



From mountain to sea

Low Cost Shared Equity Increasing my Equity Share

April 2020



1. Am I able to purchase a larger share in the property at a later date?

Whilst you will have full title to your property, you may be able to increase your equity share in the property. To find out if you can increase your share, please refer to the guidance notes issued to you at the time of purchase or contact the Affordable Housing Team at Aberdeenshire Council on LCHO@aberdeenshire.gov.uk.

2. When can I apply to increase my Equity Share?

You can apply to increase your equity share any time after two years from the date of entry to the property. If you choose to increase your equity share you can do this only once and it must be to the maximum equity share as indicated in the guidance notes.

3. What is the maximum equity share I can own?

Generally you will be able to increase your equity share by 20% from your initial equity share however the maximum equity share will not exceed 95%. Exact details will be included in the guidance notes.

Example:

If your Initial Equity Share was 70% you would be able to increase your share to a Maximum Equity Share of 90%

However if your Initial Equity Share was 80% you would only be able to increase your share to a Maximum Equity Share of 95%

4. Am I ever able to purchase the property outright?

You will not be able to increase your equity share beyond the maximum as indicated in the guidance notes however you will always have full title of the property. Aberdeenshire Council will always retain an Equity Share in the property. This is to ensure that the property can remain affordable to future households should you decide to sell in the future.

5. What do I need to do if I want to increase my Equity Share?

If you decide that you want to increase your equity share you must notify the Affordable Housing Team. We will send you a 'Increase Equity Share' form for completion. You will also have to provide at least one current open market valuation report from a RICS approved chartered surveyor, at your own cost, within 14 days of sending us your completed form. Where one valuation has been provided Aberdeenshire Council will check the valuation with our surveyor.

6. What if the valuations differ?

If there is a difference in the 2 valuations an average will be taken for example:

Valuation 1	Valuation 2	Average Valuation
£200,000	£210,000	£205,000

If you do not agree with this, then you can provide a second valuation from a qualified chartered surveyor at your own cost and an average of the two valuations you have provided would be taken.

7. How will I know how much I need to pay to increase my Equity Share?

Once the valuation has been agreed, we will then work out the amount that you will need to pay in order to increase your Equity Share to the Maximum Equity Share. We will advise you of the amount you would need to pay in order to increase your Equity Share.

Example:

Open Market Value at time of Purchase	Your Current Equity Share is	Maximum Equity Share you can own	Increase in your Equity Share	Open Market Value at time of request to increase equity share	Amount you need to pay to increase your equity share
£200,000	70%	90%	20%	£210,000	£42,000 (20% x £210,000)

Based on the above example, you need to pay £42,000 in order to increase your share to the Maximum Equity Share.

8. How long do I have to pay the money to increase my equity share?

Generally you will have 28 days from date of notification of the amount due to Aberdeenshire Council. Failure to progress within this timescale will likely result in an updated valuation being required.

Details of how to pay will be provided by the Affordable Housing Team at Aberdeenshire Council.

9. Are there any other costs involved in increasing my Equity Share?

You will be responsible for all costs including obtaining a current open market valuation from a RICS approved Chartered Surveyor. Cost of Valuation Surveys may vary and you will need to check this with your Surveyor.

10. Contact Details

For more information on increasing your Equity Share please contact:



Development Officer (Affordable Housing Team)

Email: LCHO@aberdeenshire.gov.uk

Tel: 01467 534685

Tel: 01467 539457

Tel: 01467 533027

11. Other Useful Information

You will find other information on the scheme in the following leaflets which can be found on the Aberdeenshire Council Website at <http://www.aberdeenshire.gov.uk/housing/housing-options/buying/low-cost-homes-for-sale/>

