



Homes &  
Communities  
Agency

# Shared Ownership and Affordable Homes Programme

Supplementary information – Continuous Market  
Engagement (CME)



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## Supplementary information

### 1. Is funding available for the development of rented traveller pitches?

A. Yes. Traveller pitches can be included in Affordable Rent bids submitted under the 2016 to 2021 Shared Ownership and Affordable Homes Programme (2016-21 SOAHP). There is no separate traveller pitch funding programme.

Bidders should note that bids for traveller pitches under the SOAHP should be for the provision of new pitches only.

The bid requirements for the 2016 to 2021 SOAHP are set out in the programme Prospectus and the Addendum to the Prospectus for Continuous Market Engagement (CME). Assessment of bids for traveller pitches will be undertaken in line with the assessment criteria outlined in these documents.

The particular requirements for this type of provision can be found in the Capital Funding Guide.

### 2. If a provider wishes to offer a Rent to Buy tenant the option to buy their home under Shared Ownership, does the tenant have to wait five years before they can buy?

A. No. The minimum letting term is a restriction against selling or letting the property on the open market. A purchase on Shared Ownership terms would mean the home remains as affordable housing so the five year requirement falls away. However, if a provider wishes to offer a Rent to Buy home for sale on Shared Ownership terms, they must ensure the tenant meets the eligibility and affordability criteria set out in Capital Funding Guide, [Help to Buy: Shared Ownership chapter](#) as well as the eligibility requirements for Rent to Buy.

Rent to Buy is designed as a route to support people to buy their home outright on the open market. Whether to offer the option of a Shared Ownership purchase to a Rent to Buy tenant is entirely at the discretion of the provider and there is no requirement to do so. Prospective tenants should have their home ownership choices explained at the time of application.

### 3. Is funding for Affordable Rent limited to mixed tenure sites?

A. No. Although where rent funding is requested the preference is for schemes that bring forward rent alongside home ownership (Shared Ownership or Rent to Buy), providers are able to bid for standalone rent schemes, where that best meets the needs of the local area. There is no requirement that providers only develop rented homes as part of mixed tenure sites.



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**4. The Addendum to the Prospectus states that CME bids must be for firm schemes only, is it possible to submit indicative bids to bring empty homes back into use where the properties have not yet been identified?**

A. Yes. In general, bidding for 2016 to 2021 SOAHP CME is restricted to firm schemes only, however we recognise that where providers are working to bring empty properties back into use as affordable housing, it is suitable to allow for an indicative allocation to support the purchase or lease of empty properties as they are identified.

In order to support providers to bring empty properties back into use, indicative allocations are available through CME. Providers should indicate in their Offer Line(s) for such schemes in IMS that the bid is for 'Bringing empty properties back into use'.

**5. The Addendum to the Prospectus states that CME bids must be for firm schemes only, is it possible to submit indicative bids for Home Ownership for People with Long-Term Disabilities (HOLD)?**

A. Yes. In general, bidding for 2016 to 2021 SOAHP CME is restricted to firm schemes only, however we recognise that where providers are planning to offer HOLD, a quick confirmation of grant is required to support the purchase of a suitable home once it has been identified.

In order to support providers to offer HOLD in their area, indicative allocations are available through CME. Providers should indicate in their Offer Line(s) for such schemes in IMS that the bid is for HOLD.

**6. For local authorities who are delivering Rent to Buy homes directly, rather than through a housing association, are tenants in Rent to Buy homes able to buy their homes under Right to Buy?**

A. Local authorities will need to seek their own legal advice on their plans for managing tenancies and nominations for any Rent to Buy homes to ensure that they satisfy themselves that they are complying with the relevant legislation.

**7. Is it possible under Rent to Buy for the landlord to offer a savings scheme to help tenants save for their deposit that would be funded through a premium added to the rent paid by the tenant?**

A The rents charged on Rent to Buy homes must comply with the requirements for the Rent to Buy product as set out in the Rent to Buy chapter of the Capital Funding Guide and must be set at up to 80% of local market rent.

If providers wish to help their tenants to save for a deposit this is a business decision for them and would not affect their allocation of funding for Rent to Buy, as long as the savings element is not included in the rent. Any such scheme must not be made a requirement for all tenants or added as a criterion for eligibility to accessing a Rent to Buy home.



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Any providers who are considering offering a similar scheme should seek their own legal advice on the implications of setting up such a scheme to ensure they comply with all relevant legislation and regulation requirements, including the Social Housing Regulator and the Financial Conduct Authority.

## **8. Can providers offer Rent to Buy on sites that have restrictions on outright ownership, for example on rural exception sites?**

A: Providers are able to offer Rent to Buy on sites that restrict outright ownership. A tenant can purchase the maximum equity permissible (for example 80% on a rural exception site) after five years in one transaction. However, providers will need to take their own legal advice as to the appropriateness of offering Rent to Buy on sites that restrict outright ownership and be aware of the potentially limited range of financial products which may be available from lenders to prospective purchasers where outright ownership is restricted. Providers may also choose to offer the option to purchase on Shared Ownership terms (in accordance with the requirements set out in the Help to Buy: Shared Ownership chapter).