Aberdeenshire COUNCIL

From mountain to sea

20 Clark Avenue Banchory AB31 5BN
Low Cost Shared Equity Property for Sale
Guidance Notes

- **All applicants are advised to read these guidance notes carefully as they contain information which is significant to your application for this property**.
- **All correspondence will be by email unless otherwise requested/stated**. **Please check your spam/junk inbox.**
- **Failure to provide evidence timeously will result in your application being suspended and you may miss out on this opportunity.**
- **If you are a home owner, the property you own will need to be sold before you can purchase a property under this scheme.**

Aberdeenshire Council are offering the opportunity to purchase a 3 bed mid terrace house at 20 Clark Avenue, Banchory. This property will be available for sale to Eligible Applicants for the sale price of **£126,200**.

Accommodation comprises of –
GROUND FLOOR: Entrance Vestibule, Living Room, Kitchen and Cloakroom.
FIRST FLOOR: Landing, Three Bedrooms and Bathroom

Terms and Conditions

1. Who is Eligible?

Eligible Applicants are determined by Aberdeenshire Council. Applicants should be households who

- Are **First Time Buyers**; or if there has been a **Significant Change** in your household circumstances and housing need; or if you have a disability and own a house which doesn't suit your housing needs.

AND

- Have a **Gross Annual Household Income** in the region of **£47,000** or less. Savings and Capital will be taken into account. Applicants will be means tested and are required to provide proof of all income, savings and capital to Aberdeenshire Council.

Eligible Applicants who meet the above qualifying criteria will then be prioritised and ranked in the following order:

1. Tenants of Aberdeenshire Council or Registered Social Landlords (commonly known as housing associations) who currently live in Banchory

2. Waiting list applicants of Aberdeenshire Council or Registered Social Landlords who currently live in Banchory

3. Tenants of Aberdeenshire Council or Registered Social Landlords from other areas of Aberdeenshire with a local connection to Banchory

4. Waiting list applicants of Aberdeenshire Council or Registered Social Landlords who have requested Banchory as an area in which they wish to be rehoused and who have a local connection to Banchory.

5. Tenants of Local Authorities or Registered Social Landlords outwith Aberdeenshire and waiting list applicants residing outwith Aberdeenshire who have a local connection to Banchory.

6. Tenants of Aberdeenshire Council or Registered Social Landlords and waiting list applications from other areas of Aberdeenshire without a local connection to Banchory.

7. Tenants of local authorities or Registered Social Landlords outwith Aberdeenshire and waiting list applicants residing outwith Aberdeenshire without a local connection to Banchory.

- Local Connection may be for example work, school, provide or receive support or close family connections such as parents, grandparents, children, brothers and sisters.

On occasions schemes may be oversubscribed with more eligible applicants than available properties. Therefore whilst you may meet the qualifying criteria this does not guarantee that you will be nominated to purchase the property.

2. What if I already own a property?

You may be eligible for this scheme if you have a significant change in your housing circumstances and your current home no longer meets your housing need. You will still have to meet the other criteria.

Any property purchased under this scheme must be your main and only home. **Your current home will need to be sold before you can purchase a property under this scheme. Whilst your application will be assessed for eligibility, until your home is under offer and/or sold you will not be nominated.**

Aberdeenshire Council are responsible for nominating eligible applicants and their decision is final.

3. Finance and Legal Matters

Buying a home is one of the most important decisions you can make and it is essential that you obtain the right financial and legal advice from the start. **It is your responsibility to obtain independent financial and legal advice and secure an appropriate mortgage prior to entering into any contractual agreement with the owner.**

If nominated, you will have 10 working days to confirm your acceptance of the offer.

Please note that most mortgage providers will require a deposit in order to secure a mortgage. The mortgage deposit will vary depending on your own individual circumstances and on the mortgage lenders policy. Please ensure you discuss this with your legal and financial advisors.

Whilst Aberdeenshire Council nominate eligible applicants for this scheme, any contractual agreement is entered into with the owner directly and does not involve Aberdeenshire Council in any form of liability. The contract of sale is between the owner and the individuals buying the property. Therefore it is strongly recommended that you discuss the implications of the contract with your solicitor.

Any outstanding debts to Aberdeenshire Council e.g. Council Tax, rent arrears will require to be cleared or a payment arrangement in place prior to the house or flat purchase being finalised.

4. Are there any other costs involved in buying the property?

As with a normal house purchase, you will be responsible for all the purchasing costs such as legal fees, mortgage arrangement fees and surveys. Please note that Land & Buildings Tax may be applicable and you should discuss this with your legal advisor.

Following the purchase of the property you will be responsible for paying the Council Tax and any factoring charges applicable. You will also be solely responsible for any future repairs and maintenance of the property.

5. Do I own the property outright?

You will own the property outright holding full ownership of the title deeds but only pay a proportion of the price in accordance with your Equity Share. Aberdeenshire Council keep an equity share in the property through a standard security that is ranked after any standard security held by the mortgage provider.

Should the mortgage lender want to call up their security and call in their loan they are able to do so immediately without restriction on the sale of the property. They will be entitled to sell the property on the open market at full open market value and recover all sums due to them with the Council ranking second after the mortgage lender.

6. Can I increase my stake in the property?

Size	Sale Price	Open Market Value	Owners' Equity Share Percentage Purchased	Aberdeenshire Council's Equity Share Percentage Retained	Maximum Equity Share applicant can own
3 bed mid terrace house	**£126,200**	**£200,000**	**63.1%**	**36.9%**	**83.1%**

You will have the opportunity to staircase up from the original percentage stake in the property to the maximum of 83.1% of the open market value at the time of staircasing. This can be done at any time after a period of two years from the date of entry to the property. If you choose to increase your stake, you can do so only once and it must be to the maximum percentage.

The purpose of this scheme is to help people in housing need become home owners and for this reason you will not be able to buy 100% of the equity share.

7. Can I let or sublet this property?

You cannot let or sub-let any property bought under this scheme.

8. What happens if I want to sell the property?

The Low Cost Shared Equity Property is being offered to qualifying purchasers for the sale price of **£126,200** . The difference between the open market value and the sale price is the equity share which Aberdeenshire Council retain in the property (see table). As Aberdeenshire Council have an equity share in the property there are conditions attached to any subsequent sale of the property:

- If you wish to sell or dispose of the property, you will need to advise Aberdeenshire Council in writing and provide an open market valuation of the property within 14 days of such notification. Aberdeenshire Council will then have a period of 2 months to decide whether or not they want to keep the property for affordable housing. The property will then be advertised at the open market value at that time, with the sales price reflecting the equity share that Aberdeenshire Council hold as they will continue to hold their equity share. The future eligible purchaser will buy your equity share.

- Aberdeenshire Council have 6 months to nominate a suitable eligible purchaser. The qualifying purchaser will be required to conclude missives within the 6 months' time frame. See above table for details of percentages.

- If a suitable eligible applicant is unable to conclude missives within the 6 months, the Council or a Registered Social Landlord may have the right to purchase your share of the property. This would be subject to funding availability.

- If Aberdeenshire Council decide that they no longer want to keep the property for affordable housing then you can sell the property on the open market at full open market value. The owner will be entitled to receive an amount equivalent to their equity share of the open market value at the time of sale with the remaining amount going to Aberdeenshire Council.

Any costs associated with the re-sale of the property i.e. legal fees, valuation surveys, and a home report will be the responsibility of the current owner. Aberdeenshire Council is not liable for any of these costs.

1. Please complete the online digital application form found on the Aberdeenshire Council website : Affordable housing for sale - Aberdeenshire Council

   This form can be saved to allow you to resume completion at a later time. To do so, please sign into your myAberdeenshire account and click on View Your Submissions on the dashboard. Click resume button on your application.

Applications will be assessed on a first come basis therefore it is recommended you submit your completed application form as soon as possible. Supporting documents can be submitted as when they become available. Upon receipt of all supporting documents your application will be assessed.

Please quote property address or application reference when enquiring about your application.

2. Aberdeenshire Council will advise all applicants whether or not they have been nominated.

3. Eligible applicants as nominated will have 10 days to confirm their acceptance of the offer to purchase the property.

For any further advice and information please contact a Development Officer on 01467 539457or email LCHO@aberdeenshire.gov.uk