

Alterations and Improvements Policy

1. Purpose

1.1 We understand the importance for Shared Owners and Leaseholders to have the freedom of making alterations and improvements to their home. Therefore, the purpose of this policy is to set out ReSI Homes' approach to homeowner alterations. It ensures that any changes to properties are carried out safely, comply with legal, regulatory, and lease requirements, and protect the integrity of the building and wider estate.

1.2 This Policy should be read in conjunction with;

- Individual Lease agreements
- Alteration and Improvements Procedure

2. Scope

2.1 This policy applies to all Shared Owners and Leaseholders of ReSI Homes properties.

2.2 It covers any structural or non-structural alterations requested by homeowners, including internal modifications, installations, and external changes.

2.3 Individual lease agreements take precedence over this policy document.

3. Definitions

- **Alteration:** Any change to the property beyond routine decoration, including structural works, installation of fixtures, or modifications affecting communal areas.
- **Consent:** Formal written approval from ReSI Homes before alterations commence.

4. Policy Statement

ReSI Homes supports reasonable alterations by Shared Owners and Leaseholders, provided they:

- Comply with relevant legislation and building regulations.
- Do not compromise safety or structural integrity.
- Align with the terms of the lease or transfer agreement.

Consent must be obtained where required under the lease. ReSI Homes will not unreasonably withhold consent but reserves the right to refuse requests that pose risk or breach legal or regulatory obligations.

6. Consent Requirements

6.1 Shared Owners and Leaseholders must seek permission before commencing work on any alterations

6.2 It is strongly recommended that the applicant ensures they have the necessary funds for the improvements as quotes may expire and increase in cost.

Requesting permission

6.3 Consent is mandatory where specified in the lease and we do not offer pre-application advice. General enquiries can be responded to, but we cannot advise on specific details to be included in the request.

6.4 Alteration requests must be made in writing on the appropriate form.

6.5 Alteration requests should align to the terms contained within the lease of the property. The specific clause within the lease must allow for the type of alteration requested.

6.6 We ask leaseholders to submit detailed plans for the alteration which contains information about the design and materials to be used.

6.7 Proof of planning permission and/or building regulations will be required if necessary.

6.8 Our Complaints Policy is at the disposal of the Shared Owners and Leaseholders, should they feel like we have failed to provide an appropriate service in relation to an alteration request.

Granting Permission

6.9 Each application is reviewed on a case-by-case basis. It is certain that ReSI Homes takes a fair and reasonable approach when considering requests for alterations and treat all Shared Owners and Leaseholders in a fair and equitable way.

6.10 We aim for an initial response of 10 working days.

6.11 We will provide our decision in writing.

6.12 We reserve the right to refuse requests where we consider the alterations may have a material impact on the value of the property

Unpermitted Alterations

6.13 We do not allow any alterations which would compromise the safety of occupiers or adjoining properties.

6.14 We do not allow any alterations where there would be an increased maintenance liability for ReSI Homes.

7. Fees

- ReSI Homes do not charge an administration fee for alterations and improvements consents, however we will recover the cost of any external professional fees such as surveyors fees and legal fees.
- We reserve the right to charge an administration fee for retrospective consents, where our policy has not been followed.
- Any other legal or professional fees we incur will be recharged to the Shared Owner or Leaseholder.

8. Valuation of Improvements

8.1 Some alterations may increase the market value of your home, in such cases this will be factored into the resale or staircasing process.

Home Improvement Valuation

To qualify as a home improvement for resale or staircasing purposes, the following conditions must be met:

- The works must have been carried out by you within your demised space.
- The works must not alter the building's common areas or structural elements.
- The works must have a material impact on the value of the property.
- The works do not include repairs or replacements, for example installing a new kitchen, replacing a boiler, replacing the windows; or general decoration. When the property is sold or the Shared Owner is staircasing, an independent RICS-accredited surveyor will determine the added value of any approved improvements. Please note:
- Only improvements for which we have given consent will be considered.
- The surveyor assesses the increase in property value, not the original cost of the improvement.

Depreciation

The value of improvements decreases over time. Valuations reflect the current uplift in value, not the original cost. As a guideline, improvements typically depreciate by 10% per year, meaning that after 10 years, the improvement may hold no additional value.

Resales

If the Shared Owner sells their share, improvements are treated as part of the property's market value. This means:

- The valuer includes the improvement's assessed value in the total market valuation.
- The Shared Owner will receive their % share of the total market value, including the improvement.

Example:

- Property value: £300,000
- Improvement value: £5,000
- Total market value: £305,000
- Your share: 50%
Sale proceeds: £152,500 (50% of £305,000)

Staircasing

When staircasing, the improvement value is deducted from the market value, so you purchase additional shares at the unimproved value.

Example:

- Property value: £300,000
- Improvement value: £5,000
- Total market value: £305,000
- Your share: 50%
If you buy an extra 10% (to reach 60%), the cost is £30,000 (10% of £300,000).

The surveyor's report must list improvements separately and show the unimproved value. For instance:

- Total valuation: £305,000
- Includes improvements: £5,000
- Unimproved value: £300,000

9. Risk and Compliance

9.1 It is the Shared Owners responsibility to ensure the alterations/improvement meet the following:

- Building Regulations 2010
- Approved Document B (Fire Safety)
- Gas Safety
- Town and Country Planning requirement
- Relevant legislation

10. Defects Liability Period

- ReSI Homes will not ordinarily allow any alterations during the defects liability period (typically 12 or 24 months) due to potential issues this may cause with any snagging items and the end-of defects inspection.

11. New Build Warranty

- Shared Owners should also be aware of the potential impact any alterations may have on the New Build Warranty (typically 10 or 12 years). Any alterations or additions will not be covered by the New Build Warranty, which only covers original work by the developer.

12. Monitoring and Enforcement

- ReSI Homes reserves the right to inspect properties before granting consent and after completion.
- We may use a third-party building surveyor for such inspections, and the Shared Owner or Leaseholder will be responsible for these costs.
- Failure to obtain consent may result in enforcement action, including recovery of costs or legal remedies.

13. Equality, Diversity and Inclusion

13.1 ReSI Homes is committed to treating all customers fairly and respectfully. We uphold our ethical and legal responsibility to promote equality of opportunity and prevent discrimination based on age, sex, sexual orientation, disability, race, religion or belief, gender reassignment, pregnancy and maternity, or marriage and civil partnership.

13.2 Diversity and inclusion training is mandatory for all staff members.

14. Legislation and Regulation

- Landlord and Tenant Act 1927 and 1987
- Commonhold and Leasehold Reform Act 2002.

15. Responsibilities

The Operations Director has overall responsibility for this policy and its implementation.

16. Review

This policy will be reviewed every 2 years or sooner if legislation or operational requirements change.

Approval

Version number	1
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Policy Author	Dylan Cunningham
Policy Owner	Claire Cooper