

Policy Name	Property Sales Policy
Version No.	5
Approval Date	December 2023
Category	Corporate Resources - Operational
Classification	Internal

PROPERTY SALES POLICY	
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Version Control

Version	Date	Description	Updated By	Approved By
1.0	April 2014	New policy approved by ELT.	David Fellows	Development Committee
2.0	July 2017	Comprehensive revision and update.	David Fellows	Development Committee
3.0	October 2020	Comprehensive revision and update.	David Fellows	Development Committee
4.0	November 2020	Updated with Covid restrictions and provisions.	David Fellows	Development Committee
5.0	November 2023	Previous New Village and Resales Policies have been combined to create one policy. Comprehensive revision and update.	David Fellows	Development Committee

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1. Policy Purpose & Aim

The ExtraCare Charitable Trust is committed to selling its properties in a manner which is fair and transparent.

ExtraCare recognises that reliance on our new village and resales programmes is a strategic risk to the Charity. A high number of unsold properties would result in high voids, affecting the Charity's cashflow and a location's income and budget. Higher voids would mean less residents and this would affect the overall vibrancy and feel of a village/scheme.

The aim of this policy is to outline an effective process for managing our property sales programme and marketing void properties to ensure that voids are kept to a minimum and sales income is achieved as quickly as possible.

2. Objectives

The objectives of this policy are to:

- Ensure consistency of approach across all ExtraCare sales locations;
- Ensure all Sales Consultants understand the approach of selling ExtraCare properties;
- Minimise the level of sales voids;
- Sell properties in line with the ExtraCare village profile;
- To achieve our annual sales revenue budget;
- To achieve the sales revenue budget for each new village;
- Comply with the ARCO Consumer Code; and
- Meet all legal and regulatory requirements.

3. Scope of Policy

This policy applies to all locations where ExtraCare are responsible for selling properties and impacts leaseholders (including shared owners), prospective leaseholders and their families. This policy does not apply to locations where our partners manage the sale of properties.

4. Responsibilities

Board of Trustees

The Board of Trustees has oversight of this policy as reliance on property sales is a corporate risk.

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Development Committee

The Development Committee seeks assurance that ExtraCare activities at a local level comply with legislative and regulatory requirements and adhere to the ARCO Consumer Code. The Development Committee shall seek assurance that:

- We are complying with this policy;
- Changes and updates in legislation are being monitored; and
- Sales levels, activity and risks are being managed effectively.

Sales Team

The Head of Sales and Marketing (HoSM) has strategic responsibility for the property sales programme and will oversee the implementation of the Property Sales Policy. They will advise the Executive Director Corporate Resources (EDCR) of any failure in the management arrangements. HoSM will be responsible for reviewing and setting pricing levels across all ExtraCare locations, ensuring that sales objectives are achieved and that we deliver on sales-specific Corporate Plan targets. HoSM will monitor external factors, particularly the housing market, existing competitors, new organisations entering the sector and how these factors may impact ExtraCare, particularly in terms of selling properties. HoSM's additional responsibilities in the sales process are highlighted in section 8 (Additional Arrangements).

The Regional Sales Manager (RSM) has responsibility for ensuring that their staff comply with this policy. The RSM is responsible for ensuring all ExtraCare properties are sold in a fair, transparent and equitable manner, and that we always adhere to the ARCO Consumer Code. The RSM will ensure that a suitable strategy is in place to meet all sales objectives – for both new sales and property resales. They will look to maximise pricing levels and the level of equity in each property we sell, adhering to pricing set by HoSM. The RSM will also look to maintain the village profile and ensure that we adhere to Section 106 agreements in each location. The RSM will ensure that our sales literature is clear and accurate, and that all sales properties are being marketed effectively, through a number of different platforms and channels. Monthly and annual targets will be set for the Sales Consultants (SC). It is the RSM's responsibility for monitoring the targets and sales figures being achieved. One of the key objectives of the RSM is to minimise sales voids in their locations. The RSM can offer purchaser incentives within limits agreed by HoSM and EDCR. The RSM will ensure that customer data is treated in compliance with data protection and GDPR, and that all digital databases and spreadsheets are regularly updated. The RSM's additional responsibilities in the sales process are highlighted in section 8 (Additional Arrangements).

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Sales Consultants (SC) are responsible for the direct selling of new village sales and resales properties. Properties must be sold in a fair, transparent and equitable manner and sales must comply with the ARCO Consumer Code. Their role is to maximise the sales prices of each property and the level of equity sold, adhering to the set pricing levels. SC's must ensure that prospective new leaseholders complete necessary assessments, including welfare benefits (where applicable) and a wellbeing assessment, prior to moving in to an ExtraCare location. A key part of their role is to maintain regular contact with the purchaser, estate agents and solicitors, ensuring each sale is progressed as quickly and efficiently as possible. SC's are responsible for promoting the benefits of village life, carrying out property viewings and achieving sales targets/objectives put in place by the RSM. One of the key objectives of the SC is to minimise sales voids in their location(s). They must also ensure that all spreadsheets and databases are updated daily. The SC's will ensure that customer data is treated in compliance with data protection and GDPR. The SC's additional responsibilities in the sales process are highlighted in section 8 (Additional Arrangements).

Sales Administrators (SA) are responsible for ensuring all customer correspondence is accurate and all databases and spreadsheets are updated regularly. The SA will assist with the preparation of sales and marketing events. A key part of their role is to transfer leaseholder information to the digital database, at least two weeks before a new resident moves into an ExtraCare location. The SA will ensure that customer data is treated in compliance with data protection and GDPR. The SA's additional responsibilities in the sales process are highlighted in section 8 (Additional Arrangements).

Staff in locations, such as Housing Assistants, may facilitate viewings if the sales team are unable to attend in person.

Collectively, the sales team are responsible for achieving the annual sales revenue budget, maximising pricing and equity levels, and minimising void levels in sales properties – at both a location and Charity level.

5. Monitoring & Review

The success of this policy is in achieving the annual sales revenue budget and sales related targets and objectives linked to the Corporate Plan (2022–27).

This policy will be fully reviewed every 3 years.

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6. Risk Management

A number of measures are in place to manage the level of risk associated with our sales programme and its impact on the Charity:

New Village Sales

Comprehensive feasibility study into each new village location prior to ExtraCare purchasing the land. This due diligence will be submitted to the Development Committee;

- Beginning a new village sales programme up to 18 months before opening, maximising the amount of time we have to generate new reservations and sales completions;
- The ability to reduce the level of equity sold in a property if there is a drop in the housing market or there is a lack of demand;
- Offering price reductions or purchaser incentives (with the approval of EDCR);
- Increasing the level of advertising and marketing in locations;
- New village sales activity is reported to the Development Committee on a quarterly basis; and
- A clause has been inserted into leases giving ExtraCare more time to buy-back properties in the event of a 'market disruption event' – similar to the Covid pandemic in 2020.

Resales Locations

- Modernising properties by replacing fixtures and fittings (e.g. kitchens and shower rooms) – this requires the approval of the RSM;
- Offering price reductions or purchaser incentives (with the approval of EDCR);
- Increasing the level of advertising and marketing in locations;
- Voids over 6 months will be monitored by RSM's to ensure that appropriate action is being taken to sell the properties and minimise the void time;
- Resales voids are reported to Executive Leadership Team (ELT) on a monthly basis;
- Resales activity is reported to the Development Committee on a quarterly basis;
- A clause has been inserted in leases giving ExtraCare more time to buy-back properties back in the event of a 'market disruption event' – similar to the Covid pandemic in 2020.
- We will seek main board approval for the following interventions:
 - Limitations may be set for the value of properties we buy back each month, depending on restrictions that are in place for completing resales;
 - To enable us to control the level of stock we hold and the number of properties we buy back, we may offer financial incentives to current leaseholders, to encourage them to delay the buy-back of their ExtraCare property; and
 - In a market disruption event, we will report on the number of properties that are being bought back and resold. This will include any financial incentives that have been agreed with leaseholders.

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Early Warning Indicators

Early warning indicators are in place to highlight potential risks of the sales programme and the impact they may have on ExtraCare. Early warning indicators are in place for the following risks and these are reported to ELT on a monthly basis:

- Resales stock levels;
- Turnover of sales properties;
- Sales revenue achieved (against agreed budget); and
- Sales prices achieved.

7. Statement of Commitment

This policy helps ExtraCare meet its legislative and regulatory obligations, and will help the sales team adhere to the ARCO Consumer Code.

8. Additional Arrangements

8.1 Site Identification (New Sales Only)

The identification of new village sites will include the following information. The HoSM is responsible for preparing this, with contributions from other members of the sales team:

- Local market and housing intelligence using digital software;
- Local house prices using Rightmove, Zoopla and Land Registry;
- Amenities that are available within a 3 mile drive of the site;
- Estimated house prices on the ExtraCare homeowner database;
- Competition within a 3 mile drive of the site (existing or planned);
- Potential risks associated with building in the area;
- Experience of selling other ExtraCare villages in the area (e.g. Birmingham cluster);
- Proximity of other ExtraCare villages (may affect demand);
- Future population projections for the area;
- Feedback from the Regional Sales Manager;
- Proposed property schedule including types, sizes and quantities;
- Projected sales prices, purchaser incentives and net sales revenue; and
- Sales projections for a five year time period, for the proposed site.

A full proposal will be submitted to the Development Committee and approved before the acquisition of a new site.

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8.2 Property Prices

- HoSM to review property sales prices twice per annum, with contributions from other members of the sales team (RSMs and SCs);
- HoSM make their recommendations for price review to EDCR;
- Price review must take into consideration:
 - Previous price increases;
 - Current housing market conditions;
 - Voids;
 - Demand;
 - Local competition; and
 - Comparable properties in area.
- EDCR will approve new property prices before they are implemented by the sales team.

8.3 Preparing a New Village/Extension Sales Programme (New Sales Only)

- Begin preparing large scale consultation events (minimum of two) to be held before the Marketing Suite opens, which will help generate a database of potential buyers. This is for new villages only. In terms of village extensions, we should focus on our resales waiting lists as priority buyers for properties;
- RSM will be responsible for the set-up of the Marketing Suite and appropriate signage for the site. Ideally, this needs to be in place 18 months before the village is ready for occupation (minimum 12 months). In terms of village extensions, the marketing suite should be in place 12 months before it can be occupied by new residents;
- RSM must formulate and execute a sales and marketing strategy for each new village and extension. This should be monitored and revised in regular meetings with our marketing agency;
- RSM will liaise with our marketing agency to produce relevant sales literature;
- Sales literature must include a Key Facts sheet, sales presentation and a location specific brochure, as a minimum;
- Sales team will support Commissioning in the delivery of the village meetings, which should start at least 12 months before a new village or extension opens;
- Sales targets should be set for the new village/extension sales programme, by the RSM. These should be monitored throughout the programme's cycle;
- Relevant sales spreadsheets (if applicable) should be set-up in advance of starting a new village sales programme by RSM or HoSM;
- RSM should contact our nominated solicitor to start the process of drafting all the necessary legal agreements (e.g. lease). These should be in place a minimum 3 months before a village or extension opens;
- RSM should source suitable estate agents at least 12 months before a village or extension opens; and

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- RSM to ensure all document and letter templates are set-up in preparation for the start of the sales programme.

8.4 Sales Marketing

- A marketing plan for each new village or extension, should be put in place 3 months before marketing begins. This plan should be devised by the RSM and Sales Marketing Lead, and approved by HoSM;
- We should target a database of 1,000 homeowners at the start of a new village sales programme. In terms of selling properties in a village extension, we should target a database of 40 homeowners at the start of a sales programme;
- Sales presentations, events and private consultations should be held to generate interest, secure property reservations and building waiting lists. RSM is responsible for arranging and managing these;
- Monthly meetings should be held with our marketing agency to ensure all locations are being marketed effectively and sales objectives are being met; and
- All marketing should be completed within budget, which the RSM is responsible for and HoSM has oversight of. Any requests to exceed this figure will need to be approved by EDCR.

8.5 Selling an ExtraCare Property

- Sales Consultants are responsible for this section of the process, unless otherwise stated.
- New enquiries should be within 48 hours of them making initial contact with ExtraCare;
- We should contact our homeowner database on a daily basis, encouraging each person to attend a sales presentation (or private consultation);
- We should maintain regular contact with each person on the homeowner database (or waiting list), until we establish if they wish to move into the village or have decided they are no longer interested;
- SCs need to establish the applicant's eligibility (age, location, care needs, etc.) before they complete an Application for Housing. We would confirm the applicant's eligibility for them;
- Having established eligibility, offer the interested party the opportunity to view the village (either via a presentation, private consultation or sales event);
- In the event of restrictions being in place in ExtraCare locations (e.g. Covid pandemic), potential purchasers should be screened prior to viewing a property. Only those that are interested in moving within a 6 month period should be given the opportunity to view. In these circumstances, all questions should be answered over the phone. Viewing appointments must be booked in advance. Other precautions may be put in place to minimise risk to staff and residents;
- Potential buyers should be given literature early in the sales process – this should include a sales presentation, location specific brochure and Key Facts, as a minimum;

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- Prospective purchasers should be followed up within a maximum of 72 hours of them visiting an ExtraCare location;
- Purchasers must complete an Application for Housing form if they wish to move to an ExtraCare location;
- We must refer applicant for a welfare benefits (if applicable) and wellbeing assessment;
- We must arrange for a new wellbeing assessment to be completed at regular intervals prior to completion (some sales can take longer than 12 months to complete);
- It is compulsory for the applicant to purchase the level of equity that they can afford;
- An applicant should be left with a minimum of £5,000 after moving into an ExtraCare location. This figure should be used to decide whether a person should purchase outright or shared ownership;
- Sales Consultants are responsible for making property offers to applicants;
- EDCR must approve applications from family members of an ExtraCare employee or Board Members;
- Written confirmation should be sent to applicant to acknowledge receipt of their application form; and
- All databases, files and spreadsheets should be updated accordingly, and the person's Application for Housing form should be scanned and saved in the sales folder on the G Drive.

8.6 Progressing a New Reservation

- Sales Consultants are responsible for this section of the process, unless otherwise stated.
- For property resales, the Sales Consultant should liaise with the Village Manager and Care manager to identify a suitable resident for the village. This should be based on the current village profile and the profile of a suitable resident (including their age, care needs, time spent on the waiting list and affordability);
- A Property Offer Letter should be sent to the applicant;
- A £1,000 reservation fee is required on reservation and this should be paid electronically, ideally with a debit card. The applicant should be given a receipt for their payment;
- Purchasers should be encouraged to put their house on the market within the timescales outlined in the Property Offer Letter;
- Purchasers should be given a maximum of 12 weeks to sell their own home and complete their purchase. These timescales can be increased by HoSM in a challenging housing market (e.g. a recession);
- We should contact each purchaser at least once a fortnight for updates on their house sale and progress being made with their purchase;
- Where the purchaser wishes for us to liaise with a family member or friend, we should gain written permission from the purchaser before we contact them;

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- A Memorandum of Sale (MoS) must be sent to ExtraCare's solicitor once the person is in a position to proceed to exchange of contracts;
- Any disputes or complaints which cannot be resolved by the Sales Consultant should be referred to the RSM at Stage 1 and then escalated to HoSM at Stage 2; and
- Profile Cards, spreadsheets and homeowner databases should be updated on a daily basis.

8.7 Property Incentives

- Property incentives should be set by the HoSM, consulting with the RSM and SCs;
- Incentives should be used for new villages and extensions, where we have to sell a volume of new properties in one location;
- Incentives should not be used for property resales as standard;
- However, if we have a high volume of resales in one location or specific properties have been empty for longer than six months, we may decide to use an incentive to encourage reservations; and
- EDCR has to approve the use of property incentives, along with the value of these, in new villages, extensions and resales locations.

8.8 Moving to an ExtraCare Location

- Sales Consultants are responsible for this section of the process, unless otherwise stated.
- Liaise with new resident, solicitors and ExtraCare location staff to agree a completion date;
- Property refurbishments of £3,000 or less can be approved by Sales Consultants;
- Property refurbishments of £3,001 and more need to be approved by RSM, or HoSM in their absence.
- Liaise with maintenance team to ensure any refurbishments (inc. redecoration) are completed well in advance of the completion date;
- Arrange for the apartment to be cleaned 48 hours before resident moves in;
- Email relevant ExtraCare staff 48 hours before the new resident moves into the village;
- In the event of restrictions being in place in ExtraCare locations (e.g. Covid pandemic), new residents will need to adhere to the location's infection control plan and we may limit the number of move-ins. Residents may also be asked to self-isolate for a period following their move. Other precautions may be put in place to minimise risk to staff and residents; and
- All databases, files and spreadsheets should be updated accordingly.

8.9 Sign-Up Process

- SCs should ensure a new resident's sign up paperwork is completed a minimum of 1 week before they are due to move in;
- SCs should keep a copy of the paperwork on file and the information should be sent to Income Management and the Sales Administrator for processing; and

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- The Sales Administrator is responsible for inputting the new resident's details on the digital database, prior to moving in to an ExtraCare location.

8.10 Property Buy-Backs/Lease Surrenders

- Sales Consultants are responsible for this section of the process, unless otherwise stated.
- The resident, or their estate, must adhere to the conditions of their lease when surrendering their lease back to ExtraCare;
- The resident, or their estate, must put in writing (email or letter) to the local Sales Consultant their desire to surrender their lease back to ExtraCare;
- The period of notice that the resident (or estate) has to give ExtraCare will be highlighted in their lease – this is usually either 28 days or 3 calendar months;
- A surrender instruction, along with the written notice, should be sent to our solicitors, in order to begin the surrender process. Our Income Management team should be copied in on this email, which should be sent within two working days of receipt;
- A Tenancy Termination Form should be completed and sent to our Income Management team;
- Send written confirmation to the resident (or their estate) confirming receipt of their notice to surrender;
- In order to conduct viewings for the property, we must have written permission from the resident (or estate) that they are happy for us to enter the property. Our staff must not enter the property without this written consent;
- The Sales Consultant should liaise with the resident (or estate) over the clearing of personal belonging and furniture from the property. Surrender of the lease cannot take place until the property is completely empty and the flooring is removed (if the new buyer does not want the flooring);
- A Void Inspection Form should be completed, alongside a member of the maintenance team. This will highlight how the property needs to be refurbished prior to its resale;
- If the resident (or estate) is responsible for reinstating the property, associated costs must be given to them in writing. These costs need to be sent onto our solicitor so they can include them in the draft completion statement;
- HoSM is responsible for approving the waiving of weekly charges or exit fees for leaseholders, at a value of £5,000 or less, if there is a legitimate reason for waiving these charges. The waiving of charges or exit fees of £5,000 or more must be approved by EDCR; and
- All databases, files and spreadsheets should be updated accordingly.

8.11 Transferring to another ExtraCare Property

- Current ExtraCare residents can move to another ExtraCare location, or to another property within the village/scheme they live in;

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- People wishing to move properties will have to pay the current market value of the new property as set by ExtraCare;
- We can defer the resident's 'exit charges' when they surrender their current lease, until the time that they leave their ExtraCare home. This must be stipulated in the resident's new lease, to ensure full charges are taken when they leave. Liaise with our nominated solicitor in this instance;
- However, we would require the owner to pay the £750 administration charge, which will contribute to ExtraCare's expenses, namely staff time and our own solicitor costs;
- All arrears must be cleared before they move property;
- It is compulsory for the applicant to purchase the level of equity that they can afford;
- Whether shared-ownership or outright purchase, a person should be left with a minimum of £5,000 in savings after moving. This figure should be used to decide whether a person should purchase outright or shared ownership;
- Purchasers should also be encouraged to attend a welfare benefits assessment, particularly if they are purchasing shared ownership;
- A Memorandum of Sale must be sent to ExtraCare's solicitor; and
- All databases, files and spreadsheets should be updated accordingly.

8.12 Sales Performance Scheme

- Sales commission and annual bonus (if set targets are achieved) will be paid to the sales team, following the terms and conditions as outlined on the Commission Form;
- Sales commission and bonus will only be paid if this sales policy is adhered to;
- Sales commission and bonus will only be paid if the ARCO Code is adhered to;
- SCs are responsible for completing a commission form and sending it to the RSM by the 10th day of each month;
- RSMs are responsible for checking and approving each person's commission; and
- The Sales Performance Scheme is discretionary and can be reviewed, changed or withdrawn at any time.

8.13 Information and Training

Staff indicated in section 4 (Responsibilities) will be trained by the Regional Sales Manager and Head of Sales and Marketing. All other staff will be made aware of this policy.

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9. Other Relevant Policies & Documents

General
<ul style="list-style-type: none"> • Application for Housing • Offer Letter • Property Lease • Maintenance Agreement • Easy Read Guide (to the lease) • Memorandum of Sale • Surrender Instruction • Tenancy Termination Form • Void Inspection Form • Offer Withdrawal • Welfare Benefits Assessment • Wellbeing Assessment • Profile Cards • Sign-up paperwork • Commission Form • Affordability Statement
Related Policies
<ul style="list-style-type: none"> • Accessing Residents' Homes and the Control and Use of Keys Policy • Aids and Adaptations Policy • Anti-Bribery Policy • Anti-Money Laundering Policy • Anti-Social Behaviour Policy • Complaints Management Policy • Data Protection Policy • Dealing with Death Policy • ExtraCare's Vision, Mission and Values Policy • Information Security Policy • Mobility Scooter Policy • Pets Policy • Resident Move-In Policy • Safeguarding Adults and Children at Risk Policy • Social Media Policy • Village Profile Policy

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10. Relevant Legislative & Regulatory Requirements

Legislation
<ul style="list-style-type: none"> Consumer Protection from Unfair Trading Regulations 2008 (CPRs) Data Protection Act 2018 Money Laundering Regulations 2007
Regulation
<ul style="list-style-type: none"> ARCO Consumer Code