

# LOW COST HOME OWNERSHIP IN SOUTH LAKELAND



Community & Housing

**This leaflet is a guide to affordable home ownership in South Lakeland.**

**It explains in detail the procedures for buying any affordable housing where the Council has a direct involvement.**

**It also gives contact details for other organisations that are also involved in supplying affordable homes to buy.**

### **Index**

<b>P3</b>	<b>Section 1</b>	What is Low Cost Home Ownership?
<b>P4</b>	<b>Section 2</b>	How do I know what properties are available?
<b>P5</b>	<b>Section 3</b>	Who can buy these properties?
<b>P6</b>	<b>Section 4</b>	How do I apply?
<b>P7</b>	<b>Section 5</b>	Procedures for sale of new properties
<b>P10</b>	<b>Section 6</b>	Location of existing low cost homes
<b>P12</b>	<b>Section 7</b>	Where to get further information

## Section 1

## What is Low Cost Home Ownership?

If you live or work in South Lakeland you may be able to buy a local property at a price lower than open market values.

South Lakeland District Council negotiates the initial sale price and ongoing discounts with housing developers in return for planning permission. The aim is to provide affordable housing for local people who cannot afford open market values.

Low Cost Home Ownership (LCHO) can be any of the following:

- **Discounted housing for sale** – this is where properties are sold at a fixed discount. The discount varies from scheme to scheme. This is achieved through a planning agreement called a Section 106 agreement which is drawn before the property is built.

The initial sale price is usually fixed. Upon re-selling the property a fixed percentage discount will be applied, hence if you bought the property with a 30% discount this will be applied when you sell the property. This ensures that future purchasers are assisted onto the housing ladder.

- **Shared equity** – this is where purchasers buy a share of the home's equity, for example this may be 60%. The other proportion is held by a third party, usually a Registered Social Landlord (known better as housing associations).
- **Shared ownership** – this is very similar to shared equity with the difference being that a small rent is

charged for the proportion of the equity that you do not own.

Some shared ownership properties will be sold through the **Homebuy Scheme** (see details at the end of this leaflet)

*NB. There are also properties in the area which have local occupancy restrictions (including some ex-local authority homes). However most of these are not low cost homes.*

## **Section 2 How do I know what properties are available?**

### **Resales of existing properties**

Usually existing owners are responsible for arranging the sale of their own properties. They must advertise them with the original percentage discount they received and agree the valuation with the Council.

Many of these will be sold through local estate agents and advertised in the local paper. These properties will normally be marketed at the discounted price. Look out for descriptions such as “discounted sale”, “shared ownership” or “section 106 property”

### **New developments**

Private developers and housing associations will advertise **new** housing schemes in the local press. This will probably be when the homes are nearing completion. The advert will state the restrictions on who is eligible to buy the homes.

There is a list of future developments which have been granted planning permission on the Council's website ([www.southlakeland.gov.uk](http://www.southlakeland.gov.uk)) in the Housing section, under the heading of "Finding a Home". You can also ring the Council for a copy of this list.

### **Section 3                      Who can buy these properties?**

Most affordable housing will be restricted to buyers who

- Have a local connection to the area where the home is located because they already live or work there
- Have a financial need for low cost housing (hence we need to see proof of the buyers income and capital).

The details of these restrictions will vary from scheme to scheme and you may need to check with the Council to see if you would qualify.

## **Section 4**

## **How do I apply?**

**In order to buy an affordable home you will need to be approved by the Council as eligible to buy the home in question.**

The Council does not keep a waiting list as criteria for individual properties may differ. You can therefore only apply for approval when you have found a property which you wish to buy.

You should make sure you understand the restrictions on the occupancy and future resale of the property before you proceed with a purchase.

### **Resales of existing properties**

- Applicants should complete the Council's 'Low Cost Home Ownership' application form and return this to the Council. You will also need to provide proof of your income and savings and in principle mortgage offer.
- You may wish to check the eligibility criteria with the estate agent or the Council before you make your application.
- The Council will assess your application and will write to you within 10 working days to let you know if you qualify.
- You should pass this letter on to your solicitor who will arrange for your home purchase to continue.

## New properties

- As explained above these properties will be advertised in the local press. You will only be able to complete an application once this advertisement has appeared.
- At this point applicants should obtain and complete the Council's 'Low Cost Home Ownership' application form and return this to the Council. This must be returned within the period of time shown in the press advert. No applications received before or after this period will be accepted. Following the closing date the Council will advise applicants, in writing, if they qualify and what their points are.

## **Section 5 Procedures for the sale of new properties**

The sale of new affordable homes will comply with the following procedures agreed by the Council in 2007 which are summarised below.

1. As described above, new properties will be advertised in the local press. The Council cannot accept any application until this advertisement has appeared.
2. The sale will be subject to the restrictions set out in s106 planning agreement for the home. This will mean that in the first instance, sales will be restricted to
  - i. those working in the town/parish and some adjoining parishes to the location of the home or
  - ii. those who have lived in the town / parish and some adjoining parishes to the location of the home for at least the proceeding 3 years.

3. In the case of sales of homes in small villages the sale may initially be restricted only to those already working in, or living for at least 3 years in the parish in question.
4. In the first instance priority will be given to applicants who can demonstrate that the size of the property is suited to the needs of applicants (see table below).

<b>Household type and property size</b>	
<b>Household type</b>	<b>Property types</b>
Single (under 55 years)	1 or 2 bedroom flat
Single (over 55 years)	1 or 2 bedroom flat or bungalow
Couple (under 55 years)	1 or 2 bedroom flat or house
Couple (over 55 years)	1 or 2 bedroom flat or bungalow
Family with one child	2 or 3 bedroom flat or house
Family with two children	2 or 3 bedroom house
Family with three or more children	3 or 4 bedroom house

After the closing date, if there are more eligible applicants than homes available the Council will prioritise applicants wishing to purchase the properties. Points will be awarded according to a number of factors (see table below). The applicant with the most points would normally be offered the home.

<b>Factor</b>	<b>Points</b>
Living or working in the locality for at least 3 years	5
First time buyer (single or joint applicants having not owned a home previously)	4
Living in overcrowded conditions, i.e. lacking bedrooms	3
Living in temporary or shared accommodation	2
Current Council or housing association tenant living in South Lakeland	1

- The Council will then provide a priority list of qualifying applicants to the developer or housing association who is selling the homes. It is the responsibility of the developer/housing association to allocate the homes according to the priority list (provided purchasers can prove that they have the ability to buy the properties).
- Please note that the Council does not allocate the homes, this is down to the developer/housing association. It is also important to note that the Council may receive more 'qualifying' applicants than there are homes available (this is why we prioritise applicants using the points system above).

NB. The full restrictions on who can buy new affordable homes and the process which must be followed for the sale of these homes is set out in detail in the Interim Planning Approach to Housing Development which can be viewed on the Council's website in the Planning section.

## **Section 6**

### **Location of existing low cost homes in South Lakeland**

(these properties may come up for resale at some point in the future)

#### ***KENDAL***

##### ***Aldercroft***

- 7 houses which are sold at individual discount rates.

##### ***Briery Meadows***

- 14 flats and 20 houses on a large estate off Burneside Road.

Sales are at 80% of market value.

##### ***Esthwaite Green***

- 5 houses available at 90% of market value.

##### ***Heron Close***

- 30 houses in a small close, sales are at 80% of market value.

##### ***Teal Beck, Valley Drive, Linnett Grove***

- 16 houses in small groups on the three roads, sales are at 80% of market value.

##### ***The Oaks, Oxenholme Road***

- 26 flats and 4 houses, sales are at 70% of market value.

#### ***KENDAL VILLAGES***

- ***Trinity Cottages, Brigsteer***

4 x 2 bedroom semi-detached houses. Discount rates vary between houses.

- ***Moorland Drive, Burton-in-Kendal***

2 semi-detached houses at 85% of market value.

- ***Woodside Close, Endmoor***

5 houses, 3 terraced and 2 semi-detached at 90% of market value

- ***St Mark's Fold, Natland***

2 semi-detached houses at 62.5% of market value.

- ***Pear Tree Park, Holme***

Large development with a range of houses and flats with varying discounts.

## **MILNTHORPE**

- ***Dallam Chase***

3 houses on outskirts of village at 90% of market value.

- ***Bela Forge***

Houses and flats in centre of village, discount rates vary between properties.

## **GRANGE-OVER-SANDS**

- ***The Granary, Main Street***

3x2 bedroom flats in a converted hotel overlooking Morecambe Bay. Discount rates vary between flats.

- ***Graythwaite Court, Fernhill Road***

3 x 2 bedroom houses at 65% of market value, 2 x 1 bedroom flats at 70% of market value and 1 x 2 bedroom bungalow at 65% of market value.

## **ULVERSTON**

- ***Church Road, Allithwaite***

2 x 2 bedroom houses and 2 x 3 bedroom houses at 70% of market value.

- ***Birkrigg Park, High Carley***

9 terraced and semi-detached houses at 80% of market value

- ***Princes Street, Ulverston***

1 end-terraced house near the centre of Ulverston, sold at 80% of market value.

- ***The Gill, Ulverston***

3 x 3 bedroom houses (discount under negotiation)

## **ULVERSTON VILLAGES**

- ***Trinkeld Avenue, Swarthmoor***

11 x 2 bedroom houses, the discount rates vary between properties.

- ***Park Garth, Little Urswick***

2 x 2 bedroom houses at 65% of market value.

## **Section 7 Where to get further information**

### **South Lakeland District Council**

For application forms and initial advice contact:  
Community & Housing, South Lakeland District Council,  
Town Hall, Queen Street, Ulverston, Cumbria LA12 7AR.  
Tel. 01229 584424

Website: [www.southlakeland.gov.uk](http://www.southlakeland.gov.uk)  
– see Housing/Finding a Home/Low Cost Home Ownership

The Affordable Housing Officer can be contacted at  
Community and Housing, South Lakeland House, Lowther  
Street, Kendal LA9 4DL  
Tel: 01539 797773

**Homebuy**\_(Government funded shared ownership & shared  
equity schemes)

Contact Eden Housing Association on 0800 358 1400 or  
view their website [www.affordable-homes.co.uk](http://www.affordable-homes.co.uk)

**Impact Housing Association** (shared equity loans for  
people living in certain rural areas)

Tel: Sue Falder 01228 633649 email:  
suef@impachousing.org.uk