

Shared Ownership Buy Back and Reverse Staircasing Policy

Policy ref:

Policy author/holder Director of Sales & Marketing

Date approved: 4 June 2025

Approved by: Executive Director of Development and Investment

Effective date: 4 June 2025

Review date: 4 June 2028

1 Purpose and scope

This policy sets out the circumstances where LiveWest will consider buying back the equity owned by a leaseholder. This may be in interim tranches, commonly known as “reverse staircasing” or to reduce the shared ownership percentage to nil, known as “buy-back”.

LiveWest is a charitable organisation and our charitable objectives require that we reinvest any surpluses we make, in order to provide and maintain quality affordable homes.

We understand that the financial situation of our customers can change, impacting their ability to afford their home. While we aim to help our shared ownership leaseholders who find themselves in financial hardship, we will not be able to offer a buy-back or reverse staircasing to all. This policy covers the circumstances in which we may consider this course of action.

Reverse staircasing may only be practicable where the corresponding increase in rent remains sustainable. We will therefore only consider this where it can be demonstrated, through an affordability assessment, that an increase in the customer’s rent will not negatively impact their ability to maintain their shared ownership rent payments in the future.

This policy covers LiveWest’s shared ownership properties only.

2 Criteria

The core principle of our buy-back and reverse staircasing policy is to prevent the loss of an asset and where possible, help to prevent homelessness.

LiveWest will only consider buy-back or reverse staircasing in limited circumstances, as follows:

- We may consider buying back part, or all of the shares in a property if a shared owner is experiencing severe financial difficulties and is in rent and mortgage arrears.

In all cases, the shared ownership leaseholder must first demonstrate that they have exhausted all other options available to them to remedy the hardship, including the following:

- Contacting the mortgage lender (if applicable) - if a customer is in financial difficulty and having trouble paying their mortgage, the lender may be able to work with the customer to reduce their mortgage payments.
- Seeking professional budgeting or debt advice and seek to reschedule any loans. Most local authorities offer free debt advice, or they can put the customer in touch with independent debt counselling agencies.
- Making a Tenancy Sustainment referral as the team can help with maximising income and budgeting.
- Taking in a lodger for any spare rooms. Shared owners will need to seek our permission beforehand, and a tenancy agreement cannot be made.
- Selling the property/share and moving. In some circumstances, we may be able to assist with help towards the cost of legal and selling fees.

Potential buy-backs will need to be fully appraised. LiveWest will only appraise cases where all other options have been exhausted, without frustration. For example, unwarranted delays or refusal to allow access for necessary appointments.

If deemed viable for buy-back or reverse staircasing, a paper will be prepared, outlining the case, for the determination of the LiveWest Executive Team.

As the decision-making process will be heavily circumstantial, the Executive Team will consider their outcome on a case-by-case basis. No single decision made by the Executive Team will set precedent for any further decision on the same development, or any other.

Where there is no mortgage lender, cases of financial hardship are more appropriately resolved either by:

- Help with debt and finance management, or;
- A voluntary sale of the property, which will achieve a largely similar outcome to buy-back.

This policy is not intended to cover shared ownership properties which are in a state of disrepair.

Whilst the above forms the main criteria for why a buy-back would be considered, the Executive Team retains authority to review and make determination on cases which fall outside of this, in exceptional circumstances. Where a buy-back is declined, a full explanation will be given to the customer. LiveWest will also provide advice on the alternative options available to the customer. This will most likely be advice and support on how to sell the property.

Unless the lease makes buy-back mandatory, any buy-back is at our discretion. It is not a right or entitlement. LiveWest reserves the right to decline to buy-back properties, even in cases where all the criteria contained within this policy are met.

3 Managing customers' requests

Properties which meet the prescribed criteria (or form exceptions) will be identified and determined by LiveWest.

Customers are encouraged to discuss their circumstances with the relevant Officer (this may be an Income, Homeownership or Tenancy Sustainment Officer) to support LiveWest in understanding their circumstances so the situation can be suitably appraised.

If no steps have been taken to seek an alternative resolution, the relevant Officer has the authority to confirm that the case is not viable to be considered for buy-back or reverse staircasing.

Customers of properties which are not deemed suitable for a buy-back will be signposted to appropriate support offered by LiveWest or external agencies.

4 Hardship

When considering financial hardship LiveWest must take into account the ability of the shared owner to raise a mortgage or other finance to purchase a home or re-order their debts. LiveWest has charitable objectives which we aim to always uphold. This means that funds are very limited and some of the options will be available only to eligible individuals based on personal circumstances.

Customers must be able to demonstrate financial hardship. In all cases, we will require that customers complete an income and expenditure assessment and provide supporting documentation as part of this. We may need authority to speak to debtors and other relevant third parties to assist in our understanding of the situation.

Customers are expected to take proactive steps towards managing their financial hardship, which may include prioritising payments which help to secure their housing situation.

5 Monitoring and review

We have full commitment to this policy and will ensure appropriate training will be given to all relevant staff. This policy will be made widely available to customers and stakeholders via an appropriate range of online and printed communication platforms.

This policy will be reviewed every three years or earlier in line with any legislative, regulatory or good practice changes.

6 Equality and diversity

We understand that our customers have different needs, and we want to ensure our customers are treated fairly. We will make sure that every request from a customer is reviewed and considered based on the individual needs of that customer. Equality and diversity issues have been considered to ensure compliance with the Equality Act 2010. In addition, Data Protection and Health and Safety issues have also been considered.

7 Right to Appeal

Appeal to any formal decision made can only be accepted where new and relevant information is presented. Upon submission of new or relevant information, the case will need to be re-appraised.

8 Linked/Associated papers

- Complaints, Compliments and Feedback Policy