



From mountain to sea

Low Cost Shared Equity Increasing my Equity Share

April 2018



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. There are a few schemes however, where this is not possible. Details of if and when you can increase your share in the property are detailed in the guidance notes that were issued along with the application form. If you no longer have these guidance notes you can contact the affordable housing team who will be able to advise you if you are eligible to increase your equity share.

2. If eligible, 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 at a later date.

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 at Aberdeenshire Council in writing and provide at least one current open market valuation from a qualified chartered surveyor at your own cost within 10 working days of your written notice. Where one valuation has been provided Aberdeenshire Council will check the valuation with our surveyor.

6. What if the 2 valuations differ?

Where 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 write out to inform 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	Maximum Equity Share you can own	Open Market Value at time of request to increase equity share	70% of Open Market Value at time of request to increase equity share	90% of Open Market Value at time of request to increase equity share	Amount you would need to pay to increase your equity share
£200,000	70%	90%	£210,000	£147,000	£189,000	£42,000 (£189,000 - £147,000)

Based on the above example, you would 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 result in an updated valuation being required.

Details of how to pay will be included in your notification letter.

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 Chartered Surveyor. Cost of Valuation Surveys may vary and you would need to check the cost with your Surveyor.

10. Contact Details

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



Development Officer (Affordable Housing Team)
Housing Strategy
Infrastructure Services
Gordon House
Blackhall Road
Inverurie,
AB51 3WA

Tel: 01467 534685

Tel: 01467 539457

Tel: 01467 533027

LCHO@aberdeenshire.gov.uk

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/>

