



Policy Title:	Buyback on the Open Market Policy
Owner:	Housing Manager
Date Approved:	26th April 2022
Approved By:	Board
Next Review Date:	April 2025
Regulatory Standards:	<p>Regulatory Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users</p> <p>Regulatory Standard 2: The RSL is open 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.</p>

1.0 Introduction

- 1.1. This policy has been developed to set out guidelines for Cadder Housing Association (CHA) in relation to open market property transactions. Acquiring additional properties in line with budget demonstrates value for money by delivering more affordable homes available to rent via a community-based Housing Association, whilst ensuring the close monitoring of overall costs.
- 1.2 The Right to Buy scheme ended in Scotland from 1 August 2016, therefore the purchase of properties on the open market allows the Association to incrementally grow its stock levels.
- 1.3 There is a strong demand for a greater provision of affordable housing across Scotland, and the demand for socially rented homes is likely to increase due to the current levels of inflation and volatility in the energy market. CHA has a healthy demand from applicants with 397 applicants on our waiting lists.

2.0 Purpose and Scope of Scheme

- 2.1 To increase the supply of affordable housing in the Cadder area by buying back properties on the open market which meet our particular criteria, as set out in section 5.
- 2.2 To purchase properties on the open market that for social rent that will:
- allow us to achieve majority ownership within individual blocks.
 - enable us to meet the needs of households that cannot be met from within our existing stock.
 - help us to maintain a sustainable community.
 - allow the Association to increase its number of 4 and 5-apartment house type properties due to the demand on our waiting lists.

3.0 Benefits

- 3.1 There are a variety of reasons for CHA participating in open market purchases:
- Replaces properties previously lost through Right to Buy (RTB).
 - Increases supply of affordable housing available to rent in the Cadder area.
 - Contributes towards meeting demand and alleviating pressure on our waiting lists.
 - Possibility to assist with reducing number of empty homes or homes in disrepair.
 - Improved management and maintenance of former RTB properties flatted properties and possibility of CHA gaining majority ownership within a block.
 - The Scottish Government contributes 50% funding for the Home Report valuation of the property.

4.0 Risks

- 4.1 However, there are a number of risks to CHA participating in open market purchases:
- Purchasing properties that are deemed as low demand.
 - Cost of bringing the property up to a lettable standard, particularly in relation to SHQS/EEESH and EEESH2 compliance.
 - Financial viability – ensure rental income from property repays net capital cost and contributes to future maintenance costs over the longer term.

5.0 Criteria for Purchase

- 5.1 In order to qualify for the scheme, the following criteria must be fulfilled:
- The Association will consider the purchase of house type properties or flatted properties that give the Association outright ownership within the blocks.

- Consideration will be given to ground floor flat properties, where there are no external stairs.
- Maximum price per property should be based on the Home Report valuation and amended to take account of condition of the property, rental potential and long-term financial assessment.
- Home Report to be made available to CHA.
- The property must be within the Cadder estate.
- Initially the Association has budgeted for a maximum of two open market purchases in the financial year. If an opportunity is presented for the Association to purchase additional properties within the financial year, then approval must be sought from the Board.

6.0 Delegated Authority

- 6.1 The Chief Executive Officer will have delegated authority to negotiate, progress and complete purchases within the confines of the Policy. Updates will be provided to the Board on any potential or confirmed purchases.

7.0 Contact Details

- 7.1 If there are any queries about the scheme then these should be directed initially to the Housing Manager:

By Mail: Cadder Housing Association
20 Fara Street
Glasgow
G23 5AE

By Email: enquiry@cadderhousing.co.uk

By Phone: 0141 945 3282

8.0 Equal Opportunities

- 8.1 Our commitment to equal opportunities and fairness will apply irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy and maternity. An equality impact assessment was carried out in conjunction with the preparation of this policy. It is deemed that this policy will not unduly affect under any person(s) with the above-mentioned characteristics.