



From mountain to sea

Low Cost Shared Equity

What is Low Cost Shared Equity and How Do I Apply?

May 2021



1. What is the Low Cost Shared Equity Scheme and how does it work?

The Low Cost Shared Equity scheme is a scheme where the nominated purchaser buys the majority Equity Share in a property. It is aimed at first time buyers on modest incomes who are unable to purchase a home to suit their needs on the open market without some form of assistance.

The Low Cost Shared Equity scheme is administrated by Aberdeenshire Council. Planning agreements between Aberdeenshire Council and developers enable properties to be offered for sale on an equity share basis. You will have full title for the property and will not have to pay rental on Aberdeenshire Council's Equity Share.

Example:

Available property	Open Market Value	Owner's Equity Share Purchased		Aberdeenshire Council's Equity Share	
3 bed semi-detached house	£200,000	£130,000	65%	£70,000	35%

2. Do I qualify?

"Eligible Applicants" are determined by Aberdeenshire Council based on the following criteria:

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

AND

- **Moderate Income** - people who can demonstrate their gross annual household income is insufficient to purchase a property to meet their needs unaided on the open market. Applicants will be means tested and are required to provide proof of all income, savings and capital to Aberdeenshire Council.

3. Do I need to satisfy all the criteria to be eligible?

Applicants must meet the **First Time Buyers** and/ or **Significant Change** criteria *as well* as the **Moderate Income** criteria in order to be eligible.

You will also need to be either a tenant or a waiting list applicant for either Aberdeenshire Council or a Housing Association or any other Council. If you are not already on a waiting list you will need to apply and be accepted before your application for Low Cost Shared Equity application can be fully processed.

4. How do I get on the Housing Waiting List?

You can apply for the housing waiting list using our application form on the Housing Online website at www.aberdeenshire.gov.uk/housing/housing-portal.

If you need any help in completing your application please phone 01467 534161.

5. How do I find out where Low Cost Shared Equity properties are available?

Properties available through the scheme will be advertised in the Affordable Housing for Sale section of the Aberdeenshire Council Website

<https://www.aberdeenshire.gov.uk/housing/housing-options/buying/affordable-housing-for-sale/>

You will be able to see details of the properties available and will also be able to download the application form and guidance notes for each development.

Posters advertising the properties will also be placed in Aberdeenshire Council's local housing offices.

Properties will also be advertised on Aberdeenshire Council's Facebook and Twitter.

Some properties may be advertised in the local papers, for example:



- Press and Journal on a Tuesday
- Evening Express on a Friday
- Buchan Observer
- Inverurie Advertiser
- Mearns Leader

6. How do I apply?

If you are interested in any of the advertised Low Cost Shared Equity opportunities you will need to complete an application specific to the development. Application packs will be available to download from the Aberdeenshire Council Website at

<https://www.aberdeenshire.gov.uk/housing/housing-options/buying/affordable-housing-for-sale/>

Alternatively you can request a copy from the Affordable Housing Team at LCHO@aberdeenshire.gov.uk.

7. What happens if I am already a home owner?

If you are currently a home owner then you may be considered eligible for the scheme if you have experienced a significant change in your household circumstances which effects your housing need, for example, a family breakdown; or if you have a disability and have a house that no longer meets your particular needs.

If you do own your own home then you will be required to sell your property or your interest in the property before or at the same time as you enter into a legally binding contract to buy a property through Low Cost Shared Equity Scheme as any property bought under this scheme should be your principal and only home. Any capital which you will receive from the sale of your property will be taken into account when assessing your application. You will not be able to progress with the purchase of a Low Cost Shared Equity property if you are unable to sell your own property within the specified timescales.

8. What happens after I submit an application?

Aberdeenshire Council will process all the applications received. This process takes approximately six weeks from the closing date. Where possible you should make sure that you include any supporting information with your application. If you are having any difficulties with this, you should contact us to discuss it. After the applications have been processed, all eligible applicants will be advised as to whether or not they have been nominated to purchase or placed on the reserve list. Those applicants who do not meet the eligibility criteria will also be advised.

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

9. What happens if I am nominated to purchase a property?

If you are nominated to purchase a property, Aberdeenshire Council will contact you to advise you and give you details on what you should do next. Aberdeenshire Council will also pass your details onto the developer. You will be given a period of time, usually 10 working days, to decide if you want to proceed or not with the purchase. If you do not respond to the nomination within the specified timescale the nomination will be withdrawn.

Whilst Aberdeenshire Council nominates applicants for this scheme, any contractual agreement is entered into with the developer directly and does not involve Aberdeenshire Council in any form of liability. The contract of sale is between the developer and the nominated applicant.



It is essential that you take legal advice and financial advice before you enter into any legal agreement with the developer as your acceptance is legally binding.

10. What if the scheme is oversubscribed?

If more applicants apply than there are available properties then Aberdeenshire Council will rank eligible applications based on the following ranking process:

1. Tenants of Aberdeenshire Council or Registered Social Landlords (commonly known as housing associations) who currently live in the town/village.
2. Waiting list applicants of Aberdeenshire Council or Registered Social Landlords who currently live in the town/village.
3. Tenants of Aberdeenshire Council or Registered Social Landlords from other areas of Aberdeenshire with a local connection* to the town/village.
4. Waiting list applicants of Aberdeenshire Council or Registered Social Landlords who have requested the town/village as an area in which they wish to be rehoused and have a local connection* to the town/village.
5. Tenants of local authorities or Registered Social Landlords outwith Aberdeenshire and waiting list applicants residing outwith Aberdeenshire with a local connection* to the town/village.
6. Tenants of Aberdeenshire Council or Registered Social Landlords, and waiting list applicants from other areas of Aberdeenshire without a local connection* to the town/village.
7. Tenants of local authorities or Registered Social Landlords outwith Aberdeenshire and waiting list applicants residing outwith Aberdeenshire without a local connection* to the town/village.

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

The top ranking eligible applicants will then be nominated for the available properties and all other eligible applicants will be placed on a reserve list. Therefore whilst you may meet the eligibility criteria this does not guarantee that you will be nominated to purchase a property.

Aberdeenshire Council are solely responsible for assessing, ranking and nominating eligible applicants and their decision is final.

11. What does it mean if I am placed on the reserve list?

If the development is oversubscribed and your application meets the criteria you may be placed on the reserve list. Should one of the properties become available at a later date you may be contacted to see if you are still interested in purchasing a Low Cost Shared Equity property.

12. What if I am unsuccessful, can I apply in the future?

If you were unsuccessful in your application for a Low Cost Shared Equity property because you did not meet the criteria you may be able to apply again if your circumstances have changed.

13. Contact Details

For more information on the Low Cost Shared Equity scheme please contact:



Development Officer

LCHO@aberdeenshire.gov.uk

Tel: 01467 534685

Tel: 01467 539457

Tel: 01467 533027

14. 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/>

