

# Sub-letting Policy

## September 2024

Version Control:

Version	Date	Author	Owner	Approver	Approved on	Next review	Comments
1.0	July 2019			CEO			
2.0	26 September 2024	Dir of Property Management	Dir of Property Management	Resi Customer Committee		26 September 2026	



1. **Introduction**

Heylo Housing Group Limited (HHGL) is the parent company of the Group, which includes Heylo Housing Registered Provider Limited (HHRP) and a number of property owning investment vehicles (Pods) (collectively referred to in this policy as 'Heylo'). Heylo currently provides two different Shared Ownership products – Home Reach and Your Home.

All customer facing services to Heylo customers are provided by employees of ResiManagement, a separate, but commonly controlled company.

2. **Purpose**

This policy sets out how Heylo will consider applications from customers sub let their Shared Ownership home, and cases where unauthorised letting has occurred.

3. **Regulatory framework**

Standard form shared ownership leases must prohibit sub-letting to protect public funds and ensure applicants are not entering shared ownership for commercial gain.

4. **Policy Statement**

As a general principle, as set out in the lease, customers cannot sub let the home. The lease terms should always be referred to in the first instance.

The shared ownership property should not be used for commercial purposes including short terms lets and B&B style accommodation.

Shared owners are allowed to take in paying guests/lodgers.

Heylo may agree to sub-letting arrangements in exceptional circumstances on a case-by-case basis and will take into consideration the following:

- Do the reasons for sub-letting genuinely stem from unavoidable need, and are not primarily for speculation or gain?
- Does the person(s) to whom the leaseholder sub-lets also satisfy the provider's criteria for Shared Ownership?
- Are the terms of the sub-let for a fixed period during which the shared owner will retain ownership of the lease? and
- If required, does the leaseholder have the permission of the mortgage lender?
- Where the need for sub-letting is a result of issues linked to building safety challenges

Heylo will consider and permit subletting as a useful commercial, social and property management tool, especially where this can support a customer in temporary financial or other form of distress.

When used and managed with care, especially in an illiquid property market, subletting can:

- Assist with income collection when a customer experiences a fall in income and is unable to sell their home or expect to re-mortgage.
- Enable customers to move home when their job re-locates or they need to re-locate for family or health reasons.

Heylo will consider a sub-letting request where a shared owner:

- Is experiencing financial hardship and is unlikely to be able to sell their home or do so without aggravating that financial hardship or burden.
- Is asked by an employer to work abroad or away from home temporarily, which is not within commuting distance.
- Has experienced a change in family circumstances such as a relationship breakdown or has to move out of their home to care for a relative.
- Is suffering from domestic violence, racial or other forms of harassment.
- Is serving a prison sentence.
- Is over-crowded.
- Is a serving member of the armed forces whose tour of duty requires them to serve away from home (Serving members of the British Armed Forces serving overseas or at a base further than 50 miles or 90 minutes travelling time automatically have the right to sub-let their shared ownership properties)

### **Granting Permission**

In exceptional circumstances where subletting is allowed, the shared owner must also obtain the agreement of their mortgage lender if applicable.

To enable Heylo to make an informed decision the following information is required to be provided by the shared owner:

- Reason for the sub-letting request and proof e.g. if relocating for work, a copy of their employment contract
- Proposed duration of the subletting (we will only provide permission for a maximum of 12 months at a time. An extension request will be required to extend beyond the initial 12 month period)
- How they propose to find a tenant and how the property will be managed e.g. by themselves or estate agent. We will require a copy of the tenancy agreement once signed.

- Ensure that they are aware that they still have full responsibility for the property under the terms of their lease
- If the property is mortgaged, written confirmation of permission from the mortgage company
- A correspondence address (email and phone number, if different) for notices to be served

If permission is granted a licence to underlet will need to be produced and signed by Heylo and the shared owner.

Permission will be granted for a maximum of 12 months. At the end of the 12 month period a request to extend the permission will be required at which point Heylo will assess the status to ensure previous information and reasons for sub-letting remain valid.

#### 5. Review

We will review this Policy every two years, unless there is a significant development that would require a more urgent review e.g. new legislation or regulation.

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Lead team	Property Management
Level of authorisation required (for review):	ResiManagement Customer Committee