

Acquisition Policy

<i>Purpose:</i>	To establish DPHA's policy and set out our position on buying back shared ownership and fully owned properties
<i>Review Date:</i>	January 2023
<i>Guidance:</i>	Scottish Government Guidance Note HIGN 2009/07 Scottish Government Guidance Note HSGN 2012/02.
<i>Regulatory Standards:</i>	<ol style="list-style-type: none"> 1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users. 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. 3. The RSL manages its resources to ensure its financial well-being and economic effectiveness. 4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
<i>Date reviewed by Policy Review Working Group (PRWG):</i>	28 February 2023
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<i>Date of next review</i>	March 2026

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LIST OF APPENDICES

Appendix 1: Scottish Government Guidance Note HIGN 2009/07

Appendix 2: Scottish Government Guidance Note HSGN 2012/02

1.0 INTRODUCTION

- 1.1 The Association developed several Shared Ownership Properties as part of its new build developments in the 1990's, to deliver low-cost home ownership options to the community. As a registered Property Factor, it factors many properties, within the local area, which are privately owned.
- 1.2 The Association's Acquisition Policy sets out the framework for determining whether a property should be bought back or acquired.
- 1.3 In retaining the option to buy back or acquire a property, the Association will manage its exposure to financial risk whilst assisting with tenancy sustainment and the prevention of homelessness.

2.0 AIMS OF THE POLICY

- 2.1 The aim of this policy is to ascertain the financial viability of the Association buying back a property from a sharing owner or owner upon their request. The policy will also allow the Association to opportunity to acquire vacant properties on the open-market
- 2.2 This Acquisition Policy has been devised in conjunction with Scottish Government Housing Investment Guidance Note (HIGN 2009/07) {Appendix 1} issued in May 2009 with agreement from the Scottish Housing Regulator. The guidance note details the operational procedures for shared ownership set out in HSGN 2012/02 {Appendix 2}
- 2.3 This guidance allows the Association, to buy back a property for the purpose of increasing its housing stock but also provides the following options depending on whether a property is to be purchased with vacant possession or with a sitting owner:

Vacant possession and make it available for rent so long as:

- the Local Housing Strategy demonstrates to the satisfaction of the current grant provider or a clear shortage of rented, and;
- no additional grant is required for the purchase

Offer the tenancy to the former sharing owner, or owner, so long as:

- the Association confirms that it has a policy, which sets out how it will assess and prioritise such cases, and;
- no additional grant is required

3.0 LEGAL AND REGULATORY REQUIREMENTS

- 3.1 In buying back a property, the Association will ensure that it complies with legislative requirements and demonstrate best practice in relation to buying back the property.

4.0 PROCEDURAL FRAMEWORK

- 4.1 A sharing owner, or owner, must write to the Association asking the Association to purchase their property.
- 4.2 The Association will only consider purchasing the property based on a valuation by the District Valuer Service. The same principle applies if the Association is considering purchasing a vacant property on the open market.
- 4.3 Each party will be responsible for the cost of their own legal fees. The valuation fee will be split evenly between both parties. The sharing owners or owners share can be deducted from the purchase price.
- 4.4 Monies outstanding to the Association e.g. rent, repairs costs, factor's accounts or other monies owed to the Association, will be deducted from the purchase price at settlement.
- 4.5 The sharing owner, or owner, will be required to sign a standard Scottish Secure Tenancy Agreement prior to completion of the transaction. The Association will offer appropriate tenancy support to help ensure the tenancy is maintained.
- 4.6 An investment appraisal must be carried out to ascertain the financial viability of the purchase. The appraisal will consist of a 30 year cash flow incorporating the new rent charge for the property less purchase price, legal fees and costs for managing and maintaining the property, including estimated future maintenance costs. Where the property is situated in an external factored development, these costs should also be included. The financial appraisal must show a positive value between years 20-25.
- 4.7 A report on each potential property buy back or acquisition, together with its investment appraisal, must be submitted to the Board for approval to proceed with purchase.

5.0 EQUALITY AND HUMAN RIGHTS

- 5.1 We are committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all. This is reflected in our Equality and Human Rights Policy.

6.0 COMPLAINTS

- 6.1 Although we are committed to providing high levels of service, we accept that there may be occasions where customers are not satisfied with the service they have received from us. We value all complaints and will use this information to help us improve our services. Our Complaints Policy describes our complaints procedure and how to make a complaint.

7.0 DATA PROTECTION

- 7.1 We will treat all personal data in line with our obligations under the current data protection regulations and our Privacy Policy. Information regarding how all data will be used and the basis for processing your data is provided in our Customer Fair Processing Notice.

8.0 REVIEW OF POLICY

- 8.1 This policy will be reviewed 3 years after it has been approved by the Board, or earlier if required.