
heylo

HOMEOWNER

Guide to Resales



Selling your shared ownership home

The sale of your shared ownership home is also known as a resale.

All shared ownership leases include special terms around selling, as the scheme is intended to help as many people as possible into affordable home ownership. This means if you are a heylo shared owner and would like to sell your home, you should first contact heylo as we must be given the opportunity to find a new shared ownership buyer on your behalf.

Your lease includes something called a 'nomination period' which is the period of time for which your property can only be marketed as shared ownership. You should check your lease to confirm the length of the nomination period for your property and confirm any other requirements that might be in place. However, if a shared ownership buyer is not found within the nomination period, you will be able to market your property at 100% and sell on the open market.

If you wish to sell your shared ownership home, the first step is to contact our resales team at resales.staircasing@heylohousing.com.

You must not market your property until you have contacted our resales team, who will explain the next steps to you.

What you need to supply

In order for our team to assist you with marketing your home, we will require:



RICS valuation



Resales Form

fully completed and signed by all leaseholders

Your sales agent will require:



Energy Performance Certificate (EPC)



Identification

Copies of ID docs (passport or driving licence etc.) for all leaseholders

How it works



How much will it cost to sell my property?

As with the sale of any property, there are costs involved that are your responsibility to cover. Below is a list of the potential costs of selling, but please note this list may not be exhaustive.

Summary of costs:



RICS valuation

According to the lease terms, you are responsible for the cost of obtaining a valuation and any updates or extensions if required.



Agent's fees

You are responsible for covering any and all sales agent fees, including withdrawal fees.



Administration fee

heylo charge an administration fee of £450+VAT = £540 which will be deducted on completion.



Solicitor's fees

You are responsible for covering your own solicitor fees.



Mortgage fees

You are responsible for covering any mortgage fees incurred.



Management company fees

The fees charged by management companies for management packs/LPE1 vary considerably. You are advised to contact them to confirm their fees. The cost of the management pack is paid by either the seller or the buyer. heylo do not issue management packs/LPE1's and these needs to be requested from the management agent.

Valuation

In order to sell your property, you must obtain a valuation provided by a RICS (Royal Institute of Chartered Surveyors) qualified surveyor. This can be a basic valuation report or sometimes called a Home Buyers Report. This is a requirement of your shared ownership lease with us. You cannot rely upon an appraisal valuation provided by an agent.

You should be able to check online to find RICS surveyors in your area, and if in doubt you can check surveyor credentials on the RICS site:

www.rics.org/uk/find-a-member

The property must be marketed at this value for the duration of the nomination period.

How much can I sell my property for?

If a buyer is found for the share you currently own

- You can sell for less than the RICS valuation.
- You cannot sell for more than the RICS valuation.



Instruct your Sales Agent

If you have chosen to instruct one of our recommended estate agents

heylo will send the documentation over to the chosen recommended to instruct them, and they will contact you directly to arrange photography and marketing.

Once your property is on the market, the estate agent will manage buyer enquiries on your behalf and will confirm with you the day you would like to hold viewings.

All of the chosen partner estate agents, understand shared ownership and the eligibility process, which should help speed up any sale.

The agent will contact you independently to discuss their fees.

If you have chosen to instruct a sales agent of your choice

You must sign up to the agent's terms and instruct them yourself, and must also provide heylo with the agent's details so we can send over the supporting information required from us to ensure the agent is aware of the marketing requirements of the shared ownership lease*. Your selected agent will advise you of the next steps.

Your chosen agent can advise you of how they handle buyer enquiries and viewings. They will also be able to confirm their fees to you.

heylo's admin fee will be £450 +VAT = £540.

* They will be obligated to sell the property as Shared Ownership during the nomination period.

Marketing and the nomination period

The date your property goes on the market is the date the nomination period begins. If a buyer is not found within the nomination period, you will be allowed to market the property at 100% in addition to continuing to market as shared ownership. If you choose to use a different agent to market at 100% you must still cover any costs and fees incurred with the first agent.

If your lease is a S106 lease it is possible that there are marketing requirements on your property imposed by the Local Authority. heylo will confirm any S106 requirements we are aware of on the Resales Form that we send your sales agent but you should also refer to your lease to confirm and satisfy yourself that all requirements have been passed to the agent.

Different leases have different nomination periods normally ranging from twelve to four weeks. Please check your Shared ownership lease or ask heylo for any clarification.

Please contact heylo if you are coming to the end of your nomination period and have not yet found a buyer, as we will assist you with a discussion of potential options before you incur any further agent costs.

If a buyer is not found within the three month validity period of the RICS valuation, then you must obtain an updated or desktop valuation from the surveyor. If the value is different the marketing of the property must be amended to reflect this.

Finding a buyer

If you are selling for less than 100% then your buyer must meet certain eligibility criteria as defined by Homes England. The criteria are:

- Total household income must be under £80,000 (£90,000 in London)
- All buyers must be at least 18 years old
- All buyers must meet the Homes England affordability and sustainability assessments (see the Homes England calculator guidance for further information)
- All buyers must be first time buyers or not currently own a home suitable for their housing needs
- All buyers must not own another property anywhere in the world (or be selling their current residence)
- All buyers must have good credit history and pass heylo's credit check (for more information on our credit criteria, please visit [heylohousing.com](https://www.heylohousing.com))
- Self-employed buyers must be able to provide 2-years evidence of their income
- Buyer(s) must purchase the maximum share they can reasonably afford within the parameters of the Homes England calculator
- Buyer(s) are expected to use any savings and assets towards the purchase of their home, which may mean selling assets such as bonds, shares, land and any other financial investments
- Buyer(s) must have a minimum 5% deposit towards the share they are purchasing
- Buyer(s) may retain a portion of their savings to cover the costs of purchase and moving home (typically up to £5,000)

Once a buyer is found, your chosen estate agent must send the required buyer documents to our resales team for eligibility, affordability and credit checks. The buyer documentation we require is:

Documents required for buyer(s) buying less than 100% of the property

- IMA declaration form fully completed and signed by the buyer(s) broker
- Homes England calculator in Excel format completed by the buyer(s) broker
- heylo's privacy policy document signed by all buyers
- Three months of bank statements
- Three months of payslips from the same employer and any probationary period completed
- 2 years SA302 (if self employed or own more than a 25% share in the company)
- Copies of ID docs (passport or driving licence etc.) for all buyers
- Direct debit form completed and signed by all buyers
- Applicants must be a UK tax payer

Once heylo have received all of the above documents we can carry out the credit check on the buyer(s), which must be run against each buyer individually if more than one person is buying. If the credit check has passed, the buyer(s) can proceed; if the check has failed the buyer(s) cannot proceed and another buyer(s) must be found.

Documents required for buyer(s) buying 100% of the property

We do not require any documentation and do not carry out a credit check if you are selling 100% but we do ask for the buyers name to be included on the Memorandum of Sale.

Instructing solicitors

Once we have confirmed your buyer(s) are approved, you and your buyer(s) can instruct solicitors. A Memorandum of Sale (MOS) will be issued and heylo will instruct our solicitors. You can instruct the solicitor of your choice, but we do recommend you choose a conveyancer who has experience with shared ownership specifically.

The legal process

- Your solicitor will act on your behalf to progress the sale and will provide you with progression updates
- The buyer(s) solicitor must send the LPE1 form and any leasehold enquiries to the management company or managing agent
- If there is staircasing alongside the resale, heylo's solicitor will issue the draft memorandum of staircasing
- If your buyer is purchasing with a mortgage, the mortgage offer must be sent to heylo's solicitor for approval
- Before exchange your solicitor will send you a copy of the contract for you to sign and return

If your buyer withdraws when you are outside your nomination period and you still wish to sell, you can put your property back on the open market to find a replacement buyer. You will be allowed to market your property at 100%.

Completion

Once the legal work has been finalised, your solicitor and the buyer(s) solicitor will agree a completion date. It is very important that they notify heylo's solicitor of the agreed completion date as we will need enough notice to prepare the information required in order for accurate completion statements to be drafted. The information we must provide prior to completion includes any deductions for costs incurred, along with rent arrears and other apportionments.

Once completion has taken place you should contact your bank to cancel your direct debit. You and your buyer will have already arranged key handover and you should also ensure you provide any information or items they will need, such as boiler instructions, warranties or window keys.





Contact Us:

Our offices are open:

Monday - Thursday: 9am - 6pm

Friday: 9am - 5pm