



From mountain to sea

# Low Cost Shared Equity

## Selling My Low Cost Property

April 2018



## 1. What if I want to sell the property?

As this is a Shared Equity Scheme where Aberdeenshire Council will always retain an Equity Share, there are conditions attached to the subsequent sale of the property, these conditions may vary from scheme to scheme. There is a standard security in your title deeds to ensure that the property remains affordable to future purchasers. Details of the standard security and conditions will be outlined in the guidance notes given to you when you applied for the property. It is advised that you seek independent legal advice should you wish to sell your property.

## 2. How do I go about selling my Low Cost Property?

If you wish to sell the property, you will need to contact Aberdeenshire Council in writing or by email and advise us of your intention to sell. You will be asked to complete a notice to sell declaration which would need to be signed and returned to the Affordable Housing Team. If you purchased the property as joint applicants, both of you would need to indicate your intention to sell by completing the notice to sell declaration.

Within 14 days of indicating your intention to sell you must provide at least one valuation from an approved chartered surveyor. Where one valuation is provided Aberdeenshire Council will check the valuation with our surveyor.

Aberdeenshire Council will then have a period of 3 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. The future eligible applicant, as nominated by Aberdeenshire Council, will buy your equity share.

## 3. Who is responsible for paying for the valuation?

You will be responsible for providing, at your own cost, at least one valuation survey from a chartered surveyor.

## 4. What happens 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 the average valuation then you can provide a second valuation from a different chartered surveyor at your own cost. An average of the 2 valuations you provided would then be taken.

## 5. How long do Aberdeenshire Council have to nominate a qualifying purchaser?

Aberdeenshire Council usually have a period of 3 months from the date they receive your written notification of intention to sell to advertise the property and nominate a qualifying

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purchaser to purchase the property. Once nominated the qualifying purchaser will have to be in a position to conclude missive within 20 weeks from the date of notification of intention to sell.

## 6. Do I require a Home Report?

For Aberdeenshire Council’s purposes we only require a valuation survey of your property however you may require a Home Report for other purposes and you should discuss this with your solicitor.



## 7. At what price will I be able to sell my property?

You will sell the property to the purchaser as nominated by Aberdeenshire. – the nominated purchaser will pay you the monies required to buy your Equity Share. (See example 1.)

### Example 1: Property sold to nominated purchaser

Initial Open Market Value (OMV)	Your Equity Share (70% of OMV) at time of Purchase	Aberdeenshire’s Equity Share (30% of OMV)	Open Market Value at time of Resale	Sale Price to Nominated Purchaser (70% of OMV)	You receive (70% of OMV)	Aberdeenshire’s Equity Retained (30% of OMV)
£200,000	£140,000	£60,000	£210,000	£147,000	£147,000	£63,000

In this example the value of the property has increased in value from £200,000 to £210,000.

**Please note that if you have increased your equity share or carried out any alterations/ extensions to your property this will have an impact on the amount you will receive. Please refer to the following leaflets for further guidance:**

- Increasing my Equity Share
- Carrying out Alterations and Improvements

**These are available on Aberdeenshire Council’s Website at**

<http://www.aberdeenshire.gov.uk/housing/housing-options/buying/low-cost-homes-for-sale/>

## 8. Who is responsible for paying the legal fees and other associated costs?

You are solely responsible for paying all the legal fees and any other costs associated with the sale of the property. We advise that you discuss this with your legal advisor.

## 9. What happens if Aberdeenshire Council are unable to nominate a purchaser?

If Aberdeenshire Council are unable to nominate a suitable purchaser within the legally agreed timescale then in some cases we may have the option to purchase your equity share of the property.

If Aberdeenshire Council want to purchase your property it will be a direct transaction between you and the Council.

If a purchaser is not identified and the Council do not wish to purchase your Equity Share of the property then you will be able to sell the property on the open market for the market value. However you will be required to pay to Aberdeenshire Council the monies equivalent to our Equity Share, which will be used for future affordable housing (see example 2). If you sell the property on the open market, you will be solely responsible for meeting all the costs associated with the marketing and selling of your property.

### Example 2: Property Sold on Open Market

Initial Open Market Value (OMV)	Your Equity Share (70% of OMV)	Aberdeenshire's Equity Share (30% of OMV)	Open Market Value at time of Resale	You receive (70% of OMV)	Aberdeenshire's Equity Retained (30% of OMV)
£200,000	£140,000	£60,000	£210,000	£147,000	£63,000

In this example the value of the property has increased from £200,000 to £210,000, you received £147,000 and are required to pay Aberdeenshire Council £63,000.

## 10. What happens if the property has decreased in value?

The following example shows what happens if the property decreases in value.

### Example 3: Property decreased in value.

Initial Market Value (OMV)	Your Equity Share (70% of OMV)	Aberdeenshire's Equity Share (30% of OMV)	Increased Market Value	Sale Price to Nominated Purchaser (70% of OMV)	You receive (70% of OMV)	Aberdeenshire's Equity Retained (30% of OMV)
£200,000	£140,000	£60,000	£190,000	£133,000	£133,000	£57,000

In this example the property has decreased in value from £200,000 to £190,000

## 11. What other information will I need to give Aberdeenshire Council in order to sell my property?

You will also be sent a Property Questionnaire to complete requesting the following information:

- How long you have owned the property
- Council Tax band
- Energy Performance Certificate or Energy Performance Banding
- Details of Parking Arrangements
- Details of any alterations, additions or extensions to the property
- Heating type
- Details of any factoring charges
- What you intend to be included in the sale e.g. flooring/ whitegoods etc
- Photographs of the property (internal and external). Please note that these photographs will be used to market your property.

The above information is in addition to the open market valuation and the notice of intention to sell declaration as referred to in question 2.

## 12. 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](mailto:LCHO@aberdeenshire.gov.uk)

## 13. 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/>

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