

Shared Ownership Rent Policy

Code: CSHO 12.0

Version: 4.1

Created: May 2023

Review: September 2026

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1. Our policy statement

- 1.1 This policy sets out Sage Homes approach to rents for shared owners. Shared owners are leaseholders who own part of their property and pay rent on the share of the property that they do not own.
- 1.2 This policy includes information on how these rents are set and reviewed, and our approach to rent arrears and income management.
- 1.3 It sets out how we will meet our statutory, regulatory, and contractual obligations, while ensuring we meet our objectives of providing high quality affordable housing.
- 1.4 For all our shared ownership properties, the purpose of this policy is to:
 - Ensure that Sage Homes is transparent in its approach to setting rents
 - Ensure that Sage Homes meets its legal and regulatory obligations with regard to setting rent
 - Set out our approach to collecting rent
 - Set out how we will manage any rent arrears.

2. The scope of this policy

- 2.1. This policy applies to all shared ownership residents, and shared ownership properties owned by Sage Homes.
- 2.2. It does not apply to properties where the shared owner has staircased to 100% ownership.
- 2.3. All staff and partner agencies are expected to comply with this policy when working with shared owners.

3. Equality and diversity

- 3.1. Sage Homes is committed to making sure all services are accessible to all our residents. Our staff will be trained to ensure they are communicating appropriately with our customers, and they have the relevant information.
- 3.2. This policy will be applied in a way which makes sure we treat all customers with fairness and respect. We recognise our duty to advance equality of opportunity and prevent discrimination or victimisation on the grounds of age, sex, sexual orientation, disability, race, religion or belief, gender re-assignment, pregnancy and maternity, marriage and civil partnership and any other protected characteristics defined within the [Equality Act 2010](#).
- 3.3. On request we will provide translations of all our documents, policies and procedures in various languages and formats including braille and large print.

4. Commitment

- 4.1. Sage Homes will adhere to all relevant legislation, regulatory requirements and best practice when setting and collecting rents.
- 4.2. Sage Homes will communicate clearly with shared owners in relation to:
 - How their rent is set
 - The amount of rent that is due
 - Any changes to their rent
- 4.3. Sage Homes will take into account best practice published by the Regulator of Social Housing, National Federation of Housing, and the Council of Mortgage Lenders.

5. Approach

- 5.1. Rent for shared ownership properties is due on the share of the property retained by Sage Homes.

Initial Rent Setting

- 5.2. The initial rent for a shared ownership property will be set by the Sales team, based on the value, and share of the property retained by Sage Homes and will be set at the point of purchase of the shared ownership property.
- 5.3. Rent for shared ownership properties will be set at the level specified in the property's shared ownership lease, and in line with the requirements of any s106 covenants on the property.
- 5.4. Rent will be set as a proportion of the value of the share in the property retained by Sage Homes. As required by Homes England rent will be set at no more than 3% of the value of the retained share.
- 5.5. All prospective shared owners will be made aware of the level of rent that will be due on their properties upon purchase and this will be set out in their leases.
- 5.6. In mixed tenure developments, service charges can be set for a whole estate with our partners (e.g., the developers who may also have sold units privately). All tenures will receive comparable information about how the charges have been established. This is covered in the Service Charge and Sinking Fund Policy. Rents are exclusive of service charges.

Rent Review

- 5.7. Rents will be reviewed annually and will be upward only. The terms of the rent increase will be set out in each shared ownership lease.
- 5.8. The relevant month for the RPI utilised for rent reviews is November (prior to the April review date), unless the property is part of the Optivo portfolio, then its September (prior to the April review date).
- 5.9. Shared owners will be notified promptly and clearly of their new rent following the rent review. It is the responsibility of shared owners to pay the correct rent that is due on their property.

Staircasing

5.10. Shared owners are able to purchase additional shares in their home, as set out in Sage Homes staircasing policy. When a shared owner purchases additional shares in their home the proportion of rent they pay will be reduced to reflect this change. Sage Homes will notify shared owners of the new rent due upon their purchase of an additional share.

Rent Payment

5.11. It is the responsibility of shared owners to make sure that their rent is paid when it falls due. Sage Homes will make the responsibilities of rent payment clear to shared owners throughout the purchase process.

5.12. Information about how to pay rent will be provided clearly to all shared owners upon purchase of their home and will be made available on Sage Homes customer portal. Sage Homes aims to be digital by design and as soon as the appropriate systems are in place all shared owners will be required to make payments through its online portal or by direct debit. Where it is not possible for a shared owner to pay by direct debit or through the portal Sage Homes will also offer payment by standing order.

5.13. Customers will be able to access their rent account at any time online. Sage Homes will also provide an annual rent statement by post alongside the rent review notification.

Income Management

5.14. As set out in our Income Collection Policy, Sage Homes will take a firm but fair approach to rent arrears. When managing rent arrears for shared owners we will work in line with the joint guidance for shared ownership issued by Homes England.

5.15. Where rent arrears accrue, we will seek to work with shared owners to address the issues of rent arrears and put in place plans to address the arrears.

5.16. We will notify shared owners of any arrears accrued on their account and identify organisations that can offer them financial advice to resolve their arrears.

5.17. If rent is in arrears, we will warn the shared owner that we intend to inform their mortgagee of the arrears. We will then work with the mortgagee to agree an appropriate course of action.

5.18. We will work to recover all rent due to us through all reasonable means, including the use of court orders.

Appeals

5.19. If a shared owner considers that the rent has been set at or the outcome of a rent review is not in line with this policy, they have a right to appeal in writing to Sage Homes. We will review any appeal and notify the shared owner of our decision within 21 days.

5.20. Where Sage Homes and the shared owner are not able to reach agreement on the rent within three months of the change in rent shall be referred to an independent expert as set out in the shared ownership lease.

Monitoring and compliance

5.21. The Sage Homes board has overall responsibility for rent setting. An annual report will be provided by officers to the board, outlining the rents of the shared ownership portfolio, and the outcome of the rent review process.

5.22. Rent setting and review calculations will be validated by internal audit at least once every three years.

5.23. This policy is owned by the Head of Lettings who also has the overall responsibility to ensure that the policy reflects regulatory requirements, that Board members are kept informed of any significant changes and that the policy is adhered to.

6. Background and Legal documents

6.1. This policy should be read in conjunction with the following policies and procedures:

- Income Collection Policy
- Section 20 Policy
- Service Charge Policy
- Sinking Fund Policy

6.2. This policy is also informed by the following primary legislation and regulatory documents:

- The regulatory standards - RSH
- Housing and Regeneration Act (2008)

6.2. Landlord and Tenant Act (1985)

- Landlord and Tenant Act (1987)
- Commonhold and Leasehold Reform Act (2002)

7. Policy review

7.1. We will review this policy at once least every three years to make sure it remains relevant and accurate unless:

7.2. Legislation/regulation or industry changes require otherwise, making sure that it continues to meet our aims and industry best practice.

- We identify any problems or failures in this procedure as a result of customer and stakeholder feedback, complaints, or findings from any independent organisations.

Version	Checked by	Amendments	Approved at/by	Date of Approval	Published by	Date of Review
4.1	Lettings and Homeownership Director	Strategic review and update to corporate template	Lettings and Homeownership Director	Feb 2026	Office Management	Feb 26