

Voluntary Surrender of a Lease Policy

Version 1.2

August 2026



1. Introduction

- 1.1 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 – HomeReach and YourHome.
- 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, approve and execute the voluntary surrender of a shared ownership lease from a leaseholder.

3. Regulatory Framework

- 3.1 The Regulator of Social Housing's Transparency, Influence and Accountability Standard sets out the required outcomes Registered Providers must achieve:

Required Outcomes

- 1.1.1 Registered providers must treat tenants and prospective tenants with fairness and respect.
- 3.2 Any consideration of a proposed voluntary surrender of a lease must also take into consideration the terms of the lease, and if the property was originally provided with the assistance of grant funding, the Capital Funding Guide.

4. Policy Statement

- 4.1 Heylo recognises and accepts that from time to time there will be occasions where a shared owner no longer wishes to retain a leasehold interest in their property. Where this occurs then the natural steps would be for them to offer the property for sale on the open market as a shared ownership home or (after any applicable pre-emption or nominations period), for outright sale.
- 4.2 However, there are two circumstances where there may be little value in the equity the leaseholder currently holds due to the following reasons:

- They are on a 'starter entry lease' with a minimum of 1% equity and they cannot afford to live in the property or do not wish to remain living there.
- They are in arrears and the sum of the arrears exceeds the value of their equity.

- 4.3 Only properties without a mortgage can be considered for voluntary surrender of a lease. Any customer with a mortgage who wishes to voluntarily surrender the property should approach their mortgage lender who will have their own procedure for managing such requests.
- 4.4 A voluntary surrender of the lease allows the customer to walk away from the property without any further worries or involvement in the property. Heylo can recover the property which will allow the property to be either resold for shared ownership or sold on the open market at 100% equity. Sales proceeds will be offset against outstanding charges on the rent account.
- 4.5 If the open market value (OMV) of the equity owned exceeds the value of the arrears plus 2.5% of OMV (to cover legal and estate agent fees) then a surrender of the lease will not be allowed. The property needs to be sold on the open market.
- 4.6 Heylo will not offer any consideration for the voluntary surrender of the lease. The shared owner will not receive any payment from Heylo, however extenuating circumstances will be considered on a case by case basis.
- 4.7 Heylo may offer the voluntary surrender of a lease only when all other options have been considered and it can be demonstrated that there is no other suitable route to follow.
- 4.8 Any shared owner who wishes to surrender their lease back to Heylo will need to seek and appoint an independent legal advisor. If the shared owner is unable to meet the costs of legal representation then they will need to demonstrate to Heylo why this is the case. If suitable evidence is produced then Heylo will agree to meet the shared owner's reasonable legal costs, which will be recouped on the sale of the property. Heylo will meet its own legal costs for accepting the surrender and dealing with HM Land Registry matters.
- 4.9 Heylo will reserve the right as to whether it will pursue the former shared owner for any losses it may incur as part of the surrender and disposal of the property.
- 4.10 A register of surrenders will be maintained and reported to ResiManagement Finance Committee, as well as ARC (Audit & Risk Committee) and HHGL and HHRP Boards.

5. Review

- 5.1 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.

Version Control

Version	Date	Author	Verifier	Comments
1.0	May 2023	Director of Property Management	CEO	
1.1	September 2024	Director of Property Management	Resi Customer Committee	
1.2	August 2026	Director of Property Management	HHRP and HHGL Boards	Review of policy.
Next review due: August 2028				



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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:
One Sovereign Quay, Leeds, LS1 4AG.

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.

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