home but cannot afford to buy one now
- forming a new household - for example, after a relationship breakdown
- an existing shared owner, and wants to move
- owns a home and wants to move but cannot afford a new home that meets their needs.

3.4 Once we have confirmed that applicants meet the basic eligibility criteria they will be referred to a suitably qualified Independent Financial Advisor who will complete an initial affordability assessment.

3.5 **The second stage** will then require the applicant to complete a more detailed assessment of their income and expenditure, by completing a budget planner with the assistance of the Independent Financial Advisor. This will establish the ownership share of the property that the applicant can afford to purchase, as well as obtaining an Agreement in Principle, which confirms how much an applicant is able borrow from a mortgage lender. Where a mortgage is not required, proof of funds will need to be provided.

3.6 We will review all applications in the order in which they are presented to us, on a first come first served basis, and we will offer an available shared ownership property to the first applicant that passes the first stage initial assessment, and provides an acceptable Agreement in Principle or proof of funds in accordance with the second stage of the procedure.

3.7 You will note that the role of the Independent Financial Advisor is central to the application process. The Group has access to a panel of Independent Financial Advisors who specialise in supporting applicants to purchase under the Shared Ownership initiative. Where applicants choose to use their own Financial Advisor, it will be a requirement that they use the approved budget planner provided by the Group as the basis for their application.

3.8 We have two scenarios where the above policy will be applied differently, allowing certain applicants to be given priority over others. The first arises where applications are received from serving military personnel and former members of the British Armed Forces discharged in the last two years. These Ministry of Defence personnel will be given priority for our Shared Ownership schemes where:

- they have completed their basic (phase 1) training, and they are one of the following:
 - Regular service personnel (including Navy, Army and Air Force)
 - Clinical staff (with the exception of doctors and dentists)
 - Ministry of Defence Police Officers
 - Uniformed staff in the Defence Fire Service
 - they are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within two years (24 months) of the date of discharge from service or

- they are the surviving partners of regular service personnel who have died in service, where they apply within two years (24 months) of the date of being bereaved.

3.9 The other exception to the basic first come first served policy is where Shared Ownership homes are being delivered in a National Park, an Area of Outstanding Natural Beauty or on a rural exception site. In those schemes, planning law will require that we apply a different prioritisation of applicants, so that priority is given to applicants with some form of connection to the local area. The detail as to what “local connection” means will in each case be set out in the planning permission and planning agreements imposed by the relevant local authority and will be notified to applicants at the beginning of the application process.

4.0 Customer Vulnerabilities

4.1 This policy is applied in line with Our Approach to Vulnerability Policy. Everyone matters. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services. We will offer support, reasonable adjustments, and adaptations to remove barriers. We will discuss with our customers what is reasonable and appropriate. In delivering this service we may need to escalate a particular case – if we do then customer vulnerabilities will be considered as part of the decision-making process.

4.2 We will support people with vulnerabilities to 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 with vulnerabilities in the delivery of our services but also to ensure we meet our statutory and regulatory requirements as a social landlord. Details are provided in the appropriate areas this policy. All our customer policies are available on the website.

5.0 Monitoring and Review

5.1 This policy will be reviewed every five years Jill Jones, Head of Sales, Lettings and Customer Care. The review will be brought forward if there are significant changes to best practice, regulatory or legislative requirements.

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.

[Remove this back sheet when publishing externally / to customers]

Approved by	Executive Team
Date approved	7 th August 2024
Frequency of review	Every 5 years
Last reviewed by	NA
Date of last review	NA
Key related documents (policy, procedure, customer literature)	Shared Ownership Affordability Policy
Sources of best practice or guidance used in developing this policy	Homes England – Capital Funding Guide
Author of this policy version	Sarah Whitworth - Interim Head of Sales and Marketing

Document change history		
Version	Date	Changed sections
1.1	12/08/2025	'This policy is applicable to' section updated to cover Karbon Group
2	19/03/2025	Document formatted to meet STAIRs requirements

Equality and Data Protection Impact Assessments		
Include below the dates/outcomes from most recent EIA and DPIA		
Equality Impact Assessment (EQIA)	EQIA Date: 29/07/2024	
Data Protection Impact Assessment (DPIA)	Initial/Full	DPIA Date: 29/07/2024

Consultation		
Consultation Group	Needs to be consulted when ...	Date of Consultation
Colleague Forum	Where a new policy or major policy change affects colleagues	Not Applicable
Unions	Where a new policy or major policy change affects colleagues	Not Applicable
Customers (including customers of subsidiaries)	Where a new policy or major policy change affects customers	Not Applicable
54North colleagues	To agree any wording needed in the policy to reflect differences in 54North structure and processes	Not Applicable
Inclusion and Belonging	An updated EQIA must be completed every time there is a new version of the policy	Not Applicable
Data Protection	The Data Protection team must be consulted every time there is a new version of the policy as an updated DPIA may be required.	Not Applicable
Legal	For all new policies or major policy changes to consider if there are any	Not Applicable

	legal implications and check if a legal review or advice is required	
Corporate Health and Safety Group	For health and safety policies	Not Applicable
KMT	Approves minor changes. (Circulate to KMT major policy changes/ new policies for awareness and any feedback)	Not Applicable
Exec Team	Approves major changes to non-key policies. (Circulate to Exec major policy changes/ new policies for awareness and any feedback)	Not Applicable
Board Committees	Scrutinise new key policies or major changes to key policies in their areas. Approve specific key policies outlined in Group Delegatory Framework.	Not Applicable
Subsidiary boards	Review and agree adoption of any new policies/major key policy changes going to Group Board	Not Applicable
Group Board	Approve new key policies and major changes to key policies	Not Applicable