

## Government Consultation on Shared Ownership

The government's paper on shared ownership proposed various changes to the shared ownership tenure and launched a, now closed, consultation. The paper made three key proposals:

1. Make it easier and less costly for tenants to staircase, by reducing the size of post-acquisition staircasings to increments as low as 1%, or even £250. Smaller increments could save legal costs, provided it is not the final staircasing and there is no additional borrowing. But a valuation, and its associated costs, may still be required. Equally, where shared ownership properties are charged as security, very low staircasings may pose challenges for registered providers (RPs) and funders alike.
2. Make it easier for people to sell their home, by replacing pre-emption rights typically included in shared ownership leases (which enable RPs to market the property themselves for a specific period) with a "right of first refusal". This gives RPs a level of control, but assumes that the relevant RP has funds available to buy that property back, within a short timeframe – which may be challenging.
3. Introduce a standard shared ownership model for all RPs, by eliminating discrepancies. At first glance this appears sensible – and certainly any deviations which damage the tenure or the tenants it is designed to assist should be discouraged. However in reality most RPs use the relevant current model lease, with the few differences being limited in number and sensible in nature.

[Click here to read more.](#)

## New Prospectus Regulation

The new Prospectus Regulation and the Prospectus Regulation Rules, each of which came into effect on 21 July 2019, should be noted by any issuer looking to the capital markets – including RPs. Of particular relevance are the changes to the content of prospectuses, notably the risk factors, being the key risks to investors considering investing in these bonds. In addition to including risks specific to the issuer or the bonds being issued, issuers must now assess the materiality of the risk factors, with the most material risk factor presented first. There is a clear steer towards presenting risk factors as a source of information and protection for investors.

## Case law update: how to assess parties' intention when rectifying contracts

In *FSHC Holdings Ltd v Glas Trust Corporation Ltd* [2019] EWCA Civ 1361 the Court of Appeal considered principles for rectifying a contract, depending on whether there exists a prior binding agreement or whether it is to reflect a common continuing intention. In this instance, transaction security documents had never been executed. It had been agreed that the claimant should accede to other existing security documents. However by acceding to such other security documents, the claimant assumed additional onerous obligations which were not required under the original transaction. This case is a helpful reminder to all of the importance of keeping records of negotiations and agreed positions

[Click here to read more.](#)

## Upcoming seminars

The following seminars will take place in our office near London Bridge and are free to attend.

For more information and to register to attend, please visit [wslaw.co.uk/events](http://wslaw.co.uk/events)

Capital Markets and Regulatory Update      21 January, 2020  
Charging Update      27 February, 2020

## Upcoming conferences

Social Housing Annual Conference  
4 December, 2019

At this year's Social Housing Annual Conference our Finance team will be hosting the breakfast briefing: 'Social housing finance – the new normal'.



SOME OF OUR RECENT  
WORK INCLUDES:

### New facilities:

Advising Sovereign Housing Association on its £250m unsecured revolving credit club facility with five lenders (NatWest, Lloyds, MUFG, National Australia Bank and SMBC).

Acting for Lloyds Bank Plc on its £100m revolving credit facility to Golding Homes Limited.

### Restructures and restatements:

Acting for Longhurst Group in securing the funder consents required to consolidate its Group into a single RP, including a number of concurrent loan restatements.

### Charging:

Acting for various funders and RPs in respect of revaluation of charged portfolios, following s133 restrictions being lifted resulting in a substantial uplift.

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