

<b>Policy name:</b>	
<b>Mutual Exchange Policy</b>	
<b>Section:</b>	Housing
<b>Exec responsible:</b>	Director of Housing & Human Resources
<b>Review by:</b>	Housing and Customer Engagement Manager
<b>Tenant review:</b>	Yes – Full review
<b>Authority to amend:</b>	CEO
<b>Frequency of review:</b>	Every Three Years
<b>Last review:</b>	February 2025
<b>Next review:</b>	February 2028
<b>Responsibility for delivery:</b>	Housing Team
<b>Strategy:</b>	Housing strategy
<b>Associated risk ID:</b>	Failure to comply with legislation. Failure by executive to manage operational aspects of the business.
<b>Health &amp; safety:</b>	Property inspections and gas and electrical safety checks will be completed as part of the process. Tenancy references will be obtained prior to approval for incoming tenants to identify any tenant related risks.
<b>Equality &amp; diversity:</b>	All applicants who apply for a mutual exchange will be treated regardless of race, colour, ethnic or national origins, gender, sexuality, religion, age, physical disability, mental health, political views or marital status.
<b>Associated costs and value for money:</b>	VFM will be sought by ensuring property inspections identify any tenant damage or neglect and that monies owed by tenants are paid prior to exchange.
<b>Associated documents:</b>	None

<b>VERSION CONTROL</b>			
<b>Version number:</b>	<b>Sections amended:</b>	<b>Date of update:</b>	<b>Approved by:</b>
1.0	First issue in new template	2011	<i>RW</i>
2.0	General update	September 2014	<i>RW</i>
3.0	Review	October 2017	
4.0	Review	February 2025	<i>LH</i>

## 1. INTRODUCTION

The term 'mutual exchange' describes the ability of two tenants in the social housing sector in the UK to move house by swapping their homes.

Some tenants can do this by swapping homes and tenancies, as defined in the Housing Act 1985; others can only swap homes and will be granted a new tenancy. The term 'mutual exchange' has been used generically in this policy to mean a "home swap".

Cornerstone recognises that the ability to mutually exchange is as an important way for our tenants to be able to find a home more suitable for their needs.

We support our tenants in seeking an exchange by subscribing to House Exchange - [House Exchange - House Exchange](#). This gives our tenants free access to find other social housing tenants looking to move with whom they could 'swap' homes. We have internet access and IT equipment in our main office and will help tenants with their applications where needed.

## 2. APPLYING FOR AN EXCHANGE

All applicants for an exchange should take responsibility for making their own checks regarding the suitability of their chosen property and the local area and for ensuring their exchange partner is ready to move. Things you would need to know, include but are not limited to:

- The reason someone is moving.
- Any damage to any part of the property that you will become responsible for.
- Any non-standard items in the property that you will need to maintain for the duration of your tenancy, (you may be recharged to return this to standard at the end of your tenancy).
- Whether there has been any Anti-Social Behaviour.
- We would encourage you to visit the property/area at different times of the day and night.
- Check your exchange partner is packed up and ready to leave.
- Ensure that they have removed all items that you have not agreed for them to leave.

Tenants with Secure, Assured and Fixed Term Tenancies (except Rentplus) will be able to apply for a mutual exchange. Those on starter tenancies, or other assured shorthold tenancies or licences will not be allowed to apply.

Tenants of all landlords wanting to exchange will need to complete an application form requesting our consent to exchange. Applications will be considered and a decision taken within 42 days of receipt of all applications, to agree whether you can exchange, (this does not mean the physical move takes place in 42 days).

We will complete a property inspection with our tenants and provide a reference for them to their exchange partner's landlord. We will obtain a tenancy reference for all incoming tenants. Agreement to proceed with the exchange can be removed if the reference gives the landlord information under grounds for refusal.

The consent of all landlords will be required before an exchange can take place and tenants must not move until consent has been granted.

### **Grounds for refusing an exchange**

We will follow grounds for refusal set out in the Housing Act 1985 (Schedule 3) and the Localism Act 2011 (see Appendix A) depending on which regime applies, and any subsequent amendments or additions. Where no statutory regime applies, we will not unreasonably refuse a request but may do so for any lawful reason.

Additional grounds for refusing an exchange may be used where the tenancy agreement allows it. These grounds may include but are not limited to the following:

- The property is subject to a lettings plan, and the incoming tenant does not meet the criteria, this may include where a local connection is required or where an age restriction is applied.
- The incoming tenant is not able to demonstrate they can afford the property.
- The property has been identified for disposal after the current tenancy has ended.
- The property is designated for a specific client group (e.g. keyworkers, vulnerable adults etc.).
- The property is unsuitable for the proposed incoming tenant(s) for reasons other than those already covered by grounds in the Housing Act 1985 (Schedule 3).
- We have information about the incoming tenant or a member of their household causing anti-social behaviour or being involved in unlawful activity or other significant breach of tenancy but where no Court order or Notice of Seek Possession has been issued on that tenant/member of the household.
- We have previously had to evict or obtain an injunction against the proposed incoming tenant or a member of their household.
- Where required, the tenant and/or adult household members have not allowed a legal Right to Rent check to be completed.
- Where we have reason to believe that one of the exchange parties does not intend to reside permanently in the exchange property.
- Where the incoming tenant or a member of his/her household owns or holds a tenancy or other interest in a property other than the property they are exchanging from.

- Where the tenant has already transferred or exchanged property within the last 6 months (unless the tenant pays reasonable costs to include the required electrical and gas checks for the subsequent move).
- Where the request to exchange does not maximise the occupancy of the property in line with the Devon Home Choice Policy.

### **3. CONDITIONAL CONSENT OR REFUSAL TO EXCHANGE**

Where the Housing Act 1985 applies, we will give our consent conditionally upon the following conditions being met.

Where the Localism Act 2011 applies or for any other case, we will refuse consent but may give consent once the following conditions are met (and subject to the parties qualifying).

The conditions are as follows: -

- Rent and any other monies owed to us must be fully paid by the date of the proposed exchange.
- Any other obligation under the tenancy that has not been met, or a breach of the tenancy, must be remedied by the date of the proposed exchange.
- Where our property has been adapted, the incoming tenant will be required to provide a report from an Occupational Therapist to confirm they require the adaptations.
- Where the incoming tenant has pets, permission must be sought. Permission will not be given if the request does not comply with the pets policy for the property.
- Tenant owned fittings, such as an electric shower, will be tested by us to ensure they meet current regulations. If not, the tenant will have the choice to either remove and make good, repair or replace the fitting concerned.
- Incoming tenants will need to sign an undertaking accepting responsibility for any non-standard items and/or damage or neglect caused by the outgoing tenant, in the property they are moving to. This means items or damage that may be unseen following the property being emptied.
- All parties will be expected to provide proof of identify and one month's rent in advance at the time of signing exchange documents.

### **4. OCCUPANCY CRITERIA**

We will apply our Lettings Policy and Devon Home Choice Policy occupancy criteria when deciding if a property is too small or too large for an incoming tenant. We will only allow under-occupation in exceptional circumstances and where the incoming tenant can demonstrate they are able to afford the rent. Please refer to our Lettings Policy for further details.

## **5. LEGAL AGREEMENTS & SECURITY OF TENURE**

Where all tenants are secure or assured tenants, the swap is carried out by way of a mutual exchange where all the tenants swap tenancy agreements and homes. The exchange is completed by a deed of assignment signed by the incoming and outgoing tenant. The incoming tenant takes over the tenancy agreement of the outgoing tenant. This means an assured tenant exchanging with a secure tenant by assignment will become a secure tenant and the secure tenant will become an assured tenant.

Where at least one tenant has a secure or assured tenancy which started before 1<sup>st</sup> April 2012 and at least one of the tenants has a flexible tenancy or fixed term tenancy the exchange will be completed by surrender and re-granting of a new tenancy. This means both tenants will surrender their tenancy with their current landlord and will be granted a new tenancy, with a similar level of security, by their new landlord. In this instance, incoming secure tenants will be granted an assured tenancy.

Tenants will be encouraged seek their own legal advice, so they are aware of any loss of rights or other implications resulting from a change in the status of their tenancies.

## **6. HEALTH AND SAFETY**

Gas and electric safety checks will be completed as part of the exchange process and incoming tenants will also be offered a maintenance instruction showing them how to operate appliances within their home. References from other landlords will be sought to identify any risks in relation to specific tenants and appropriate measures will be taken to mitigate these.

## **7. REQUEST FOR A REVIEW**

All applicants for a mutual exchange will have a right to request a review of a decision to refuse consent to exchange. The request should be made in writing to the Housing Manager within 14 calendar days of the date of refusal and it should include any additional information in support of the review. Support will be provided to applicants who may need help in requesting a review.

The review will be considered by the Housing Manager within 21 days and a response will be made in writing to the applicant. Should the applicant be unhappy with the outcome of the review they will have access to our complaints procedure (See Complaints Policy).

<b>Grounds</b>	<b>Housing Act 1985, SCHEDULE 3 Grounds for Withholding Consent to Assignment by Way of Exchange</b>	<b>Sections</b>	<b>Localism Act 2011 PART 7 CHAPTER 2 Other provisions relating to tenancies of social housing (Section 158) Secure and assured tenancies: transfer of tenancy</b>
<b>Ground 1</b>	The tenant or the proposed assignee is subject to an order of the court for the possession of the dwelling-house of which he is the secure tenant	<b>Section 1</b>	This section applies if the tenants (“the relevant tenants”) under two or more tenancies of dwelling-houses in England (“the existing tenancies”) make a request in writing to the landlord under each existing tenancy asking the landlord to— <ul style="list-style-type: none"> <li>(a) permit the relevant tenant or tenants under the existing tenancy to surrender it, and</li> <li>(b) grant a new tenancy of the dwelling-house let under the tenancy to another relevant tenant or other relevant tenants.</li> </ul>
<b>Ground 2</b>	Proceedings have been begun for possession of the dwelling-house of which the tenant or the proposed assignee is the secure tenant on one or more of grounds 1 to 6 in Part I of Schedule 2 (grounds on which possession may be ordered despite absence of suitable alternative accommodation), or there has been served on the tenant or the proposed assignee a notice under section 83 (notice of proceedings for possession) which specifies one or more of those grounds and is still in force.	<b>Section 2</b>	The landlord must comply with the request if the following conditions are met.
<b>Ground 2ZA</b>	Proceedings have been begun for possession of the dwelling-house, of which the tenant or the proposed assignee is the secure tenant, under section 84A (absolute ground for possession for anti-social	<b>N/A</b>	<b>N/A</b>

	<p>behaviour), or there has been served on the tenant or the proposed assignee a notice under section 83ZA (notice requirements in relation to proceedings for possession on absolute ground for anti-social behaviour) which is still in force.</p>		
<p><b>Ground 2A</b></p>	<p>Either—</p> <ul style="list-style-type: none"> <li>(a) a relevant order [F9, a suspended anti-social behaviour possession order or a suspended riot-related possession order] is in force, or</li> <li>(b) an application is pending before any court for a relevant order, a demotion order, an anti-social behaviour possession order or a riot-related possession order to be made, in respect of the tenant or the proposed assignee or a person who is residing with either of them.</li> </ul> <p>A “ relevant order ” means—</p> <ul style="list-style-type: none"> <li>an injunction under section 152 of the Housing Act 1996 (injunctions against anti-social behaviour);</li> <li>an injunction to which a power of arrest is attached by virtue of section 153 of that Act (other injunctions against anti-social behaviour);</li> <li>an injunction under section 153A, 153B or 153D of that Act (injunctions against anti-social behaviour on application of certain social landlords);</li> <li>an anti-social behaviour order under section 1 of the Crime and Disorder Act 1998;</li> <li>an injunction to which a power of arrest is attached by virtue of section 91 of the Anti-social Behaviour Act 2003 [or section 27 of the Police and Justice Act 2006].</li> <li>[an injunction under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014;</li> <li>an order under section 22 of that Act.]</li> </ul>	<p><b>N/A</b></p>	<p><b>N/A</b></p>

	<p>An “anti-social behaviour possession order” means an order for possession under Ground 2 in Schedule 2 to this Act or Ground 14 in Schedule 2 to the Housing Act 1988.</p> <p>A “demotion order” means a demotion order under section 82A of this Act or section 6A of the Housing Act 1988.</p> <p>A “riot-related possession order” means an order for possession under Ground 2ZA in Schedule 2 to this Act or Ground 14ZA in Schedule 2 to the Housing Act 1988.</p> <p>Where the tenancy of the tenant or the proposed assignee is a joint tenancy, any reference to that person includes (where the context permits) a reference to any of the joint tenants.</p>		
<b>Ground 2B</b>	The dwelling-house is subject to a closure notice or closure order under Chapter 3 of Part 4 of the Anti-social Behaviour, Crime and Policing Act 2014.	<b>N/A</b>	<b>N/A</b>
<b>Ground 3</b>	The accommodation afforded by the dwelling-house is substantially more extensive than is reasonably required by the proposed assignee.	<b>Section 3</b>	<p>The first condition is that at least one of the existing tenancies is—</p> <ul style="list-style-type: none"> <li>(a) a secure tenancy that is not a flexible tenancy, or</li> <li>(b) an assured tenancy— <ul style="list-style-type: none"> <li>i. which is not an assured shorthold tenancy, and</li> <li>ii. under which the landlord is the Regulator of Social Housing, a private registered provider of social housing or a housing trust which is a charity.</li> </ul> </li> </ul>

<p><b>Ground 4</b></p>	<p>The extent of the accommodation afforded by the dwelling-house is not reasonably suitable to the needs of the proposed assignee and his family.</p>	<p><b>Section 4</b></p>	<p>(1) The second condition is that at least one of the existing tenancies is—</p> <ul style="list-style-type: none"> <li>(a) a secure tenancy that is a flexible tenancy, or</li> <li>(b) an assured shorthold tenancy under which the landlord is the Regulator of Social Housing, a private registered provider of social housing or a housing trust which is a charity.</li> </ul>
<p><b>Ground 5</b></p>	<p>The dwelling-house—</p> <ul style="list-style-type: none"> <li>(a) forms part of or is within the curtilage of a building which, or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation, or is situated in a cemetery, and</li> <li>(b) was let to the tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of—           <ul style="list-style-type: none"> <li>the landlord,</li> <li>a local authority,</li> <li>a development corporation,</li> <li>a housing action trust</li> <li>a Mayoral development corporation,</li> <li>an urban development corporation, or</li> <li>the governors of an aided school.</li> </ul> </li> </ul>	<p><b>Section 5</b></p>	<p>The third condition is that the remaining existing tenancies (if any) fall within subsection (3) or (4).</p>
<p><b>Ground 6</b></p>	<p>The landlord is a charity and the proposed assignee's occupation of the dwelling-house would conflict with the objects of the charity.</p>	<p><b>Section 6</b></p>	<p>The fourth condition is that at least one of the existing tenancies to which subsection (3) applies was granted before the day on which this section came into force.</p>

<b>Ground 7</b>	The dwelling-house has features which are substantially different from those of ordinary dwelling-houses and which are designed to make it suitable for occupation by a physically disabled person who requires accommodation of the kind provided by the dwelling-house and if the assignment were made there would no longer be such a person residing in the dwelling-house.	<b>Section 7</b>	The fifth condition is that none of the landlords under the existing tenancies has refused to comply with the request (and see further section 159)
<b>Ground 8</b>	The landlord is a housing association or housing trust which lets dwelling-houses only for occupation (alone or with others) by persons whose circumstances (other than merely financial circumstances) make it especially difficult for them to satisfy their need for housing and if the assignment were made there would no longer be such a person residing in the dwelling-house.	<b>Section 8</b>	Subsection (9) applies where a relevant tenant's existing tenancy is— (a) a secure tenancy that is not a flexible tenancy, or (b) an assured tenancy that is not an assured shorthold tenancy.
<b>Ground 9</b>	The dwelling-house is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by persons with special needs and a social service or special facility is provided in close proximity to the group of dwelling-houses in order to assist persons with those special needs and if the assignment were made there would no longer be a person with those special needs residing in the dwelling-house.	<b>Section 9</b>	The new tenancy granted to the relevant tenant pursuant to this section must be— (a) a secure tenancy that is not a flexible tenancy, or (b) an assured tenancy that is not an assured shorthold tenancy, according to the landlord's capacity to grant a tenancy of either kind.
<b>Ground 10</b>	The dwelling-house is the subject of a management agreement under which the manager is a housing association of which at least half the members are tenants of dwelling-houses subject to the agreement, at least half the tenants of the dwelling-houses are members of the association and the proposed assignee is not, and is not willing to become, a member of the association.	<b>Section 10</b>	The Secretary of State may by regulations provide that this section does not apply in relation to an assured shorthold tenancy of a kind specified in the regulations.

Reference to a management agreement includes a section 247 or 249 arrangement, as defined by section 250A(6) of the Housing and Regeneration Act 2008.