

Date: 4 June 2020



District Council

Town Hall, Penrith, Cumbria CA11 7QF

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Dear Councillor J Derbyshire

Housing and Health Portfolio Holder Meeting Agenda - 12 June 2020

A virtual meeting is to be held with Officers at 9.30 am, on Friday, 12 June 2020 to consider the following:

1 Declarations of Interest

To receive declarations of the existence and nature of any private interests, both disclosable pecuniary interests and any other registrable interests, in any matter to be considered or being considered.

2 Updated Guidance Document for Discounted Sale Hearing *(Pages 3 - 46)*

To consider report PP21/20 which seeks approval for an updated guidance document for Discounted Sale Housing, setting out the Council's policy and procedure framework within which applications for discounted sale properties are assessed.

RECOMMENDATION that the updated 'Guidance Document for Discounted Sale Housing' (June 2020) be approved and in so doing replace the current 'Homeseekers' Register Guidance' (November 2010).

Yours sincerely

A handwritten signature in black ink that reads "Rose Rouse".

Rose Rouse
Chief Executive

Democratic Services Contact: Karen Wyeth

Encs

For Attention

Portfolio Holder – Councillor J Derbyshire

For Information by Email to: - All remaining Members of the Council

Report No: PP21/20

Eden District Council
Housing and Health Portfolio

12 June 2020

Updated Guidance Document for Discounted Sale Housing

Portfolio:	Housing and Health
Report from:	Assistant Director Community Services
Wards:	All
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To present for approval an updated guidance document for Discounted Sale Housing, setting out the Council's policy and procedure framework within which applications for discounted sale properties are assessed.

2 Recommendation

It is recommended that the updated 'Guidance Document for Discounted Sale Housing' (June 2020) be approved and in so doing replace the current 'Homeseekers' Register Guidance' (November 2010).

3 Report Details

- 3.1 The Council's Homeseekers' Register Guidance sets out the current low cost home ownership procedure and policy guide. The guidance was introduced to manage the sale of low cost home ownership properties in November 2010 and allows residents on the register to be given an opportunity to apply for certification to purchase discounted sale properties within Eden District, subject to the necessary criteria being met.
- 3.2 Since it was first established the Homeseekers' Register initiative has been a great success, with over 220 households now on the register actively seeking a property through the scheme and over 100 discounted sale properties occupied across the District, with more being built and secured through the planning process on a regular basis. The scheme has proven immensely popular both with residents who would otherwise be unable to afford to purchase a property to meet their needs on the open market and with house builders looking for effective ways to deliver this intermediate form of affordable housing.
- 3.3 Despite the success of the Homeseekers' Register it has become clear that there is a need to update the original guidance, particularly in light of the increasing need for affordable housing within Eden District and the increasing number of residents applying to join the scheme. There is a responsibility to ensure:
- a) the procedure operates as effectively as possible and is efficient to administer;

- b) that the policy is up to date, drawing from the local connection criteria for affordable housing in the adopted Local Plan; and
 - c) the guidance is based on the latest evidence of affordable housing need within the District.
- 3.4 The updated 'Guidance Document for Discounted Sale' (Appendix 1) sets out a clear policy framework for the buying and selling of discounted sale properties within Eden. It introduces a streamlined procedure aimed at making the notification, marketing and sales process for discounted sale homes straightforward and effective to administer. It draws on what works well within the current guidance, for example the benefit of maintaining a register of households actively seeking to purchase a discounted sale property, as well as introducing a number of key changes, those of particular note are highlighted as follows:
- **Name of the scheme** - 'Discounted Sales Housing' more accurately reflects the tenure of affordable housing available through the scheme. It's hoped this change will result in less confusion with members of the public seeking affordable rented accommodation and wishing to join the Council's Housing Register.
 - **Calculation of affordable housing need** - Currently eligibility is based on an applicant's borrowing potential informed by Government recommendations on responsible borrowing set in 2007, this Government guidance has now been cancelled. The updated guidance takes a more flexible approach, taking into account a person's age, household circumstances, income and savings. In summary, if a household's total available funds would allow them to purchase the discounted sale property at the open market value then they would not be eligible.
 - **Local connection criteria** - The updated guidance draws from the standard definition as set out in the Eden Local Plan 2014-2032, however acknowledgment is given that in respect of each individual discounted sale property the local connection criteria is detailed in the corresponding Section 106 Agreement. Unlike the current guidance the updated policy makes clear that in circumstances where no prospective purchaser meeting the local connection criteria has been identified, the Council will consider applicants who do not meet the required local connection criteria on a case by case basis (where the Section 106 allows) and provide written approval accordingly. Amongst other circumstances, this will include consideration of applicants who may not have worked or lived in the locality for a continuous period of three years.
 - **Application process** - The updated guidance requires an applicant to submit a 'Registration Form' (Appendix 2) to join the discounted sale waiting list. They must then complete an 'Application Form' (Appendix 3) when they find a property they wish to purchase through the scheme – the forms set out clearly what information is needed. The introduction of a separate application and registration form is designed to speed up the administrative process and make it clear to the applicant what information is required at each stage.

- **Valuation template** - The valuation template (Appendix 4) has been modified to require, for properties under construction at the point of valuation, the submission of Floor Plans, Elevation Plans and the provision of details of the standard specifications included within the valuation i.e. carpet/flooring, white goods, turf, etc. This has been introduced to ensure the assessed open market value accurately reflects the property value and does not overly inflate the price in regards to additional extra/upgraded specifications the purchaser may wish to pay for at a later date.
 - **Administration of the scheme** - Communication is via email (unless otherwise specified). Procedures have been simplified. No longer a need for multiple standard letter templates.
- 3.5 The updated Guidance for Discounted Sale Housing makes a commitment that monitoring and review will be on-going to determine that both the discounted sale scheme and the guidance / procedure continues to work for vendors and purchasers and ensures that the type of housing provided for discounted sale reflects the needs of local households.
- 3.6 There will also be a need to keep the guidance under review in light of emerging national policy on discounted market sale housing and particularly the 'First Homes' initiative which has recently been open to consultation (closing May 2020) from the Ministry of Housing, Communities and Local Government.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative
- 4.2 This report meets 'Healthy, safe and secure' corporate priority by promoting and facilitating the provision and sale of discounted sale affordable housing and in so doing helping to meet an identified affordable need.

5 Consultation

- 5.1 The Housing and Health Portfolio Holder has been consulted in the drafting of the updated Guidance Document for Discounted Sale Housing.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.
- 6.1.2 Should the recommended updated Guidance Document for Discounted Sale Housing meet approval there are considered to be no financial or resources implications.

6.2 Legal

- 6.2.1 The Council's Legal Services Team have fed into the consultation process in the drafting of the updated Guidance Document for Discounted Sale Housing and their comments have been taken into account.

6.3 Human Resources

- 6.3.1 There are no Human Resources implications arising from this report.

6.4 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	<p>The Council must have regard to the elimination of unlawful discrimination and harassment and the promotion of equality and diversity under the Equality Act 2010 and related statutes.</p> <p>The Council's updated Guidance on Discounted Sale Housing would continue to have a positive impact on residents of Eden District regardless of age, sex, ethnicity or status within any specific group.</p>
Health, Social Environmental and Economic Impact	Updated Guidance on Discounted Sale Housing has the potential to have positive health, social, environmental and economic impacts for persons within the District.
Crime and Disorder	No implications
Children and Safeguarding	No implications

6.5 Risk Management

Risk	Consequence	Controls Required
That the updated Guidance Document on Discounted Sale Housing Policy & Procedure is not approved.	The current guidance (dated 2010) could continue to be used however with much of this requiring updating the Council would be left open to potential complaints/criticism in the handling of allocating discounted sale properties.	Continued cooperation and joint working across the Council to ensure an appropriate updated Guidance on Discounted Sale Housing, which can be approved and published in a timely manner.

7 Other Options Considered

- 7.1 No other options are considered.

8 Reasons for the Decision/Recommendation

- 8.1 The updated Guidance Document on Discounted Sale Housing if approved would assist the Council in facilitating and promoting the provision of discounted sale housing (a form of low cost home ownership) and in doing so would help in meeting an identified affordable housing need, improving housing choice and contributing to a 'Healthy, safe and secure' district, a Corporate Priority.

Tracking Information

Governance Check	26 May 2020
Chief Finance Officer (or Deputy)	Prepared in consultation with Finance
Monitoring Officer (or Deputy)	Prepared in consultation with Legal
Relevant Director	Les Clark

Background Papers: Homeseekers' Register Procedure Guidance (November 2010)

Appendices: Appendix 1 – Guidance Document: Discounted Sale Housing (June 2020)
Appendix 2 – Registration Form: Discounted Sale Housing
Appendix 3 – Application Form: Discounted Sale Housing
Appendix 4 – Valuation Template: Discounted Sale Housing

Contact Officer: Camilla Carruthers, Housing Development Officer
Tel: 01768 212391

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Guidance Document **Discounted Sale Housing**



June 2020

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1. Introduction

Background to the scheme

- 1.1 The district of Eden is one of the most unaffordable districts in the north of England and in 2018 had the highest median income to house price ratio. Working households in the district need to spend almost eight and a half times their annual income in order to purchase the average house, underlining how unaffordable house purchasing has become for many.
- 1.2 To help local residents in affordable housing need achieve their home ownership goals the Council operates a discounted sale scheme to manage the sale of low cost home ownership properties secured through Section 106 planning obligations.

What is discounted sale?

- 1.3 Discounted sale properties help households who have been priced out of the market by the rise in house prices and static household incomes.
- 1.4 Unlike some other forms of affordable housing (e.g. shared ownership) with discounted sale properties the purchaser owns their home outright, meaning no other party retains a share of the equity, but the initial price and each subsequent resale is subject to the same percentage discount. The owner is responsible for all repairs and maintenance costs.

Scope of this guidance

- 1.5 This guidance document provides the Council with a policy and procedure framework by which to assess applications for discounted sale properties within the district of Eden, excluding those areas covered by the National Parks in their role as a planning authority.
- 1.6 It explains how the Council will apply the clauses in the Section 106 planning obligations to applications to purchase a discounted sale property.



2. Discounted Sale Policy

A. Buying a discounted sale property

Qualifying for a discounted sale property

2.1 The application process for purchasing a discounted sale property is based on the Section 106 Agreement attached to each specific affordable property. This agreement is a legal document which places specific conditions on the property or the land. It ensures that a property remains an affordable property each time its sold and provides the criteria for potential purchasers. Although every Section 106 is unique to each property, the three main eligibility criteria are:

1. Affordable housing need
2. Local connection
3. Only property of the purchaser

Affordable housing need

2.2 Discounted sale affordable housing is for those who are in housing need and unable to afford to buy a home on the open market. We work out whether you qualify by looking at your household's circumstances, income, savings, equity in any property owned, wages and potential mortgage.

2.3 If the applying household has total available funds that would allow it to purchase the discounted sale property at the open market value then the household will not be certified as eligible to purchase the discounted sale property.

Total available funds = mortgage in principle + savings + equity

2.4 The mortgage in principle offer should be on headed paper from a mortgage advisor or lender regulated by the Financial Conduct Authority (FCA).

- 2.5 Savings will be evidenced by statements from all accounts held by those applying for the purchase of a discounted sale property. Current account statements must show all transactions covering two months.
- 2.6 For applicants with a property to sell, equity will be calculated by taking away any outstanding mortgage from the current value of the property. This will be evidenced by an outstanding mortgage statement and a property valuation from an estate agent.

Local connection

- 2.7 The local connection criteria in respect of discounted sale properties are detailed within the relevant Section 106 Agreement for the property. However, the standard definition is set out in the Eden Local Plan 2014 - 2032 as follows:

A person will be considered to meet the local occupancy conditions if immediately before taking up occupation of the affordable dwelling, he/she or a member of his/her household meets one of the following criteria:

- The person lives in the locality and has done so for a continuous period of at least three years.
- The person works permanently in the locality and has done so for a continuous period of at least three years.
- The person is an existing social tenant who needs to move to take up an offer of work in the district, as detailed in the Government's 'Right to Move' statutory guidance (DCLG, March 2015).
- The person has moved away but has strong established and continuous links with the relevant locality by reason of birth or long term immediate family connections.
- The person needs to live in the locality because they need substantial care from a relative who has lived in the locality for at least three years, or needs to provide substantial care to a relative who has lived in the locality at least three years. Substantial care means that identified as required by a medical doctor or relevant statutory support agency.

"Locality" refers to the parish and surrounding parishes or, in relation to development in Penrith, the District of Eden.

- 2.8 Discounted sale properties in Penrith are open to applicants with a local connection to the district of Eden, elsewhere discounted properties will initially be open to people with a local connection to applicants from the parish (or surrounding parishes), before “cascading” out to people with a connection to the County of Cumbria.
- 2.9 In each case it will be necessary to check the local connection criteria and timescales for “cascading” set out in the relevant Section 106 Agreement.
- 2.10 Within Section 106 Agreements there is generally the opportunity for the Council to consider prospective purchasers who do not meet the local connection criteria. Where this is the case and only in circumstances where no perspective purchaser meeting the local connection criteria has been identified, the Council will consider applicants who do not meet the required local connection criteria on a case by case basis and provide written approval accordingly. Amongst other circumstances, this will include consideration of applicants who may not have worked or lived in the locality for a continuous period of three years.

Only property of the purchaser

- 2.11 A discounted sale property must be the only or principle dwelling/home of the purchaser. If an applicant owns a residential property they must show evidence to the Council that it has been sold subject to contract i.e. memorandum of sale, before completing the purchase of a discounted sale property.
- 2.12 In accordance with the Section 106 Agreement, purchasing a discounted sale property solely for the purpose of renting it to another household will not be allowed.

Additional criteria

- 2.13 The minimum age for applicants to join the waiting list is eighteen years old, and applicants seeking to purchase a property through the scheme will need to have a right of residence in the UK.

Prioritising applicants

2.14 Applicants meeting the eligibility criteria set out in the Section 106 Agreement for each particular scheme will be ranked by date of registration onto the waiting list for discounted sale properties. However, for some types of accommodation an additional priority is given to particular types of household with a greater need for that type of property, as follows:

- 4/4+ bedroom houses:
 - I. households including 3 or more children (or having joint custody of 3 or more children); then
 - II. households including 2 or more children (or having joint custody of 2 or more children); then
 - III. households including 1 child (or having joint custody of 1 child).
- 3 bedroom houses:
 - I. households including 2 or more children (or having joint custody of 2 or more children); then
 - II. households including 1 child (or having joint custody of 1 child) or households who may need an overnight carer/nurse.

2.15 For the above house types where there is more than one qualifying applicant with an equal additional priority for the same discounted sale property, applications will be ranked by date of registration onto the waiting list for discounted sale properties.

2.16 For dormer bungalows, bungalows and ground floor flats, equal priority will be given to the following types of households:

- households including someone aged 55 or over, and/or households including someone registered disabled; and
- households with children (or having joint custody), in the case of 4/4+ or 3 bed properties the criteria set out above would apply in respect of prioritising applicants based on the number of children in a household or the need for an overnight carer/nurse.

In allocating these house types, where there is more than one qualifying applicant with an equal additional priority for the same discounted sale property, the Council will base its decision by considering each households individual circumstances and assess and rank their level of housing need.

How to apply

2.17 Those seeking certification to purchase a discounted sale property will need to complete the following steps:

1. Registration
2. Application

Registration

2.18 All households will be required to complete a registration form to apply to join the waiting list for discounted sale properties.

2.19 When accepted onto the waiting list those registered will receive details of properties available to purchase through the scheme and how to apply for certification of eligibility to purchase a discounted sale property.

Application

2.20 Once those registered on the waiting list have found a specific discounted sale property which is advertised for sale through the scheme, they will then be required to complete an application form; applying for certification to purchase a discounted sale property in accordance with the Section 106 Agreement.

2.21 Applications from households who are not on the discounted sale waiting list will not be permitted.

2.22 Full details of the registration and application process are set out within the 'Discounted Sale Procedure' section of this document.

Appeals

2.23 The scheme will be administered in accordance with a straightforward policy linked to the conditions of the Section 106 Agreement and time on the waiting list for discounted sale properties. It is therefore not intended that there will be any appeals process.

B. Selling a discounted sale property

2.24 The Section 106 Agreement attached to a discounted sale property will normally provide the information needed to sell your house, including:

- stating the maximum percentage of market value you are able to advertise and sell the property;
- obtaining a valuation;
- who can buy the property; and
- that the purchaser will normally have to be approved by the Council.

Step 1: Obtaining a valuation

2.25 Before marketing a discounted sale property you must employ, at your own expense, an independent Royal Institute of Chartered Surveyors (RICS) registered chartered surveyor to provide an open market valuation for the property.

2.26 Your chosen surveyor must know the local housing market and have experience of valuing properties in the area. They will need to complete their report using the Council's standard Valuation Template which is available to download from Eden District Councils website [\[Insert web link\]](#).

2.27 If your surveyor does not use the standard format the valuation will be rejected and your surveyor will have to resubmit it in the prescribed format.

2.28 Completed valuations will be verified by the Council in the first instance; in the event of any dispute over the valuation, an independent RICS qualified valuer will be appointed by the Council to verify the valuation.

2.29 If the valuation remains contested the matter will be referred to the District Valuer, whose decision on valuation will be final, with the cost being reimbursed to the Council from the vendor.

Step 2: Applying the percentage discount

2.30 The scheme seeks to ensure discounted sale properties remain within reach of households on local incomes. This is achieved through a percentage discount from the open market value, enabling the purchaser to buy the whole property at a discounted price.

- 2.31 As Section 106s will differ, it will always be necessary to refer to the Section 106 Agreement for the defined “affordable price”, this states the maximum percentage of market value you are able to advertise and sell your property. On older schemes the discount may be between 20% to 30% of the open market value and the “affordable price” may or may not be subject to an upper affordable price cap.
- 2.32 New build discounted sale properties sold through this scheme will be sold at a discount of 40% from the open market value. To ensure prices remain affordable to households in Eden, and within the Governments definition of ‘discounted market sales housing’ (as set out in the National Planning Policy Framework), any properties sold via this method will be capped in any event at 60% of the mean property price in Eden (based on CACI Paycheck data). This upper affordable price cap will be stated in the Section 106 Agreement.
- 2.33 The calculated affordable price cap will be updated on an annual basis.

Step 3: Marketing and Sales

- 2.34 When a valuation has been agreed with the Council the property can be marketed. For all sales it is the responsibility of the vendor to market the property and to ensure that a buyer has been certified to purchase the property.
- 2.35 When a property is released for sale, or listed for sale with an estate agent, we will notify all households on the discounted sale register, full details of this process are set out within the ‘Discounted Sales Procedure’ section of this document.
- 2.36 Interested buyers will need to first complete a registration form to join our waiting list for discounted sale properties, before completing an application form for written approval/certification from the council in order to purchase a specific property. Further detail is set out in the ‘Discounted Sales Procedure’ section of this document.

What if your property is struggling to sell

- 2.37 Buying and selling homes can be stressful and selling any home can take a while. Make sure that you are doing all you can to promote your property. Talk to your estate agent for advice, they may suggest redecorating or decluttering your home and possibly reducing the asking price.
- 2.38 In most Section 106 Agreements there is a process called “cascading”, by which if there is no buyer after your property has been marketed for a certain length of time, such as 8 weeks, we can look at a temporary relaxation of the

'local connection' part of the Section 106 Agreement. Meaning the property only remains available to persons in affordable housing need, but the local connection criteria is broadened, allowing more people to qualify for its purchase.

2.39 All Section 106 Agreements are different and there have been many variations over time. If you are unsure whether yours contains a “cascade” process, contact your solicitor or our Housing Development Officer.

2.40 Any unusual circumstances may form the basis of a request to the Council to permit the property to be transferred to another party, such as an affordable housing provider, subject to and in accordance with the Section 106 Agreement.

Renting

2.41 Owners of a discounted sale property must not allow any other person to live in their property, unless that person(s) forms part of their household.

2.42 However, exceptional circumstances may occur whereby the owner of a low cost property has been unable to sell the property but has a genuine need to move. In such circumstances we will allow a discounted sale property to be rented out on a temporary basis.

2.43 Written approval from the Council must be received before the discounted sale property can be rented out. Approval will be given provided the following criteria are met:

- The property must have been for sale with an estate agent for at least six months.
- The rent charged must be no more than 80% of the open market rental value for the property. An estate agents valuation of the open market rent must be submitted.
- The owner of the discounted property must confirm they have sought advice as to how letting the property would affect them, such as mortgage payments and insurance cover.

2.44 Approval given by the Council in the above circumstances would result in permission being given to let the property for a maximum two year period. The property must then be listed for sale for a further six months before applying to the Council for permission to resume letting.

C. Further information

Home improvements

- 2.45 Unlike some other forms of affordable housing (e.g. shared ownership) with discounted sale properties the purchaser owns their home outright, meaning no other party retains a share of the equity.
- 2.46 The owner is responsible for all repairs and maintenance costs and is entitled to undertake any home improvements they wish, for example adding a conservatory or extending the property (subject to securing planning permission where appropriate). However, it is important to be aware homeowners may not realise the full value uplift of these improvements due to the need to sell the home at the same percentage discount for which they purchased it.

Rights of succession

- 2.47 Those who inherit a discounted sale property are required to inform the Council.
- 2.48 Inheriting households will need to demonstrate that they meet the qualifying criteria in the Section 106 Agreement attached to each specific affordable property. If the inheriting household is unable to meet the criteria the property will have to be sold in accordance with the Section 106 Agreement, with the monetary value (equity) received from the sale going to the beneficiary.

Section 106 Agreement legal implications

- 2.49 A Section 106 is registered as a local land charge. This means that when a proposed purchaser undertakes a local search on the property the purchaser will become aware of the Agreement.
- 2.50 Potential purchasers are entitled to request a copy of the Agreement from Eden District Council to make themselves aware of its terms.
- 2.51 The purchaser should not proceed with a transaction unless and until they are satisfied of the terms and that they are not unduly affected by them. Any purchaser should secure that their interests are protected and they are not in breach of the Agreement by completing the conveyance.

Enforcement

- 2.52 The Council should be notified of any sale of a discounted sale property. If the Council are not notified and become aware of a sale at a later date the Council will initiate an investigation to determine the eligibility of the purchaser. If the purchaser is found to be ineligible, the Council will take necessary enforcement action to ensure vendors and prospective purchasers are compliant with the Planning Obligation.

Data protection

- 2.53 The Council shall comply with all applicable data protection legislation and privacy legislation in the UK including the General Data Protection Regulation (GDPR); the Data Protection Act 2018; and all other legislation and regulatory requirements in relating to the use of Personal Data and the privacy of electronic communications.
- 2.54 Any personal data submitted by you or obtained as part of an application will be handled in accordance with the Data Protection Laws, the Council's Data Protection Policy and its Privacy Policy which can be found on the Council's website (www.eden.gov.uk/your-council/council-business/requesting-information/data-protection-policy).

Monitoring & review

- 2.55 It is expected that monitoring will be on-going to determine that both the discounted sale scheme and the guidance / procedure continues to work for vendors and purchasers and ensures that the type of housing provided for discounted sale reflects the needs of local households.



3. Discounted Sale Procedure

- 3.1 This section of the document explains the procedure followed by Eden District Council during the registration process and how the Council will assess applications to be certified as eligible to purchase a discounted sale property.
- 3.2 All communication will be by email, except where the households specifically request to receive communication by post.

Registration onto the waiting list

- 3.3 Registration forms are available to fill in online via Eden District Council's website, or can be requested from housing.services@eden.gov.uk, or collected from the below address:
Mansion House
Friargate
Penrith
CA11 7YG
- 3.4 Completed registration forms can be submitted online, returned via email to housing.services@eden.gov.uk or posted/delivered to the above address, marked for the attention of 'Housing Services'.
- 3.5 Registration forms will be scanned and saved electronically to a secure folder. Hard copies will be disposed of securely. Details from each application form will be added to Eden's waiting list for discounted sale properties.
- 3.6 Entry onto the discounted sale waiting list does not guarantee the household will be certified as eligible to purchase a discounted sale property.
- 3.7 Households will be sent confirmation of their entry onto the discounted sale register within 10 working days of their registration form being received.

Verifying valuations

- 3.8 Following notification from the vendor/developer of their intention to sell a discounted property, they will submit a valuation of the property to the Council.

This valuation must be from a RICS registered chartered surveyor using the Council's standard Valuation Template.

- 3.9 When the Council confirms that they accept the valuation, they will then agree with the vendor/developer a marketing 'release date' for the property. The publicity must stipulate that the property is an "affordable property", "subject to a Section 106 Agreement" and that "buyers must be approved by Eden District Council".
- 3.10 At this point the Council will also seek confirmation from the vendor/developer that they give their approval for the Council to send details of the property (and contact details of the developer, estate agent or vendor) to households registered on the waiting list.
- 3.11 A copy of this guidance document will be shared with the vendor/estate agent /developer to ensure they are familiar with all aspects of the discounted sale policy and procedure.
- 3.12 Where applicable, the cascade process, specifying when households are eligible will begin 5 working days after the confirmed 'release date'.

Notifying households on the waiting list

- 3.13 When a property is released for marketing all households on the waiting list will receive an email (or letter if they have specifically specified) giving the following details of the property (these details will also be published onto the Council's website):
- Location – address / development / plot number
 - Developer (only if new build)
 - Type of property and number of bedrooms
 - Open market and discounted sale price
 - Contact details for the developer, estate agent or vendor
 - Details of local occupancy criteria as per the Section 106 Agreement
- 3.14 A blank application form ('Word' format) and this guidance document for discounted sale housing will also be attached to the notification email.
- 3.15 A shortlisting deadline, 10 working days from the day of the notification email, will be given for submission of completed application forms. On close of the shortlisting deadline, should no applications have been received from qualifying households, applications received after this date will be assessed on a first come first assessed basis, in accordance always with the conditions of the Section 106 Agreement and guidance contained within this document.

Application process

- 3.16 Completed application forms can be emailed to housing.services@eden.gov.uk or posted to:

Housing Development Officer
Mansion House
Friargate
Penrith
CA11 7YG

- 3.17 Application forms and supporting information will be scanned and saved electronically to a secure folder. Hard copies of the information submitted in support of an application will be disposed of securely (unless specified by the applicant that they would like any supporting documents to be returned).
- 3.18 Applications will be assessed using the eligibility criteria specified in this guidance document.
- 3.19 Additional information may be requested from applicants if necessary.

Notification of decision

- 3.20 The Council may take up to 10 working days from the time of submission or from the shortlisting deadline (whichever is longer) to assess applications.
- 3.21 Applicants will be notified of the final decision via email (in exceptional circumstances and where the applicant does not have an email address a hard copy may be posted out).
- 3.22 Approved applicants will receive an email with a .pdf letter attached which will confirm their eligibility to purchase the property. If applicable this letter will specify what plot number they have been approved for.
- 3.23 Names and contact details of approved applicants will be passed onto the developer or estate agent.
- 3.24 The household buying the property will be removed from the waiting list.
- 3.25 If a reservation falls through, the developer/vendor will advise the Council who will advise qualifying unsuccessful applicants before contacting households on the waiting list who did not apply.

Annual Update

- 3.26 An email will be sent annually to households on the waiting list asking for confirmation that they wish to remain on the waiting list.

Contact Details
Housing Development Officer

Eden District Council, Mansion House, Penrith, Cumbria CA11 7QF



01768 817817



housing.services@eden.gov.uk



Eden Council Facebook



@edencouncil

* Copies of this document are available in alternatives formats or languages upon requests.

Discounted Sale housing Registration form

Use this form to apply to join Eden's waiting list to buy a Discounted Sale property

Note, if you are looking for an affordable home to rent do not fill in this form, instead please:

- visit www.cumbriachoice.org.uk or,
- call our Housing Team for more information on 01768 817817

About this form

The information you supply in this form will allow us to check that this is the best affordable housing scheme for you given your household's circumstances. Please be aware the minimum age for applicants to join the waiting list is eighteen years old.

All communication will be by email unless stated otherwise. Please **only** fill in the box below to inform us if you would prefer to receive communication by post:

I would prefer to receive communication via post, my correspondence address is:

Next steps

You will be sent confirmation of your acceptance onto the waiting list, or otherwise, within 10 working days of submitting this form. Once on the waiting list you will receive details of properties available to purchase through the scheme and how to apply for approval to purchase a particular property.

Please read the **Discounted Sale Housing Guidance Document** and be aware that before you can go on to apply to be approved to purchase a particular property you must meet the below eligibility criteria:

- Have the required local connection.
- Demonstrate you require a discount to purchase a property through the scheme.
- The Discounted Sale property must be your only home.
- Have a right of residence in the UK.

Discounted Sale housing

Registration form to join Eden's waiting list to buy a Discounted Sale property

Section 1: Applicant(s) details

Please give the details of each applicant that will be purchasing the discounted sale property.

	Applicant 1	Applicant 2 (if applicable)
Title:		
Full name:		
Date of birth:		
Current address:		
Postcode:		
Are you a (tick ✓):	<input type="checkbox"/> Homeowner (with mortgage) <input type="checkbox"/> Homeowner (no mortgage) <input type="checkbox"/> Shared owner <input type="checkbox"/> Renting <input type="checkbox"/> Lodging <input type="checkbox"/> Living with parents	<input type="checkbox"/> Homeowner (with mortgage) <input type="checkbox"/> Homeowner (no mortgage) <input type="checkbox"/> Shared owner <input type="checkbox"/> Renting <input type="checkbox"/> Lodging <input type="checkbox"/> Living with parents
How long have you lived there? (In years & months)		
Rent, mortgage or board paid each month (£):		
If you have lived at the above address for less than 3 years, please provide previous address(es):		
Email address:		
Best daytime contact phone number:		

Discounted Sale housing

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Who else will be living with you in your new home, who you have not already mentioned?
(including children)

Title	Surname	First name	Date of birth	Relationship to Applicant 1	Relationship to Applicant 2

Section 2: Income, Investments & Savings

You must tell us about all income, savings and investments in the name of each applicant.

	Applicant 1	Applicant 2
What is your gross annual income - which is the amount before tax? (£) (Including pension, benefits, regular overtime)		
What is the value of your total savings and investments? (£)		

Discounted Sale housing

Registration form to join Eden's waiting list to buy a Discounted Sale property

Section 3: Employment

You must tell us about all employment or self-employment undertaken by each Applicant.

	Applicant 1	Applicant 2 (if applicable)
Do you work for an employer? (Yes/No)		
Are you self-employed? (Yes/No)		
How many hours do you work per week?		
Employers address and company name:		
When did you start your job?		
If you are self-employed what are the locations you normally cover?		
Do you have more than one job? If so please provide details of the employer(s) & hours worked:		

Discounted Sale housing

Registration form to join Eden's waiting list to buy a Discounted Sale property

Section 4: Property ownership

Use this section to provide details of any property each applicant owns, this includes current home, any properties rented out, holiday homes, inherited properties and empty homes.

Please note, current homeowners are not excluded from joining the Discounted Sale waiting list. However, as a Discounted Sale property must be your only owned property, in order to be approved to purchase a discounted sale property through the scheme you will need to have secured a sale on any property owned, subject to contract.

	Applicant 1	Applicant 2 (If different)
Do you own a property? (Yes/No)		
Do you have a mortgage on the property, if applicable? (Yes/No)		
What is the current balance outstanding on the mortgage? (£)		
What is the current market value of the property? (£)		
Do you own any other property in this country or abroad? (Yes/No) If yes please provide details:		

Section 5: Your housing requirements

What type of property do you want to buy? Please **tick** ✓ all that apply.

Property Type		Bedrooms	
House		One	
Bungalow		Two	
Ground floor flat		Three	
Upstairs flat		Four+	
Please state below if you or anyone who will be living with you is registered disabled or has mobility issues:			

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Section 5: Location and local connection

Where would you like to buy a discounted sale property? Please **tick ✓** all that apply. Please also indicate if you have a local connection to a particular area (if unsure leave this column blank).

	Would like to live ✓	*Have a local connection ✓		Would like to live ✓	*Have a local connection ✓
Penrith			Lazonby		
Alston			Nenthead		
Appleby			Orton		
Kirkby Stephen			Plumpton		
Armathwaite			Ravenstondale		
Brough & Church Brough			Shap		
Clifton			Stainton		
Culgaith			Tebay		
Greystoke			Temple Sowerby		
Hackthorpe			Warcop		
Hesket (High & Low)			Yanwath		
Kirkby Thore			Other (please state)		
Langwathby				

Is there a particular development you are interested in purchasing a Discounted Sale property? (if yes please state):	
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***Local connection:** can mean that you live or work in that place or its surroundings and have done so for a continuous period of three years, or have strong established and continuous links to that place or its surroundings, or you have an essential need through age or disability to live close to a relative living in that place or its surroundings. **Please note, where the house you would like to buy is in Penrith your local connection can be to anywhere in the Eden District.**

Discounted Sale housing

Registration form to join Eden's waiting list to buy a Discounted Sale property

Section 6: Declaration

- This is my/our registration form to join Eden's waiting list to buy a Discounted Sale property.
- I/we declare that the information I/we have given on this form is correct and complete to the best of my/our knowledge.
- I/we authorise Eden District Council's Housing Services section to make any enquiries to verify the information on this form.
- I/we authorise the Council to use the information provided for research purposes to inform evidence of local housing needs, this will not include an applicant's personal details, income or financial information.
- I know that I must let Eden District Council know straight away about any change in my/our circumstances which might affect my application. I may be liable to prosecution if I fail to do so.

Signed: Applicant 1 _____ Date _____

Applicant 2 _____ Date _____

What to do next

Once you have completed this form, please post it or bring it to the below address:

 Eden District Council, Town Hall, Corney Square, Penrith, CA11 7QF

 Or, email your completed form to housing.services@eden.gov.uk

Data Protection

The Council shall comply with all applicable data protection legislation and privacy legislation in the UK including the General Data Protection Regulation (GDPR); the Data Protection Act 2018; and all other legislation and regulatory requirements in relating to the use of Personal Data and the privacy of electronic communications.

Any personal data submitted by you or obtained as part of an application will be handled in accordance with the Data Protection Laws, the Council's Data Protection Policy and its Privacy Policy which can be found on the Council's website www.eden.gov.uk/your-council/council-business/requesting-information/data-protection-policy

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Discounted Sale housing Application form

Use this form to apply for approval to buy a Discounted Sale property

About this form

Please note this form is to be completed once you have been accepted onto Eden's Discounted Sale waiting list and once you have found a specific affordable property which is being advertised for sale through the scheme.

We will need to see proof of the things you tell us about in this form. There is a checklist of documents in **Section 4** to help you. Your application may be declined or delayed if it is not accompanied by all supporting documents.

To ensure your application is considered during the shortlisting exercise please make sure all supporting documents together with this application form are submitted to us by the closing date. Any documents received after this date will be considered only if a property remains available.

If you have any questions on completing this form, contact the Housing Development Officer on 01768 212391.

Before completing this form, please read our **Discounted Sale Housing Guidance Document** and be aware of the below eligibility criteria:

- Demonstrate you require a discount to purchase a property through the scheme.
- Have the required local connection.
- The Discounted Sale property must be your only home.
- Have a right of residence in the UK.

Next Steps

Once you have returned to us a completed form together with all supporting documents we will assess your application for the purchase of the Discounted Sale property. Please allow up to 10 working days from the time of submission or from the shortlisting deadline (whichever is longer), for a decision. You will be notified of the final decision via email (or post if you have previously selected this as your preference).

Applications will be assessed using the eligibility criteria specified in **the Discounted Sale Guidance Document**.

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 1: Applicant(s) and property details

Please give the names of all those who will be named on the deeds of the property. If applicants do not live together, please give the postal address and email address of the lead applicant.

Name: Applicant 1	
Name: Applicant 2 (if applicable)	
Lead applicants address:	
Lead applicants mobile and/or daytime phone number:	
Lead applicants email address:	

What is the location (i.e. village/town) or address of the property you are applying for?	
New build only: do you have a preferred Plot number, if yes please state?	
New build only: If unsuccessful in your application for your preferred Plot would you like to be considered for other available Discounted Sale Plots on the same development? (Yes/No)	

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 2: Financial information

We need to know how you will fund the purchase of this property. If any of the below questions do not apply given your circumstances please mark as **N/A**.

We will require verification of the information provided in this section – see the documents required checklist in **Section 4** below.

Q		Applicant 1 and Applicant 2 (if applicable)
1.	What is the potential mortgage amount shown on your mortgage in principle certificate? Or letter on headed paper from a mortgage advisor regulated by the Financial Conduct Authority (FCA)? (£)	
2.	What is the combined value of any savings or investments you have? Including ISA's, savings accounts, bonds etc. (£)	
3.	If a family member or friend is gifting / loaning you money to help fund the purchase, please state how much? (£)	

A discounted sale property must be your only property. If you own a residential property you must provide us with evidence that it has been sold subject to contract. If you are in the process of selling your property, you must answer the below questions.

4	a) What is the outstanding value of your mortgage? (£)	
	b) What value is the property being sold for? (£)	
	c) If you are receiving a share of the sale of this property, what share of the equity will you receive? (please state the ratio of the split, showing your share first i.e. 50/50)	

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 3: Local connection

The local connection criteria in respect of Discounted Sale housing is detailed within the relevant Section 106 Agreement for the property.

Discounted Sale properties in Penrith are open to people with a local connection to the whole of the District of Eden.

However, most schemes elsewhere in the District will initially be open to people from the local parish (or sometimes the neighbouring parishes), before “cascading” out to people with a connection to the District and eventually the County of Cumbria after a set period of time, typically between 4 to 12 weeks.

For information about the parishes covered by a specific property and assistance in understanding if you meet the local connection criteria contact the Housing Development Officer on 01768 212391.

A local connection to the parish/district can take 4 forms:

- have lived in the locality for a continuous period of three years, or
- have worked permanently in the locality for a continuous period of three years, or
- have strong established and continuous links to the locality, or
- have an essential need through age or disability to live close to someone living in the locality.

In exceptional circumstances where no perspective purchaser meeting the local connection criteria has been identified, the Council will consider applicants who do not meet the required local connection criteria on a case by case basis and provide written approval accordingly. This this will include consideration of applicants who may not have worked or lived in the locality for a continuous period of three years. If this applies to you please contact the Housing Development Officer to discuss further on 01768 212391.

Use the box below to set out how you meet the local connection criteria for the property you are applying to purchase. We will require supporting evidence to verify your local connection – see the documents required checklist in **Section 4**

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 4: Documents required - Checklist

Please go through this carefully, if you do not include all necessary evidence your application will be delayed.

		Applicant 1	Applicant 2 (if applicable)
	Evidence required	Have you attached proof to this application? (Mark as YES or Not Applicable)	
Financial Information	Proof of 'Mortgage in Principle' A copy of an in date (within the last 3 months) mortgage in principle certificate or a letter on headed paper from a mortgage advisor regulated by the Financial Conduct Authority (FCA), showing how much a bank or building society is willing to lend you. High street lenders will provide this free of charge on application to them. We do not require a full formal mortgage offer.		
	Bank accounts, savings and investments Each applicant must provide full statements from all accounts. Current account statements must show all transactions covering the most recent two months .		
	Income Each applicant will need to provide their last two months pay slips (If either applicant is self-employed, we need accounts for the last financial year or, if trading for less than six months, a summary of your trading records so far). Pension – If you receive an income through a pension we will need to see proof. Benefits (excluding Child Benefit) – Provide evidence of welfare benefits received i.e. tax credits, income support, council tax support, pension credit, carer's allowance etc.		
	Gift/loan from family/friend If a family member or friend is gifting or loaning you funds to assist you in the purchase of the property. You must provide a written declaration from them, stating their relationship to you.		

Continue on next page...

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 4: (continued)

		Applicant 1	Applicant 2 (if applicable)
	Evidence required	Have you attached proof to this application? (Mark as YES or Not Applicable)	
Sale of a property	Memorandum of Sale If either applicant owns a property we will need to see confirmation of the value of the property and proof of sale subject to contract.		
	Current mortgage statement A copy of your current mortgage statement showing the balance outstanding.		
Local Connection	Proof of Local Connection Provide evidence of one of the following: <ul style="list-style-type: none"> • 3 year residency in the locality: Evidenced by providing a written statement from a relative or professional verifying you have been at the address in the locality dating back three years. This statement must include their address and contact details. Or, any dated formal letter showing you have been at an address in the locality dating back three years i.e. utility bill, council tax bill, etc. • 3 year employment in the locality: Evidenced by providing a statement from the employer confirming the applicant works in the locality and the date at which they started their employment. • Established and continuous links to the locality: Written statement from a relative or professional explaining and verifying your connection to the locality. This statement must include their address and contact details. • Essential need through age or disability to live close to someone living in the locality: Written statement from a relative or professional explaining and verifying your essential need to live in the locality. This statement must include their address and contact details. 		

Discounted Sale housing

Application form to apply for approval to buy a Discounted Sale property

Section 6: Declaration

- This is my/our application to be considered for the purchase of a Discounted Sale property.
- I/we declare that the information I/we have given on this form is correct and complete to the best of my/our knowledge.
- I/we authorise Eden District Council's Housing Services section to make any enquiries to verify the information on this form.
- I know that I must let Eden District Council know straight away about any change in my/our circumstances which might affect my application. I may be liable to prosecution if I fail to do so.

Signed: Applicant 1 _____ Date _____

Applicant 2 _____ Date _____

What to do next

Once you have completed this form, send it or bring it to the below address:

📄 Eden District Council, Town Hall, Corney Square, Penrith, CA11 7QF

✉ Or, email your completed form to housing.services@eden.gov.uk

Data Protection

The Council shall comply with all applicable data protection legislation and privacy legislation in the UK including the General Data Protection Regulation (GDPR); the Data Protection Act 2018; and all other legislation and regulatory requirements in relating to the use of Personal Data and the privacy of electronic communications.

Any personal data submitted by you or obtained as part of an application will be handled in accordance with the Data Protection Laws, the Council's Data Protection Policy and its Privacy Policy which can be found on the Council's website www.eden.gov.uk/your-council/council-business/requesting-information/data-protection-policy

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Discounted Sale housing

Affordable Housing Valuation



Use this standard valuation template in determining the open market valuation of an affordable property in Eden District

Please Note: This sample valuation format is prepared solely to illustrate the information required by Eden District Council to approve a valuation. Anyone relying upon it should include their own disclaimers and reservations etc.

To: (client) **Date:**

Re: (Property Address)

This valuation has been made in accordance with the Practice Statements in the RICS Red Book (refer to latest edition).

1.0 Instruction

We confirm your instructions of 202... to carry out a valuation in respect of the above property and the requirement for a formal valuation by Eden District Council.

2.0 Tenure

3.0 Tenancies

4.0 Description

Type of accommodation (e.g. 2 bedroomed flat)

Floor area (Gross Internal Area) of each unit

5.0 Year of construction

6.0 Construction

7.0 Accommodation

a. Description of nature of accommodation.

b. Include as a minimum photographs of all reception rooms, kitchen, bathroom, front elevation and any garden areas within report. Or, if the property is under construction at the point of valuation include Floor Plans, Elevation Plans and provide details of the standard specifications included within the valuation i.e. carpet/flooring, white goods, oven, turf, etc.

c. Also include checklist with estimated age of boiler, double-glazing and number of parking spaces (and indicate whether communal or exclusive use). Also indicate whether the property has an exclusive garden area.

8.0 Garage(s)/ other permanent buildings

9.0 Services

10.0 Roads and footpaths

11.0 Matters that might affect value

11.1 Obvious evidence of serious disrepair or potential hazard to the property

11.2 Other matters likely materially to affect the value

12.0 Matters to be checked by conveyancers

13.0 General remarks

We understand that the property must be sold at % of market value though our valuation under Section 14 is of the full market value ignoring any reduced sale price.

14.0 Valuation (assuming vacant possession unless otherwise stated)

14.a Market Value defined as: (adopt latest RICS Red Book definition)

Market Valuation in present condition £
(THOUSAND POUNDS)

15.0 Other matters specifically requested in the instruction

16.0 Valuation commentary including comparable evidence

a. Must include a minimum of three comparable transactions with valuation rationale / commentary to justify market value figure put forward.

17.0 Valuation certificate

I certify that the property in this report has been inspected by me, that I valued the property as an Independent Valuer and prepared this report, and that I am not disqualified from reporting on the property. I confirm that the Eden District Council can rely upon this Valuation.

.....
(Member of the RICS) (RICS Registered Valuer)

Please note: This guidance note is intended as a general outline only of the Council's requirements which should be incorporated into a valuation prepared by a Chartered Surveyor (RICS Registered Valuer).

This valuation to be submitted to: Housing Development Officer
Town Hall
Corney Square
Penrith
CA11 7QF

Or via email to camilla.carruthers@eden.gov.uk