Hilton Avenue, Ladysbridge, Banff, AB45 2LF
Low Cost Shared Equity
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.**

Ladysbridge Village Ltd are to develop **1 x 2 bed semi-detached bungalow** in partnership with Aberdeenshire Council. This property will be available for sale to Eligible Applicants for the sale price of **£115,601**. This property is available now.

Accommodation comprises of –
2 bed bungalow – Open plan Lounge/ Kitchen/ Dining Room, hall with storage cupboards, 2 bedrooms and a family bathroom.

Further details on the specification can be obtained from **Ladysbridge Village Ltd. Tel: 01261 818666 or contact@ladysbridgevillage.co.uk**

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 which affects your 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 **£43,000 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 Ladysbridge Area.

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

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

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

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

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

7. Tenants of local authorities or Registered Social Landlords outwith Aberdeenshire and waiting list applicants residing outwith Aberdeenshire without a local connection* to Ladysbridge Area.
    - 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 a 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 <u>your</u> responsibility to obtain independent financial and legal advice and secure an appropriate mortgage prior to entering into any contractual agreement with the developer.**

You will have 10 working days to confirm your acceptance of the offer. A non-returnable deposit of **£2000** will also be required to be paid direct to the developer on conclusion of missives payable within 28 days of acceptance of offer. The deposit will be deducted from the sale price of **£115,601.**

Size	Deposit to be paid to Developer	Possible Mortgage Deposit Required by mortgage provider. Example for Illustrative purposes: Typically, 5% of the Open Market Value of the property however may be higher depending on personal circumstances	Example for Illustrative Purposes: Total Deposit Required in the region of
2 bed	**£2,000**	5% of the Open Market Value of £135,000 = £6,750	**£8,750**
	At conclusion of missives approximately 28 days from acceptance of offer	Around Date of Entry	

Please note that most mortgage providers will require a deposit in order to secure a mortgage. This deposit is in addition to the deposit paid to the developer. 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 developer directly and does not involve Aberdeenshire Council in any form of liability. The contract of sale is between the developer 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.

There is a factoring charge for this property which you are solely responsible for; this may include grass cutting, maintaining communal areas and building insurance. Details will be provided directly by the developer. The developer will confirm the amount of factoring to be paid and what it covers and it will be your responsibility to check this directly with the developer.

5. **Do I own the property outright?**

You will own the property outright holding 100% interest in 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 or price 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 Council will rank second after the mortgage lender.

6. Can I increase my stake in the property?

Size	Open Market Value	Sales Price	Owners' Equity Share Percentage Purchased	Aberdeenshire Council's Equity Share Percentage Retained	Maximum Equity Share applicant can own	Aberdeenshire Council's Revised Equity Share Percentage
2 bed	**£135,000**	**£115,601**	**85.63%**	**14.37%**	**95%**	**5%**

You will have the opportunity to staircase up from the original percentage share in the property to the maximum of 95% 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 share, you can do so only once and it must be to the maximum percentage.

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?

This Low Cost Shared Equity Property is being for the sale price of **£115,601.** 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 qualifying purchaser will buy your equity share.

- Aberdeenshire Council have 6 months from date of notification to nominate a suitable eligible applicant who will be required to conclude missives within the 6 month time frame. See above table for details of percentages.

- If a suitable eligible applicant being unable to conclude missives within the 6 month timeframe, 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. You will be entitled to receive an amount equivalent to your equity share with the remaining amount going to Aberdeenshire Council.

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

What next?

1. Please complete and email the application form to:

LCHO@aberdeenshire.gov.uk

Applications should be returned as soon as possible. Applications will be assessed on a First Come Basis .

In order that application can be processed quickly, please include all supporting information with your application. Please quote development name or application reference when enquiring about your application. Please note that correspondence will be through email unless otherwise requested.

2. Approximately 6 weeks after the closing date, Aberdeenshire Council will advise all applicants whether or not they have been successful.

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

For any further advice and information please contact a Development Officer on 01467 534685 or email LCHO@aberdeenshire.gov.uk