

Low Cost Home Ownership – Perwinnes Crescent, Bridge of Don

Guidance Notes

Scotia Homes have released 3 x 1 bed apartments and 1 x 2 bed apartment which will be available to 'Qualifying Purchasers' at the fixed price of **£97,590** and **£123,600** respectively. The figures represent the following percentage of the open market value.

House Type	Open Market Valuation (OMV)	Sale Price	% of OMV	% Discount
Ground floor 1 bed flat (Plot 1901)	£130,000 *	£97,590	75.0% *	25.0% *
First floor 1 bed flat (Plot 1903)	£135,000 *	£97,590	72.3% *	27.7% *
Second floor 1 bed flat (Plot 1905)	£140,000 *	£97,590	69.7% *	30.3% *
Ground floor 2 bed flat (Plot 1902)	£165,000	£123,600	74.9%	25.1%

*Figures may be subject to review

It is anticipated that these properties will be completed in April 2019.

Who is Eligible?

'Qualifying Purchasers' are first time buyers or applicants who have had a significant change in circumstances, e.g. relationship breakdown, health issues.

Priority will be given to current tenants of Aberdeen City Council or Registered Social Landlords (commonly known as Housing Associations) in Aberdeen City.

Applicants will be prioritised by Aberdeen City Council according to the information provided. Family sized properties will generally be offered to families who meet the criteria rather than a single person.

Terms and Conditions

1. Ownership of the Property

The successful purchaser will own the property outright and retain a 100% interest in the title deeds but only pays a proportion of the market value as the price. Aberdeen City Council retains an interest in the property through a standard security that is ranked after any standard security held by the mortgage provider.

Any property purchased under this scheme must be your main and only home. Therefore if you currently own a property this would need to be sold prior to being able to purchase a property under this scheme.

2. Selling the Property

The properties are offered to qualifying purchasers at a discounted price which means that conditions are attached to any subsequent sale of the property:

- In the event that the owner wishes to sell or dispose of the property, they will need to notify Aberdeen City Council in writing and Aberdeen City Council will have a 4 week period to decide and inform the current owner whether or not they want to keep the property as a discounted housing unit. The owner must provide a valuation to determine current open market value. This can be in the form of a Home Report. The property will then be sold by the owner to a qualifying purchaser at a price equivalent to the appropriate percentage of the open market value (see table).
- Should Aberdeen City Council decide that they no longer want to keep the property for affordable housing then the owner will be entitled to sell the property on the open market. The owner will be entitled to receive the appropriate percentage of the open market value (see table), with the remaining percentage of the open market value going to Aberdeen City Council to be used for future affordable housing provision.

3. Other Costs Involved

You must be able to obtain a mortgage and will require a deposit. The level of deposit required will be determined by your mortgage provider. As with a normal house purchase the successful applicant will be responsible for all their purchasing costs such as legal fees, surveys, etc. This will include the costs of executing and registering a Standard Security in favour of Aberdeen City Council for the discount. Aberdeen City Council will charge a fee of £250 + VAT for the legal work involved in preparing and registering this document. There is also a registration fee of £60.

Following the purchase of the property the owner will be responsible for paying Council Tax and any factoring charges which apply. They will also be responsible for the repair and maintenance of the property.

Council Tax – TBC

Factoring Charge – estimated £59 per month plus Factor's float/deposit of £350
(Figures are provided by the developer and are subject to change)

Whilst Aberdeen City Council prioritise applicants for this scheme according to housing need, any contractual agreement relating to the purchase is entered into with Scotia Homes directly and does not involve Aberdeen City Council. The contract of sale is between Scotia Homes and the individuals purchasing the property. Therefore it is recommended that any prospective purchasers discuss the implications of the contract into which they are entering with their legal adviser.

What next?

Please complete and return the application form to the address on the form, no later than the date given. No applicant will be contacted until after the closing date. Scotia Homes will normally contact successful applicants within 6 weeks of the closing date. It is recommended that wherever possible you check your ability to obtain the necessary finance prior to the closing date.

Buying a home is one of the most important decisions you can make and it is essential that you obtain the right financial advice from the start. **It is the applicant's responsibility to obtain independent financial and legal advice and secure a mortgage.**

Remember: Property prices can go down as well as up. There is no guarantee that you will recover the full amount paid when you sell the property.