

Mutual Exchange Policy

1 Introduction

1.1 A Mutual Exchange refers to the legal right of secure and assured tenants to swap their tenancies. The purpose of our Mutual Exchange Policy is to promote choice and mobility for tenants and make the best use of our stock in meeting housing need.

1.2 This Policy sets out:

- Our approach to mutual exchange
- Which tenancies have the right to mutual exchange
- The type of tenancies we will grant to customers following an exchange
- How we will manage applications
- The circumstances under which we will give or withhold consent to an exchange.

It outlines the responsibilities of Cornwall Rural Housing Association (CRHA) and the tenant, and the standards and obligations they both need to comply with during the mutual exchange process.

1.3 This policy has links to some of our other policies and should be read in conjunction with the following:

- Allocation Policy
- Repairs and Maintenance Policy
- Rent Arrears Policy

2. Scope

2.1 This policy sets out our approach to mutual exchanges for all social housing tenants.

2.2 CRHA issue two types of tenancy agreements; Assured Non Shorthold and Assured Shorthold Fixed-Term Tenancies. Tenants have the right to effect a mutual exchange if they hold either tenancy, however, Shared Owners are not eligible to carry out a mutual exchange.

3. Key terms and definitions

3.1 A **mutual exchange** is where two or more social housing tenants swap homes by exchanging tenancies with each other. Mutual exchanges can take place between tenants of the same or different landlords but can only be carried out where both landlords give written consent to the exchange. Tenants take on the full rights and obligations of their 'new tenancy', including the rent. Not all tenants are eligible to effect a mutual exchange and there are certain circumstances in which a landlord may refuse an exchange.

3.2 **Assignment** is the transfer of a tenancy from one person to another. When a tenancy is assigned, the rights and responsibilities of the tenancy are transferred from the original tenant to the new tenant. If a tenancy is assigned during a mutual exchange, the tenants take on each other's tenancies. The majority of CRHA's mutual exchanges are completed by way of the issue of an assignment of tenancies.

- 3.3 **Surrender and re-grant** is another method of exchanging tenancies, where both tenants surrender their current tenancies and are awarded new tenancies, not necessarily on the same conditions.

4. Our approach

- 4.1 We will consider applications for mutual exchange between our tenants or with tenants of another social housing provider.
- 4.2 The Association is generally bound by planning restrictions as many of our developments are subject to a Section 106 Agreement and other local lettings plans. Where there is a local connection restriction an exchange will only be agreed if the incoming applicant can demonstrate a local connection that meets the requirements of the restriction.
- 4.3 Exchanges can be two way or may involve multiple swaps in a chain. There are no limits to the number of times a tenant may exchange, and tenants can apply to exchange again at any time after swapping homes.
- 4.4 CRHA advise our customers that they must not give or receive money or any other incentive as part of an exchange.
- 4.5 CRHA do not pay an incentive for downsizing for those exchanging to a smaller home or provide a removal expenses allowance.

5. Who can exchange – qualifying tenants

- 5.1 CRHA customers qualify for mutual exchanges if their tenancy gives them a statutory or contractual right to exchange. The right to assign a tenancy is given to secure tenants by statute and to assured tenants by contract, but only for the purposes of an exchange. This includes tenants on an:
- Assured Non Shorthold Tenancy
 - Assured Shorthold Fixed Term Tenancy
- 5.2 Tenants on the above tenancies have a contractual right to exchange with another secure or assured tenant whose landlord is:
- A local authority
 - A registered housing association or housing trust

6. Grounds for withholding our consent to an exchange

- 6.1 Written consent must be provided by both landlords for an exchange to be completed.
- 6.2 A condition of granting permission for the exchange is that any arrears and other housing related debts are paid before the exchange take place. Under certain circumstances, such as domestic abuse, we may agree that arrears can be repaid after the exchange has taken place. This will be considered on a case by case basis with the decision being made by the Head of Homes and Customers.
- 6.3 We will withhold consent where the property requires major adaptations to meet the needs of the proposed incoming tenant or a member of their household or the property has been specially adapted or designed to suit a physically disabled person.

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- 6.4 We will withhold consent where a Notice of Seeking Possession has been issued and the tenancy breach not satisfied.
- 6.5 We will withhold consent where a Court Order for Possession has been issued.
- 6.6 We will withhold consent if any legal action has been taken for anti-social behaviour.
- 6.7 We may refuse any exchange that would result in our property becoming under-occupied or over-occupied by more than one bedroom.
- 6.8 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.
- 6.9 We will refuse an exchange where there are significant safeguarding concerns or members of the public are put at risk.
- 6.10 We may rely on any other reasonable grounds to withhold our consent where allowing the exchange would put us in breach of any covenant, restriction or planning obligation. This would apply in cases where the exchange would conflict with any relevant planning restrictions or the purpose for which the tenancy was initially granted. Examples are where:
 - A local connection is required
 - Tenants must have specific support needs in order to meet the intended purpose of the property

7. Our responsibilities and requirements

- 7.1 We will support any tenants that wish to advertise their property on the internet based mutual exchange service, Homeswapper, by paying for their first round of advertising. This allows tenants to register their interest in a mutual exchange and find suitable exchange properties.
- 7.2 We will publicise relevant information relating to mutual exchange, tenants' rights, the process and ways to effect a move on our website. We will provide an information sheet outlining CRHA's.
- 7.3 We will give notice of our decision to approve or decline an application to exchange within 42 calendar day of receiving a completed application. Reasons for not giving consent are set out in legislation, as is the 42 day requirement. Our decision will be given in writing and will state the reasons for withholding consent where an application is declined.
- 7.4 We will inspect the condition of the property to identify any repairs that may be needed and any damage or alterations that have been made. We notify both the outgoing and incoming tenant of any repairs that they will be responsible for or that need to be carried out before or after the move takes place.
- 7.5 We will ensure our property has valid gas and electrical certificates before approving the exchange and will arrange the necessary checks to obtain them. We will not allow the mutual exchange to proceed until any required works have been completed and the valid gas and electrical certificates are obtained. Copies of certificates will be given to the incoming tenant/s.
- 7.6 We will require the outgoing tenant to repair any damage, neglect or alterations that they, their household or visitors have made to the property and to complete any

repairs that we consider to be their responsibility. These should be completed before the exchange.

7.7 We may carry out repairs that are not our responsibility in exceptional circumstances. For example, where there is a health and safety risk and recharge the outgoing tenant for all the costs of the work carried out.

7.8 Following a mutual exchange, we will continue to meet all of our repair and maintenance obligations for the property in line with the law, the Tenancy Standard and the tenancy agreement.

8. Tenants' Responsibilities

8.1 Tenants are responsible for finding an exchange partner, and for making an application to us when they have found someone they want to exchange with.

8.2 Incoming tenants agree to accept the condition of the property they are exchanging to. They are responsible for carrying out their own inspection of the property prior to the exchange, and for making any agreements or arrangements regarding the condition of the property with the outgoing tenant.

8.3 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 the tenant's responsibility that were not completed by the outgoing tenant. This includes internal decoration or minor repairs needed, cleaning and refuse disposal.

8.4 Tenants must not move until they have received written confirmation from each landlord and signed the necessary paperwork to complete the exchange (Deed of Assignment). 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.

9. Legislation and Regulation

9.1 Key legislation and regulation relevant to this policy is:

- Housing Act 1985
- Housing Act 2004
- Localism Act 2011
- Regulatory Framework for Social Housing in England (Tenancy Standard).

9.2 CRHA will record all mutual exchange data as required by the Continuous Recording of Lettings (CORE) system and submitted to the Ministry of Housing, Communities and Local Government.

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Date Reviewed	Changes to the Policy	Date to be Reviewed	Approved By	Author
30/11/2024	Reviewed by board member who identified the need to merge the policy and procedure and outline the grounds for consent and refusal	30/11/2027	Board members	AM