

MARKETING & SALES LEASEHOLD POLICY FOR SUB-LETTING



Purpose

To ensure that leaseholders are aware of their obligations under the terms of the lease and to allow, at the association's discretion, for leaseholders to sub-let, on a case by case basis, their property without breaching housing corporation requirements, ensuring the association's interest in the property is not put at risk.

Also to ensure that where permission is granted for a leaseholder to sub-let the lessee meets the qualifying criteria.

Background

This policy will aim to meet guidance issued by the Housing Corporation in its Capital Funding Guide (July 2004).

'Shared ownership leases must prohibit sub-letting by the leaseholder to protect public funds and ensure applicants are not entering shared ownership for commercial gain.'

However

'RSLs may consider, on a case by case basis, requests to sub-let in certain controlled circumstances'

Objectives

This policy aims to meet the following objectives:

- Give leaseholders a clear understanding of the criteria to be met before approval will be given by the association
- Ensure that approvals for sub-letting are not unreasonably withheld.
- Ensure equality and fairness.
- Meet regulatory requirements.
- Comply with appropriate legislation.
- Protects the interests of neighbours and other residents.
- Ensure the leaseholder is aware of their obligations under the terms of the lease and their responsibility to confirm re-occupation.
- Ensure that shared ownership is sustainable in the long term.
- Ensure the association's interest in the property is not put at risk.
- Allow mobility for leaseholders where circumstances require relocation at short notice.

Criteria for Approval

- Leaseholders will be required to apply in writing for approval to undertake sub-letting setting out their reasons, which should be genuine and unavoidable, not for speculation or gain. The application should detail that the rent charge will not exceed the combined cost of rent/mortgage/service charge and letting fee, providing calculations where applicable.
- The person(s) to who the leaseholder sub-lets also satisfies the association's criteria for shared ownership.
- The terms of the sub-let are for a fixed period after which the property must be re-occupied by the lessee or the association is to be notified of the leaseholder's intention to sell the property.
- Permission from the mortgage lender (where applicable) is also required.
- The rent account must be conducted satisfactorily and there are no breaches of the lease terms
- The leaseholder remains responsible for the rent due, and for any loan secured on the property
- Consent will be withdrawn if the lease conditions are breached by the leaseholder owner or the sub-lessee.
- Lettings will be for a maximum period of six or twelve months, to be agreed in advance.
- Permission has been gained from the Association's insurers.
- The reasonable costs associated with granting consent to the sub-let are met by the leaseholder.

Approval will be subject to, but not dependent upon, the association receiving the minimum documentation: -

- Copy of written approval of mortgage lender (where appropriate).
- Copy of tenancy agreement, which must be an approved assured short-hold tenancy agreement, containing the relevant covenants from the lease.
- Details of an approved Letting Agent, (where applicable).
- Details of the Leaseholder's forwarding address and emergency contact numbers
- Completed Application Form for Shared Ownership from Lessee

Examples of circumstances where approval is likely to be given are;

- Requirement to work away from home on a temporary basis.
- Attending education/training away from home of a temporary basis
- Prison term
- Caring for a sick relative
- Financial or market circumstances which delay or prevent the sale of a home.

Approval and Right of Appeal

Once the qualifying criteria have been met the Head of Marketing and Sales will have authority to approve consent for sub-letting.

Shared Owner's will have the right of appeal on decisions on sub-letting in accordance with the association's Complaints Procedure. The Board's decision will be final.

Procedure:

This document should be read in conjunction with the following policies & procedures;

- Shared Ownership Allocations Policy
- Shared Ownership Sales Procedure

Relating Documents:

- Rules of the Gloucestershire Housing Association Limited (Model G revised 1989)
- Housing Corporation Capital Funding Guide
- Shared Ownership Lease

Board

Approvals: This policy will be reviewed annually.

Delegation: Board to Executive (Development Director)

If you require a copy of this document to be translated into another language, or if you require the services of an interpreter, please contact us.

إذا أردت هذه الوثيقة بلغة أخرى أو بطريقة أخرى، أو إذا كنت بحاجة إلى خدمات مترجم، فنرجو أن تقوم بالاتصال بنا. (Arabic)

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান অথবা যদি আপনার একজন ইন্টারপ্রেটারের প্রয়োজন হয়, তাহলে দয়া করে আমাদের সাথে যোগাযোগ করুন। (Bengali)

本文件可以翻譯為另一語文版本，或製作成另一格式，如有此需要，或需要傳譯員的協助，請與我們聯絡。 (Cantonese)

Si vous souhaitez obtenir ce document dans une autre langue ou sous un autre format ou si vous avez besoin des services d'un interprète, veuillez nous contacter. (French)

જો તમને આ દસ્તાવેજ બીજી ભાષા અથવા રચનામાં જોઈતો હોય, અથવા જો તમને ઇન્ટરપ્રિટરની સેવાઓ જોઈતી હોય તો, કૃપા કરી અમારો સંપર્ક સાધો. (Gujarati)

यह दस्तावेज़ यदि आपको किसी अन्य भाषा या अन्य रूप में चाहिये, या आपको आनुवाद-सेवाओं की आवश्यकता हो तो हमसे संपर्क करें (Hindi)

本文件可以翻译为另一语文版本，或制作成另一格式，如有此需要，或需要传译员的协助，请与我们联系。 (Mandarin)

This document is also available in large print, audio tape and Braille on request.

Revised January 2006

Board Approval February 2006

Gloucestershire Housing Association is a registered Housing Association within the meaning of Par 1 of the Housing Associations Act 1085. As a result of this status, the association is accountable via its Committee of Management to the Housing Corporation, as supervisory body which monitors and controls the performance of all registered housing associations.

