

Subletting Policy

Version 2.1



1. Introduction

- 1.1 Heylo Housing Group Limited (HHGL) is the immediate parent company of the Group, which includes Heylo Housing Registered Provider Limited (HHRP). Also within the Group are a number of property owning investment vehicles (Pods) which are subsidiaries of HHGL, with HH No. 7 Ltd being a direct subsidiary of HHRP. This policy covers all Group entities, (collectively referred to in this policy as 'Heylo'). The Heylo Group's purpose is to help aspiring homeowners and renters find a place to call home, provide home ownership solutions across England. Heylo currently provides three different Shared Ownership products – Home Reach, Home Reach Flex and Your Home.
- 1.2 All customer facing services to Heylo customers are provided by employees of ResiManagement, a separate, but commonly controlled company.

2. Purpose

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

3. Regulatory Framework

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

4. Policy Statement

- 4.1 As a general principle, as set out in the lease, customers cannot sublet the home. The lease terms should always be referred to in the first instance.
- 4.2 The shared ownership property should not be used for commercial purposes including short terms lets and B&B style accommodation.
- 4.3 Shared owners are allowed to take in paying guests/lodgers.
- 4.4 Heylo may agree to subletting arrangements in exceptional circumstances on a case-by-case basis and will take into consideration the following:
 - (a) Do the reasons for sub-letting genuinely stem from unavoidable need, and are not primarily for speculation or gain?
 - (b) Does the person(s) to whom the leaseholder sublets also satisfy the provider's criteria for Shared Ownership?
 - (c) Are the terms of the sublet for a fixed period during which the shared owner will retain ownership of the lease? and
 - (d) If required, does the leaseholder have the permission of the mortgage lender?
 - (e) Where the need for sub-letting is a result of issues linked to building safety challenges

-
- 4.5 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.
- 4.6 When used and managed with care, especially in an illiquid property market, subletting can:
- (a) Assist with income collection when a customer experiences a fall in income and is unable to sell their home or expect to re-mortgage.
 - (b) Enable customers to move home when their job re-locates or they need to re-locate for family or health reasons.
- 4.7 Heylo will consider a subletting request where a shared owner:
- (a) Is experiencing financial hardship and is unlikely to be able to sell their home or do so without aggravating that financial hardship or burden.
 - (b) Is asked by an employer to work abroad or away from home temporarily, which is not within commuting distance.
 - (c) 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.
 - (d) Is suffering from domestic violence, racial or other forms of harassment.
 - (e) Is serving a prison sentence.
 - (f) Is over-crowded.
 - (g) 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 sublet their shared ownership properties)

5. Granting Permission

- 5.1 In exceptional circumstances where subletting is allowed, the shared owner must also obtain the agreement of their mortgage lender if applicable.
- 5.2 To enable Heylo to make an informed decision the following information is required to be provided by the shared owner:
- (a) Reason for the sub-letting request and proof e.g. if relocating for work, a copy of their employment contract
 - (b) 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)
 - (c) 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.

-
- (d) Ensure that they are aware that they still have full responsibility for the property under the terms of their lease
 - (e) If the property is mortgaged, written confirmation of permission from the mortgage company
 - (f) A correspondence address (email and phone number, if different) for notices to be served
- 5.3 If permission is granted a licence to underlet will need to be produced and signed by Heylo and the shared owner.
- 5.4 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 subletting remain valid.

6. Review

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

Version Control

Version	Date	Author	Verifier	Comments
1.0	July 2019	Director of Property Management	CEO	Policy approved
2.0	September 2024	Director of Property Management	Customer Committee	Policy reviewed
2.1	July 2025	Governance Manager	HHRP & HHGL Boards	Adoption of standard format and standard introductory wording
Next review due: September 2026				



Heylo Housing
Level 6, Design Centre East
Chelsea Harbour
London, SW10 0XF

●
0203 744 0415
info@heylohousing.com
heylohousing.com

●
If you require this email in another
format or language, please let us
know and we'll do our best to
accommodate your needs.

Heylo and Heylo Housing are trading names of Heylo Housing Group Limited (registered in England and Wales with company number 11104403) and its subsidiary companies.

The Registered Office of each of the group companies is:
6 Wellington Place, 4th Floor (Ref: CSU), Leeds, LS1 4AP

HHRP is a private limited company (Companies House Number 06573772) and is a for profit Registered Provider (registration number 4668) regulated by the Regulator of Social Housing.

HHRP Registered Office:
6 Wellington Place, 4th Floor (Ref: CSU), Leeds, LS1 4A

© All information in this document is copyright of Heylo Housing Group Limited. Information is correct at time of publication.