

Rent to Buy Policy

1. Aim

- 1.1. The purpose of this policy is to establish Onward's approach to the allocation, letting, management, review, progression and disposal of homes operated under the Rent to Buy tenure.
- 1.2. Onward will ensure Rent to Buy homes:
 - 1.2.1. are allocated fairly, transparently and consistently;
 - 1.2.2. are offered to households who meet the relevant eligibility requirements;
 - 1.2.3. are affordable and sustainable for the customer;
 - 1.2.4. provide a genuine opportunity to save towards home ownership;
 - 1.2.5. are managed in accordance with applicable tenancy and housing legislation;
 - 1.2.6. comply with Homes England funding requirements and the applicable Capital Funding Guide;
 - 1.2.7. comply with any applicable Section 106 agreement, planning obligation or funding agreement; and
 - 1.2.8. are managed in a manner that protects Onward's financial, regulatory and legal interests.
- 1.3. Where there is any conflict between this policy and a statutory requirement, regulatory requirement, grant agreement, funding condition, Section 106 agreement or other legally binding requirement, the higher legal or contractual requirement will prevail.

2. Scope

- 2.1. Rent to Buy is the tenure as defined by Homes England and as per the 2016-2021 Shared Ownership Affordable Homes Programme Capital Funding Guide and the updated 2021-2026 Capital Funding Guide, that allows eligible customers to rent a designated home at a rent that is typically 20% below market rent, providing an opportunity to save towards a deposit for future home ownership.
- 2.2. This policy applies to all Rent to Buy homes owned or managed by Onward in England.
- 2.3. It applies to:
 - 2.3.1. new lettings;
 - 2.3.2. re-lets;
 - 2.3.3. applicant eligibility and allocation;
 - 2.3.4. affordability assessment;
 - 2.3.5. rent setting;
 - 2.3.6. tenancy arrangements;
 - 2.3.7. tenancy reviews;
 - 2.3.8. support and information relating to home ownership;
 - 2.3.9. purchase by the existing tenant;

- 2.3.10. Shared Ownership where appropriate;
- 2.3.11. continuation or conversion following the initial Rent to Buy period; and
- 2.3.12. disposal or re-letting of Rent to Buy homes.
- 2.4. The policy does not cover areas related to day-to-day tenancy management such as income collection, repairs, gas servicing or service charge administration. These areas are covered by separate policies or procedures and managed in accordance with the tenancy agreement.
- 2.5. The policy does not replace Onward's policies and procedures relating to:
 - 2.5.1. rent collection and arrears;
 - 2.5.2. repairs and maintenance;
 - 2.5.3. gas and electrical safety;
 - 2.5.4. service charges;
 - 2.5.5. safeguarding;
 - 2.5.6. complaints;
 - 2.5.7. anti-social behaviour;
 - 2.5.8. tenancy fraud;
 - 2.5.9. data protection;
 - 2.5.10. equality, diversity and inclusion; or
 - 2.5.11. legal action and possession.
- 2.6. This policy will be implemented in accordance with Homes England's Capital Funding Guide, applicable grant conditions, relevant legislation and any applicable Section 106 agreements.

3. Regulatory and Legal Framework

- 3.1. Onward will operate Rent to Buy in accordance with:
 - 3.1.1. Homes England Capital Funding Guide;
 - 3.1.2. applicable Affordable Homes Programmes and grant funding conditions;
 - 3.1.3. Regulatory Standards issued by the Regulator of Social Housing;
 - 3.1.4. applicable housing and tenancy legislation;
 - 3.1.5. Equality Act 2010;
 - 3.1.6. data protection legislation;
 - 3.1.7. relevant Section 106 Agreements; and
 - 3.1.8. any other applicable legislation, regulation or government guidance.
- 3.2. Onward will maintain records identifying the funding programme, grant conditions and any specific planning restrictions applicable to each Rent to Buy property.

4. Policy Detail

4.1. Marketing

- 4.1.1. Rent to Buy homes will be marketed openly and transparently.
- 4.1.2. Rent to Buy homes do not have to be promoted through local authority nominations or choice-based lettings systems unless a Section 106 Agreement, planning obligation, funding agreement or other contractual arrangement requires otherwise.
- 4.1.3. The Association will publish sufficient information to enable prospective applicants to understand:
 - the nature and purpose of Rent to Buy;
 - the rent payable;
 - any service charges;
 - eligibility requirements;
 - affordability assessment requirements;
 - tenancy arrangements;
 - the minimum Rent to Buy period;
 - that purchase is not guaranteed; and
 - available options at the end of the initial Rent to Buy period.

4.2. Eligibility

- 4.2.1. Rent to Buy homes will be let to first-time buyers, or people who previously owned a home but no longer do because of a relationship breakdown, who are in employment and wish to become homeowners but are unable to purchase an appropriate home at the point of application.
- 4.2.2. Applicants must demonstrate a regular and sustainable source of income sufficient to sustain the tenancy. At least one member of the household must be in employment at the point of letting. Income from employment and other verified sources may be taken into account as part of the affordability assessment.
- 4.2.3. Applicants must not be in a position where they could reasonably afford to purchase an appropriate home outright on the open market at the point of application.
- 4.2.4. Applicants must satisfy Onward's:
 - identity verification checks;
 - right to rent checks;
 - affordability assessment;
 - credit assessment; and
 - tenancy suitability requirements.
- 4.2.5. Where a Section 106 Agreement is in place and specific requirements have been agreed between the Local Authority and Developer, prioritisation and eligibility will be determined in accordance with that agreement.

4.3. Affordability Assessment

- 4.3.1. Onward will undertake an affordability assessment for each application, which seeks to confirm the applicant can afford to sustain rent payments whilst having capacity to save towards a deposit.
- 4.3.2. This assessment will normally be completed through a third-party provider at no cost to the applicant.
- 4.3.3. The assessment will consider whether the applicant can:
 - afford the rent and service charges;
 - meet existing financial commitments;
 - sustain the tenancy;
 - maintain reasonable financial resilience; and
 - retain the ability to save towards home ownership.
- 4.3.4. Applicants will be encouraged to obtain independent legal and financial advice before entering into a tenancy agreement.
- 4.3.5. As part of the assessment, Onward may use an internal benchmark based on whether the household could reasonably be expected to purchase a minimum share of the property through Shared Ownership within a future period.
- 4.3.6. This benchmark is an internal assessment methodology and is not a Homes England requirement.

4.4. Credit Assessment

- 4.4.1. Applicants will be subject to Onward's credit assessment process as part of determining their suitability for the Rent to Buy scheme.
- 4.4.2. Credit history will be considered alongside the applicant's overall financial circumstances and assessed through Onward's appointed specialist adviser or broker.
- 4.4.3. Applications involving significant adverse credit may be declined where this is considered likely to impact the customer's ability to sustain a tenancy or progress towards home ownership.

4.5. Prioritisation

- 4.5.1. Suitable applicants will normally be prioritised on a first-come, first-served basis, subject to meeting all eligibility and affordability requirements.
- 4.5.2. Priority will be determined by the date on which the applicant successfully completes all required eligibility checks and provides all requested documentation, including:
 - proof of identity;
 - proof of address;
 - evidence of income;
 - household information; and
 - credit assessment information.
- 4.5.3. Priority will not be determined solely by the date of initial enquiry.

4.5.4. The needs of the business may also be considered. For example, where an applicant is unable to move within a reasonable timescale, Onward may decide not to proceed with the application.

4.5.5. Any such decision will be made consistently, objectively and without unlawful discrimination.

5. Rent Setting

5.1. Rent to buy properties are a grant funded intermediate product. The customer can use the below market rent as an opportunity to save a deposit to purchase their home.

5.2. Rents will be set in accordance with Onward's Rent Policy.

6. Rent Review

6.1. Rent increases will be managed in accordance with Onward's Rent Policy.

6.2. Service charges will be managed in accordance with Onward's Service Charge Policy and relevant legislation.

7. Tenancy Agreement

7.1. Rent to Buy customers will be granted a tenancy that complies with the prevailing legislative framework and Homes England funding requirements.

7.2. Onward will utilise the most appropriate tenancy type available under housing legislation in force at the time of letting.

7.3. The tenancy granted will not affect the customer's eligibility for the Rent to Buy scheme or progression towards home ownership.

7.4. Nothing in the tenancy agreement will be interpreted as guaranteeing that a tenant will ultimately purchase the property.

8. Right to Buy and Right to Acquire

8.1. Rent to Buy tenants will not have the Right to Buy, Right to Acquire, voluntary Right to Buy or Right to Shared Ownership (for homes provided through the Affordable Homes Programme 2021-2026), regardless of previous circumstances.

9. Tenancy Deposit and Advance Rent Payments

9.1. Applicants are required to provide a tenancy deposit and pay the first month's rent in advance.

9.2. Where a tenancy deposit is taken, it will be protected and administered in accordance with statutory requirements.

9.3. Onward may consider reasonable payment arrangements where this is consistent with policy and legal obligations.

10. Tenancy Management

10.1. Onward will seek to undertake an annual tenancy review and property inspection throughout the Rent to Buy period.

- 10.2. The review may include:
 - 10.2.1. progression towards home ownership;
 - 10.2.2. deposit saving plans;
 - 10.2.3. affordability;
 - 10.2.4. household circumstances;
 - 10.2.5. mortgage readiness;
 - 10.2.6. Shared Ownership opportunities;
 - 10.2.7. home ownership products; and
 - 10.2.8. signposting to independent financial advice.
- 10.3. The tenant will not be required to participate in a savings scheme as a condition of eligibility or continued occupation.
- 10.4. During the fourth year of the tenancy, Onward will seek to discuss future options with the customer in preparation for the end of the initial Rent to Buy period.

11. Rent Arrears and Tenancy Breaches

- 11.1. Where a customer falls into rent arrears, this may constitute a breach of the tenancy agreement.
- 11.2. Onward will seek to work with the customer to address arrears in accordance with the Rent Arrears Policy.
- 11.3. Persistent or significant arrears may result in enforcement action, including legal action where permitted under the tenancy agreement and legislation.

12. Options During Years 1-5

- 12.1. In the first five years following construction of the property, Onward expects tenants to save towards future home ownership.
- 12.2. Onward may, at its discretion, offer the tenant the opportunity to purchase through Shared Ownership or outright sale before the end of the initial five-year period.
- 12.3. Onward does not have to offer Shared Ownership and may require a minimum initial share percentage where Shared Ownership is offered.
- 12.4. 11.4 The tenant is not obliged to purchase the property within the first five years.

13. Options Following Year 5

- 13.1. Where Onward intends to sell the property outright after the initial Rent to Buy period, the tenant will be provided with the first opportunity to purchase.
- 13.2. The tenant may also initiate this process.
- 13.3. Any proposed purchase will be subject to:
 - 13.3.1. affordability assessment;
 - 13.3.2. valuation of the property;
 - 13.3.3. mortgage availability;
 - 13.3.4. funding requirements;

- 13.3.5. legal requirements; and
- 13.3.6. business viability considerations.
- 13.4. Where a tenant requests to purchase a property following the initial five-year Rent to Buy period, Onward will normally agree to the sale unless there are exceptional legal, contractual, operational or financial reasons preventing the transaction.
- 13.5. Any decision not to sell will be documented and approved at the appropriate management level.
- 13.6. Any sale to a Rent to Buy customer will be based upon the current market value determined by an appropriately qualified RICS valuer. Historic indicative values provided at letting will not determine the eventual sale price.

14. Alternatives Where the Tenant Does Not Purchase

- 14.1. If the tenant does not purchase the property, Onward will undertake an options appraisal.
- 14.2. This will consider:
 - 14.2.1. funding and grant requirements;
 - 14.2.2. financial viability;
 - 14.2.3. housing need;
 - 14.2.4. market conditions;
 - 14.2.5. Section 106 requirements;
 - 14.2.6. business objectives;
 - 14.2.7. tenant circumstances; and
 - 14.2.8. regulatory requirements.
- 14.3. Options may include:
 - 14.3.1. continuing Rent to Buy with the existing tenant;
 - 14.3.2. continuing Rent to Buy with a new customer;
 - 14.3.3. Shared Ownership sale;
 - 14.3.4. outright sale;
 - 14.3.5. conversion to Affordable Rent;
 - 14.3.6. re-letting under another tenure; or
 - 14.3.7. retaining the property within Onward's housing stock.
- 14.4. There is no automatic entitlement for a tenant to remain in the property, purchase the property, convert to another tenure, or continue within the Rent to Buy scheme following the initial Rent to Buy period.

15. Exceptional Refusal to Sell

- 15.1. Onward recognises that Homes England expects providers to agree to sell Rent to Buy properties following the initial Rent to Buy period except in exceptional circumstances.
- 15.2. Exceptional circumstances may include:
 - 15.2.1. breach of funding conditions;

- 15.2.2. breach of a Section 106 Agreement or legal restriction;
 - 15.2.3. unlawful disposal;
 - 15.2.4. serious unresolved tenancy breaches;
 - 15.2.5. significant arrears; or
 - 15.2.6. another exceptional circumstance supported by legal, financial or regulatory advice.
- 15.3. Where a decision is made not to proceed with a sale, this must be fully documented, approved at the appropriate level and supported by a clear rationale.

16. Equality, Diversity and Inclusion

- 16.1. Onward will operate this policy in accordance with the Equality Act 2010 and its Equality, Diversity and Inclusion Policy.
- 16.2. Applicants and tenants will not be unlawfully discriminated against.
- 16.3. Reasonable adjustments will be considered where required.

17. Complaints

- 17.1. Customers may raise complaints in accordance with Onward's Complaints Policy.
- 17.2. Where an applicant disputes an eligibility, affordability or allocation decision, an appropriate review or complaint route will be available.
- 17.3. Where a tenant disputes a decision concerning purchase, sale or future tenure arrangements, Onward will provide a clear explanation of the decision and the applicable complaints process.

18. Fraud and Misrepresentation

- 18.1. Applicants must provide accurate and complete information.
- 18.2. Onward may verify information supplied by applicants with employers, credit reference agencies, local authorities, government bodies and other relevant organisations where lawful and appropriate.
- 18.3. Where false or misleading information is deliberately provided, Onward may:
 - 18.3.1. refuse the application;
 - 18.3.2. pursue possession action where legally permitted;
 - 18.3.3. recover monies owed;
 - 18.3.4. refer the matter for investigation; or
 - 18.3.5. take other appropriate legal action.

19. Data Protection

- 19.1. Personal data will be processed in accordance with Data Protection legislation, Onward's Privacy Notice and associated policies.
- 19.2. Information will only be shared where there is a lawful basis to do so.

- 19.3. Applicants will be informed where third-party affordability or credit assessment services are used.

20. Responsibility and Monitoring

- 20.1. The Head of Sales and Director of Development (or equivalent roles) are responsible for ensuring compliance with this policy.
- 20.2. Onward will maintain records relating to:
- 20.2.1. Rent to Buy properties;
 - 20.2.2. funding arrangements;
 - 20.2.3. affordability assessments;
 - 20.2.4. rent-setting methodology;
 - 20.2.5. purchase discussions;
 - 20.2.6. disposals; and
 - 20.2.7. grant recovery considerations where applicable.
- 20.3. This policy will be reviewed at least every three years, or sooner where there is a material change in legislation, regulation, Homes England requirements or business need.

Linked documents:	Shared Ownership Policy Rent Policy Rent Arrears Policy Capital Funding Guide Tenancy Policy Complaints Policy Equality, Diversity and Inclusion Policy Relevant Section 106 Agreements Relevant Funding Agreements Relevant Tenancy Agreement
-------------------	---

Date implemented:	October 2026
Policy lead:	Head of Sales
Approved by:	Executive Team
Approved on:	6 October 2026
Next review date:	October 2029

Reference number:	RETBU04
Version:	4
Document replaces:	Rent to Buy Policy v3