

The New Shared Ownership model

The White Paper introduced some key changes to the shared ownership model and launched a, now closed, consultation. The proposals include a reduced initial share purchase of 10% (currently 25%), gradual 1% staircasings for a minimum of 15 years, a 10 year free repair period (of up to £500 per year per property) and a new Right to Shared Ownership applicable to the majority of rented homes built under the Affordable Homes Programme 2021-2026.

Whilst the sector awaits more details, key concerns surround:

1. Product viability for RPs in respect of the reduced initial share that will be received.
2. Valuation issues in relation to RPs security pools for properties that may staircase more easily and for properties which may exercise the Right to Shared Ownership.
3. Two-tiered resale market where current shared ownership properties are less attractive to purchasers.
4. Increased administrative burden for RPs in relation to the possibility of increased staircasings and for funders in relation to the amendments to security pools following staircasing or exercise of the Right to Shared Ownership.

We understand that the new model should be in place by April 2021 and we eagerly await further information prior to this.

Watch this space!

Building Safety

Building safety has again been in the headlines as RP owners and mortgagees of flats of any height struggle to obtain clarity on what certificates are necessary to sell and charge these buildings. The government's latest offering is summarised in our [Construction briefing](#), which sets aside a further £3.5bn to remediate only cladding in buildings exceeding 18m, leaving a total of £5bn in the fund. The costs of non-cladding defects are not covered but such defects are still required to be remedied. Estimates to complete all the outstanding building safety work in the country are close to £15m, so who will pay for the difference? Will developers be paying a levy on future development to help the government recoup the cost of the fund over several years?

[Click here to continue reading.](#)

Growth of ESG financing

ESG financing is becoming increasingly important in the social housing sector as can be seen by recent sustainability bonds issued by Clarion and Aster, Platform's launch of an EMTN programme under which it can issue sustainability bonds, and the NatWest Group affordable housing social bond, the proceeds of which are to be allocated to its social housing portfolio of lending.

ESG financing is still a "work in progress". It is driven by investors who want to invest ethically but with a financial return. Investors need to know that their investments are ethical and will have a positive and social impact, and are not being sold to them as "green" when they are not. In order to assess the ESG performance of organisations investors require access to non-financial information via corporate disclosures. There are several voluntary reporting frameworks, all based on self-reporting on a voluntary basis but as yet there is not a system of globally accepted and consistent ESG reporting standards subject to external audit.

[Click here to continue reading.](#)

Upcoming Webinars

The following seminars will take place online and are free to attend. For more information and to register to attend, please visit [wslaw.co.uk/events](https://www.wslaw.co.uk/events)

Building Safety – What's next for the RP sector? 2 March 2021
[Click here for more details and to register](#)



SOME OF OUR RECENT DEALS INCLUDES:

Swan Housing:

Advised Swan Housing on a transaction specially designed for build to rent developers involving a £22m 40-apartment scheme that forms part of the Blackwall Reach regeneration project. [Click here to read more.](#)

Livewest Homes Limited:

Acted for Prudential Trustee Company Limited for the Noteholders, and Lloyds Bank plc as some of the funders on the property charging of 1,699 units valued at £122m as security for their £1bn guaranteed secured note programme in December 2020, under Numerical Apportionment arrangements

B3Living – SONIA RCF:

Advising B3Living in their recent restatement of their revolving credit facility with Lloyds Bank plc on a SONIA interest basis including a £15,000,000 increased funding element

Trident:

Winckworth Sherwood has advised Trident Group on its £75m private placement, in a deal that the law firm said "confirms the re-opening of the private markets to social housing providers" [Click here to read more.](#)

Banking Finance Team



LOUISE FORREST
Partner/Head of Housing
Finance
020 7593 5050
lforrest@wslaw.co.uk



PATRICIA UMUNNA
Partner
020 7593 5103
pumunna@wslaw.co.uk



ZOFIA KORDEK
Senior Associate
020 7593 5000
zkordek@wslaw.co.uk



LUCY GRIMWOOD
Senior Associate
020 7593 5168
lgrimwood@wslaw.co.uk



GEMINI CECIL
Solicitor
020 3735 1914
gcecil@wslaw.co.uk



KYRIAKOULA LEMOS
Solicitor
020 3735 0274
klemos@wslaw.co.uk



SIMON LOVELL
Consultant
07889 783 444
slovell@wslaw.co.uk



DAVID SMITH
Consultant
020 7593 5000
dsmith@wslaw.co.uk

Charging Team



JILL O'REILLY
Head of Charging
020 7593 5067
joreilly@wslaw.co.uk



RUBY GIBLIN
Partner
020 7593 5016
rgiblin@wslaw.co.uk



ALEXANDRA PETO
Associate
020 7593 5031
apeto@wslaw.co.uk



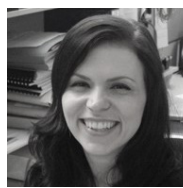
ANNETTE MONTHY
Associate
020 7593 5062
amonthy@wslaw.co.uk



SHELLEY GORMLEY
Associate
020 7593 5098
sgormley@wslaw.co.uk



HAYLEY TURNER
Senior Legal Executive
020 7593 5245
hturner@wslaw.co.uk



JANA SIEBERT
Senior Paralegal
020 7593 0371
jsiebert@wslaw.co.uk