

Habitare Homes Limited: Mutual Exchange Policy

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Author:	Operations Director
Policy Owner:	Board
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1 | Introduction

- 1.1 Habitare Homes Limited (“Habitare”) recognises the importance of the Mutual Exchange process to provide its tenants a level of choice over where they live, as well as providing a platform for tenants to be able to find a home better suited to their needs.

2 | Scope

- 2.1 Habitare wishes to support its tenants through the Mutual Exchange process, facilitating the swift and smooth exchange of properties where authorised in accordance with Schedule 3 of the Housing Act 1985. Where a Managing Agent is engaged to manage properties on behalf of Habitare:
- The Managing Agent will apply all aspects of the Mutual Exchange Policy on our behalf, and ensure their staff and contractors are trained on the policy.
 - The Managing Agents will inform Habitare of all significant activities undertaken in fulfilment of the policy where required.
 - The words “staff”, “we” and “us” in this policy refers to the staff of Habitare, and the Managing Agent with regard to all operational matters.

3 | Purpose

- 3.1 The aim of this policy is to:
- Provide both tenants and staff alike with clear guidance on the eligibility, requirements and responsibilities associated with the Mutual Exchange of homes.
 - Set out the grounds for the refusal of a Mutual Exchange.

4 | Definitions

Assured Shorthold Tenancy (up to October 2027)	An assured shorthold tenancy is the form of tenancy usually issued by a Housing Association or other Registered Provider, like Habitare. In the main, our rental accommodation is let through five years fixed term assured shorthold tenancies.
Home Swapper	An internet based Mutual Exchange service which allows tenants to register their interest in a Mutual Exchange and find suitable exchange properties/ partners.
Managing Agent	The Housing Association or property management company appointed by Habitare to manage day-to-day housing services.
Mutual Exchange	The term used to describe the ability for two (or more) tenants in either a council or housing association home to move to a new property by way of swapping their homes.
Tenant	A person holding a tenancy agreement with Habitare Homes Limited for a home within Habitare's rented portfolio
We/Us	Refers to Habitare in consultation with our Managing Agent.

5 | Relevant Legislation

- 5.1 This policy complies with Schedule 3 of the Housing Act 1985, as amended by the Housing Act 2004.
- 5.2 This policy should be read in conjunction with the following policies;
- Allocations Policy
 - Complaints Policy
 - Domestic Abuse Policy
 - Equality and Diversity Policy
 - Tenancy Policy

6 | Suitable exchange partners

- 6.1 A Mutual Exchange is when you swap your home legally with one or more other council or housing association tenant (s) in the UK. You need our consent to conduct a Mutual Exchange, however, there are limited reasons for our refusal of consent for an exchange. (See appendix 1 for refusal reasons)
- 6.2 Our tenants are usually placed on assured (shorthold) tenancies 5-year fixed term, which means that they have the right to ask our permission for a Mutual Exchange.
- 6.3 The following tenancy types do not have the right to Mutual Exchange:
- Introductory or starter tenancies
 - Use and occupation or any other temporary tenancies.
 - Demoted tenancies
 - Job tied tenancies (i.e., wardens/ caretakers etc)
 - Licensees
 - Fixed-Term tenancies with a term less than 2 years.

- Leaseholders
- Shared Owners

7 | Our Responsibilities

- 7.1 We will subscribe to an internet based Mutual Exchange service which allows tenants to register their interest in a Mutual Exchange and find suitable exchange properties. We will publicise the availability of this service on our website. The Mutual Exchange service that we have subscribed to is 'Home Swapper'. We will support you to access the Home Swapper system should you be unable to do so independently.
- 7.2 We will give notice of our decision to approve or decline an application to exchange within 42 calendar days of receiving a completed application. Our decision to approve or decline an application will be given in writing. If the decision made is to decline, we will clearly state the reasons/ grounds for withholding consent.
- 7.3 We will advise you on the implications for tenure, rent and service charges arising from the Mutual Exchange. We will ensure that valid gas and electrical certificates for our property are obtained prior to approving the exchange, and we will arrange the necessary checks to obtain them.
- 7.4 We will conduct a visual inspection to assess the condition of the property, to identify any repairs that may be required, and any alterations or damage that may have been made to the property.
- 7.5 We will notify both the outgoing and incoming tenants of any repairs that they will be responsible for or to be carried out after the exchange takes place. We will require both the outgoing and incoming tenants to formally accept their repair responsibilities by way of signing an undertaking prior to the completion of the exchange.
- 7.6 We will maintain responsibility for any landlord repair obligations and will complete any repairs that are our responsibility when they are reported to us, before the exchange takes place.

8 | Tenant responsibilities

- 8.1 Tenants are responsible for finding their Mutual Exchange partner, and for making an application to us when they have found someone they want to exchange with.
- 8.2 Outgoing tenants are required to repair any neglect, alterations, or damage that they, their household or their visitors have made to the property and to complete any repairs that we consider to be their responsibility prior to the completion of the Mutual Exchange.
- 8.3 Incoming tenants are responsible for carrying out an inspection of the property they intend to exchange prior to the completion of the exchange, and for making any agreements or arrangements with the outgoing tenant regarding the condition of the property, including any fixtures and fittings that are to remain or be removed, other than repairs that are the responsibility of the landlord e.g. gas safety or communal areas.
- 8.4 Incoming tenants agree to accept the 'as is' condition of the property they are exchanging to.
- 8.5 If the original exchange application is placed on hold, or is cancelled and reapplied for at a

later date, it is the incoming tenant's responsibility to reinspect the property they intend to exchange to, in order to ascertain that they are still accepting of the 'as is' condition of the property prior to the completion of the exchange.

- 8.6 Following the exchange, incoming tenants will assume responsibility for any damage or alterations made to the property by the outgoing tenant and for all repairs that we consider to be tenant repair obligations that were not completed by the outgoing tenant.
- 8.7 If the outgoing tenant deliberately damages the property or removes fixtures and fittings from the address (e.g., internal doors) we may seek to recharge the outgoing tenant to cover the cost of the damage.
- 8.8 If the incoming tenant finds that items or rubbish have been left on premises by the outgoing tenant upon exchange, we will not be held liable to clear the items or to cover the cost of clearance.
- 8.9 Once an exchange has been approved, both tenants must give their landlord at least 7 days' notice of their selected exchange date, to allow us time to prepare the necessary documentation to legally complete the exchange.
- 8.10 Incoming tenants will be asked to pay rent in advance when the Mutual Exchange takes place.
- 8.11 Tenants must not move until they have received written confirmation from each landlord and signed the necessary paperwork to complete the exchange. If tenants move without our consent and without signing the required legal documents, we will treat the occupants as unauthorised occupiers and may seek possession of our property.
- 8.12 Incoming tenants will be expected to provide copies of their ID (passport or driving license), proof of National Insurance and undertake an affordability assessment prior to us concluding any exchange. This will include a review of your income verified through payslips, employment contracts and bank statements.

9 | Grounds for Refusal

- 9.1 We will rely on the statutory grounds stated in Schedule 3 of the Housing Act 1985, as amended by the Housing Act 2004, to refuse an exchange for tenants that hold a periodic secure tenancy. Please see complete list of grounds for refusal in Appendix 1.
- 9.2 We will make it a condition of granting permission for the exchange that any rent arrears are paid in full prior to the exchange taking place.
- 9.3 We will refuse any exchange that would result in our property becoming under-occupied by more than one bedroom.
- 9.4 We will not allow for any overcrowding to occur in our properties through the completion of a Mutual Exchange.
- 9.5 We will refuse an exchange where we have reason to believe that any tenant has offered or sought a financial incentive as a condition of the exchange.
- 9.6 We may refuse an exchange where there are significant safeguarding concerns or members of the public are put at risk.

- 9.7 We will refuse an exchange where one or more properties have or are set to be included in our regeneration programme and are therefore likely to be demolished in the foreseeable future.
- 9.8 We may rely on any other reasonable grounds to withhold our consent if so required.

10 | Policy Monitoring and Performance

- 10.1 The Board of Directors of Habitare has overall responsibility for this policy.
- 10.2 This policy will be reviewed every 2 years or when there is a change in circumstances or the introduction of new legislation.

Version Control

Date	Amendment	Version
May 2023	New Policy Implemented	V1.0
June 2024	Aligned with Tenancy Standard	V2.0
June 2026	Definitions and policy references updated	V3.0

Appendix 1

Grounds for Refusal of Mutual Exchange by way of assignment under Schedule 3 of the Housing Act 1985, as amended:

Ground 1 – Possession Order outstanding

The tenant or the proposed assignee is subject to a possession order or a suspended possession order.

Ground 2 – Possession proceedings outstanding or NSP in force

A notice seeking possession is in force against the tenant or the proposed assignee under Grounds 1 - 6 of Schedule 2 of the 1985 Act (and similar or/and equivalent grounds under Schedule 2 of the Housing Act 1988) or possession proceedings have begun against either party on one or more of those grounds.

Ground 2A – In respect of the tenant or the proposed assignee or a person who is residing with either of them.

If a specified type of injunction (e.g. Anti-social behaviour injunction), demotion order, an anti-social behaviour order or a possession order (included suspended order) granted on the grounds of nuisance conduct is in force or if court action to obtain such an order is pending in respect of the tenant or the proposed assignee or a person residing with either of them.

Ground 2B – Closure Notice or Order

If the property is subject to a closure notice or closure order under the Anti-social Behaviour, Crime and Policing Act 2014.

Ground 3 – Under-occupation

The accommodation is substantially larger than is reasonably required by the proposed assignee.

Ground 4 - Suitability

The size of the accommodation is not reasonably suitable for the needs of the assignee.

Ground 5 – Accommodation associated with employment.

The dwelling forms part of, or is within the curtilage of, a building which is held mainly for non- housing purposes or is situated in a cemetery and was let to the tenant or his predecessor in connection with their employment with the landlord, or with a local authority, a new town corporation, housing action trust, Development Board for Rural Wales, or the governors of a grant aided school.

Ground 6 – Conflict with charitable aim

If the landlord you are moving to is a charity and the proposed assignee's occupation would conflict with the objects of the charity.

Ground 7 – Accommodation designed for the disabled.

The dwelling is designed to make it suitable for a physically disabled person and if the exchange took place, no such person would be living in the dwelling.

Ground 8 – Landlord as a specialist housing provider

If the landlord you are moving to is a housing association or housing trust which

provides accommodation only for persons whose circumstances, (other than merely financial circumstances), make it especially difficult for them to satisfy their housing needs and if the exchange took place there would be no such person living in the dwelling.

Ground 9 – Accommodation in group designated for special needs e.g., sheltered or supported housing.

The dwelling is one of a group that is let to persons with special needs, and a social service or special facility is provided close by in order to assist the tenants - if the exchange took place there would be no person with special needs living in the dwelling.

Ground 10 – Management Agreement

The dwelling is the subject of a management agreement where the manager is a housing association of which at least half the members are tenants subject to the agreement, at least half the tenants of the dwellings are members of the association, and also that the proposed assignee is not such a member nor is willing to become one.