	Title	HOT 05 Subletting Policy		
	Reference	N/A	**Owner**	Home Ownership Manager
	Approved by	Customer Committee	**Approval date**	08/07/2026
	Issue date	10/07/2026	**Review date**	10/07/2029

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1. Purpose and scope

The purpose of this procedure is to ensure that the Home Ownership Team is able to respond to requests from homeowners to sublet their home in a fair, consistent and equitable manner in accordance with the Homes England and Regulator of Social Housing guidance on sub-letting contained within the Capital Funding Guide.

2. Responsibilities and risk

Head of Housing Services
Home Ownership Manager
Home Ownership Advisor

Risks to NCHA:

- Failure to meet genuine NCHA customer needs.
- Failure to meet guidance and best practice regarding commercial gain and meeting the eligibility for shared ownership.
- Loss of management control of schemes from tenants living in the properties with whom we do not have a contract.
- The risk to the property of a sub-tenant neglecting and not maintaining the property and the area around it.
- The risk of an affordable property being let to a person with no discernible housing need.

3. Policy details and guidance

3.1 Request for Subletting – Shared Owners

3.1.1 When a request for sub-letting is received, the HOA should request full details about the reason why the request has been made.

3.1.2 Reasons that can be considered as genuine social need include a need to move on a temporary basis (less than six months), military posting overseas, outstanding building safety issues, family reasons, medical or health reasons, financial hardship that cannot be resolved by selling the property, etc.

3.1.3 Any subletting requests in buildings where there are outstanding building safety issues preventing a sale, permission should always be given as set out in the Capital Funding Guide (though this does not preclude the need for permission from the mortgage lender and/or the building's freeholder).

3.1.4 Supporting evidence/documentation for the subletting request should be obtained whenever possible, e.g. medical reports, financial statements from an independent advisor.

3.1.5 Each case will be considered on its merits by the HOM in discussion with the HOA. Any decision to allow a shared owner to sublet their home will be at the absolute discretion of the HOM or Head Housing Services. No appeal will be allowed and refusal to give permission to sublet will not give recourse to NCHA's complaints procedure.

3.1.6 Guidance for subletting is set out in the Homes England Capital Funding Guide. Shared ownership leases must prohibit subletting by the leaseholder to protect public funds and ensure applicants are not entering shared ownership for commercial gain. This stops the leaseholder having the right to sublet but allows the Registered Provider (RP) to agree to subletting arrangements if they choose to do so in exceptional circumstances. RP's must consider requests to sublet on a case-by-case basis. It is the RP's decision as to whether they agree to the request and permit subletting. RPs must consider the following issues when dealing with requests:

- Do the reasons for subletting genuinely stem from unavoidable need, and are not primarily for speculation or gain?
- Does the person(s) to whom the leaseholder sublets also satisfy the RP's criteria for shared ownership?
- Are the terms of the sublet for a fixed period during which the shared owner will retain ownership of the lease?
- Does the leaseholder have the permission of the mortgage lender (if required)?

3.1.7 If a request is from a serving member of the Armed Forces whose tour of duty requires them to serve away from the area in which they live (a distance of at least 50 miles or 90 minutes travelling time) for a fixed period, and the general criteria above are also met, the shared owner may sublet subject to the RP being satisfied that all of their additional criteria (if any) are met.

3.2 **NCHA Criteria for Sub-letting**

3.2.1 Requests are assessed on a case by case basis, no precedents can be set by past management decisions to allow or deny subletting. Where a subletting situation continues without permission this will be considered a breach of the lease and legal advice may be sought.

3.2.2 Any decision by NCHA to consent to a leaseholder's request to sublet their property will be subject to the following conditions:

a) There are exceptional circumstances that necessitate a need for subletting.

b) The sub-tenant must be assessed as meeting the shared ownership criteria:

- Household income is £80,000 a year or less
- Does not own a property
- Cannot afford to buy a property on the open market

c) Permission is granted for a maximum of 12 months, this can be extended in exceptional circumstances.

d) An assured periodic tenancy agreement will be used which will enable the leaseholder to re gain possession of their property at the end of the letting period and a copy provided to NCHA. This should contain a provision for the tenant to comply with the terms of the lease.

e) Full details of all occupiers and tenants with contact details provided, this must be kept up to date.

f) A letting agent must be used to let and manage the property and carry out the relevant checks against the proposed tenant.

g) The letting agent or leaseholder must carry out regular checks at the property.

h) A copy of the mortgage lender's consent must be seen by NCHA if applicable.

i) Permission must be given by the management company if applicable.

j) The leaseholder will be responsible for rectifying any anti-social behaviour or breach of the lease/tenancy agreement as their cost.

k) Details of correspondence address and up to date email address and phone number required for the leaseholder.

3.3 Request for Subletting - 100% Ownership

3.3.1 Where shared owner's staircase to 100% ownership we may be able to give permission to sublet (where requested and depending on the lease and scheme) via a deed of variation drawn up by solicitors for that property that clearly sets out the responsibilities and conditions of the sublet.

3.3.2 The leaseholder will be required to pay for NCHA's and their own legal fees in relation to this. NCHA's fees are currently £600 + VAT plus £80 + VAT admin fee to NCHA.

3.3.3 Where there is a management company, restricted lease or s106 agreement in place the request to sublet will be considered in relation to these restrictions and permission would only be given with the agreement of the relevant management company or local authority. Costs of fees for a deed of variation would again be met by the leaseholder.

4. Supporting documentation and key legislation

4.1 Forms

None

4.2 Guidance

None

4.3 Legislation

Capital Funding Guide - Guidance - GOV.UK

The Renters' Rights Act and Shared Ownership: Guidance for shared owners who are renting out their home - GOV.UK

Information note for registered providers - GOV.UK

The Renters Rights Act 2026

4.4. Related policies

None

5. Monitoring and reporting

N/A

6. Definitions

N/A

7. Equality and diversity

7.1 This procedure has been written in line with NCHAs Equality, Diversity and Inclusion Policy and Equality Statement.

8. Appendices

None

9. Policy Approval

9.1 This procedure has been approved prior to issue by the Director of Homes and Wellbeing or if applicable by NCHAs Board or Customer Committee.