



Cheshire West & Chester Council



What you need to know about  
**eligibility criteria when buying a  
discounted sale affordable home**



**Building futures, opening doors**



Cheshire West  
and Chester

## **What you need to know about eligibility criteria when buying a discounted sale affordable home**

This leaflet provides advice on buying an affordable home which is subject to an occupancy restriction; this means that only certain households can qualify to buy and occupy the property. Such occupancy restrictions are achieved, through the planning system, in the form of planning conditions or obligations contained in a legal document called a Section 106 Agreement. Where the local authority have placed an occupancy restriction on a property the advice in this leaflet is relevant.

It is important to realise that this leaflet does not generally relate to buying a council property or property owned/managed by a registered provider (RP) or Housing Association. Different rules apply to buying council houses or RP housing. Different rules also apply to Homebuy schemes. Information regarding council properties, RP housing or Homebuy schemes should be sought from the Council's Housing Strategy team or from the RP's themselves.

### **Buying an affordable home**

To help people who wouldn't otherwise be able to buy their own home the local authority restrict the price of certain houses. These are called Discounted Sale Affordable Homes.

The restricted price is a fixed percentage of the open market price. The value of the house may therefore go up or down just like any other house. However its restricted price will always be the same percentage of the open market value (e.g. 70%). If you want to buy a discounted sale Affordable Home then you can find out the restricted price from the developer or agent. The restriction means that the house cannot cost more than the amount stated.

The Discounted Sale Affordable Homes scheme has been created to help people who can't buy in the open market and for that reason not everyone can use the scheme. It is therefore very important that you are sure you qualify to buy before you enter into a legally binding agreement to do so.

You will not be able to complete your purchase without the council's agreement. Before agreeing to the purchase, the council will need to be satisfied that you fit the rules.

### **What are the rules/eligibility criteria?**

#### **First Rule**

Your total household gross income (including your partner if applicable) must be less than £80,000. In addition you must not have more than 65% of the discounted price in equity/savings/gifted deposit unless you are vulnerable and have a disability or low level health issues/ other life limiting condition which causes difficulty in accessing

suitable and sustainable accommodation in the borough **or** are over 55 years old when 100% is acceptable. You will be required to provide evidence of vulnerability/age in this case (letter from doctor, social worker and passport or birth certificate)

You must provide all information to verify your financial information:

- If you are paid monthly or on zero hours contracts, the most recent 3 months' pay slips will be required, if you are paid weekly, the most recent 6 weeks'.
- Copies of savings accounts etc. are required to confirm capital amounts and a signed declaration for any gift monies that confirms they are not a loan. If you are currently a home owner confirmation of the value of your property (including second homes/investment properties) should be supplied and a mortgage statement showing the amount of outstanding mortgage must be provided.
- If you are separating from a partner, confirmation from your solicitor of the amount of equity/maintenance payments you are due to receive must be also be provided.
- Evidence of a mortgage in principle is also preferable.
- Evidence of vulnerability/age if necessary (letter from doctor, social worker and passport or birth certificate)

## Second Rule

You must be unable to afford to buy a suitably sized, appropriate market property which meets your needs in the same area as the Discounted Sale Affordable Home. As a guide to assessing how much you can afford to spend on a purchase, first multiply your total gross income by a factor of 4 or 3.5 for joint applicants and add your capital/equity/gifted deposit. To qualify for affordable properties, the total amount must be less than the OMV of the Discounted Sale Affordable Home or a suitable property in the same area as the affordable property.

Please note when assessing the ability to purchase market accommodation, the number of bedrooms a household *requires* will be considered as described below plus one bedroom. One bedroom is needed for each:

- Single adult or couple
- Two children under 10 regardless of gender
- Two children under 16 of same gender
- Other adults living in the household
- Where a member of the household, is expecting a child and this grants the need for an additional bedroom
- Consideration will also be made where a separate room is required for the use and/or storage of medical equipment, where a disabled person needs an overnight

carer or for employment purposes

### Third Rule

Many Discounted Sale Affordable Homes are also covered by specific local criteria, particularly if they are located in a rural part of the borough or are older affordable units. There are two different criteria which frequently apply:

- **Local Connection** - you must be able to provide evidence of a strong local connection either by residence, employment or immediate family connections to the area where the Discounted Sale Affordable Home is located. For rural properties this is usually a connection to the parish and for urban areas the ward. Please note attendance of household members at a local school is not considered as a local connection.
- **Housing Need** – you will need to fall into one of the following categories:
  - Persons currently sharing facilities and forming an emerging or separate new household
  - Persons living in overcrowded, unsafe or poor housing conditions where there is a high risk of harm
  - Persons who need to move on medical or welfare grounds, including disability, abuse or harassment.
  - Persons who are unable to afford their current accommodation or are homeless.
  - Persons moving on from supported accommodation or young people leaving care.
  - Persons who can demonstrate a need to move to be nearer employment or support networks or to give support to a close family member
  - Persons who have been approved by the local authority for fostering and/or adoption, but lack suitable accommodation.
  - Persons who are under occupying their current property by at least two bedrooms
  - First time buyers

The developer or agent marketing the Discounted Sale Affordable Home will be able to supply you with details of the specific local connection or housing need criteria that apply. Alternatively contact the Affordable Housing Team at the Council as follows:

- Email: [affordablehousing@cheshirewestandchester.gov.uk](mailto:affordablehousing@cheshirewestandchester.gov.uk)
- Telephone: 0151 356 6410

### **What you need from the council.**

For you to be able to buy a Discounted Sale Affordable Home, the seller must have informed the Council that the property is available to purchase and agreed the restricted price with us. You will have to complete an application form to determine you meet the eligibility criteria. Online applications can be made using the following link:

[www.cheshirewestandchester.gov.uk/residents/housing/accessing-affordable-housing/affordable-housing.aspx#Howdolapply](http://www.cheshirewestandchester.gov.uk/residents/housing/accessing-affordable-housing/affordable-housing.aspx#Howdolapply)

Once we have assessed you according to the information provided in your application form, we will give you a decision letter to confirm eligibility. This letter is for your benefit only and should not be relied on by the seller who will have to get their own Letter of Consent from the council. This is done to prevent fraud. Your letter will remain valid for 6 months.

### **And Finally...**

We have these rules to ensure Discounted Sale Affordable Homes are purchased and occupied by households who really need them - they are not designed to be a low cost investment. We want the rules to work as simply as possible. If you help us by providing accurate and detailed information as soon as possible at an early stage, then we can work together to make the policy work for you.