

Dear Applicant

Thank you for your enquiry regarding Council Shared Equity (Discount Market Sale), please supply us with the following information:

- **Full address of the property:**
- **Name(s) of vendor:**
- **Email Address:**
- **Telephone/Mobile:**
- **Equity owned (%):**
- **Full open market value:**
- **Type of the property:**
(Studio, Manhattan, 1 Bed or 2 Bed)
- **Confirmation the property is not sublet:**
- **Please tick applicable:**
 - ☐ **Wish to purchase remaining percentage**
 - ☐ **Wish to sell**

You are required to obtain your own independent RICs if you are applying to purchase the remaining percentage share.

You are required to obtain your own two independent RICs if you are applying to sell.

(<https://www.rics.org/uk/>) Royal Institution of Chartered Surveyors, certified valuation reports confirming the current open market value. Estate agent valuations will NOT be accepted.

REPORTS MUST INCLUDE:

- The date of inspection took place.
- State that they are aware the property is a DMS/Council shared equity unit
- Floor size, level and sketch of the layout of the subject property.
- Indication of any balconies, outdoor areas within the demise.
- Garage, car parking space allocated to the subject property and areas of overlooking view.
- Internal and external photos.

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- **Declaration of the method used to measure the floor size.**
- **Indication of type of comparables, DMS and/or private and source of the comparables. The details of your valuers comparables must include**
 The full address
 purchase date
 purchase price
 internal floor area sq ft / sq m
 valuers name
- **Sellers should provide the surveyor with a copy of the lease and should declare to the surveyor if there are any disputes or any issues the purchasers should be aware of.**
- **Confirmation that the report is valid for a minimum period of 3 months and must confirm that the Council can reply upon the contents of the report.**

Important note for lessee's wishing to purchase the remaining share

Please note, the sale of the council's remaining share is at the council's discretion. Once you have submitted your RICS (Royal Institution of Chartered Surveyors) valuation report, this will be reviewed by Home Buy who will confirm if we are willing to accept your application to purchase the Council's share.

Note for lessee's valuer

The council has an interest in a large number of Council Shared Equity properties within borough (formerly known as DMS). Often once a resale takes place, only the share percentage is registered on land registry not the 100% Open Market Value. Relevant Comparables will need to be shown in the valuation reports for us to consider selling the council's remaining share. Please contact the Home Buy team to ensure the Open Market Values of recent sales and purchases in your development are available to your surveyors.

Home Owner Signature

Date

Please complete and return the DMS application, valuation report and a copy of your lease to by email to: h&fhomebuy@lbhf.gov.uk

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Additional Notes

To purchase the remaining share:

You are required to submit one RICs valuation report

- Once your application and valuation report is received by LBHF, we will seek approval of the report and subject to approval being received we will issue you with the offer letter.
- If you accept, we will seek delegated authority to sell, if approved we will instruct our legal team who will progress the matter with your chosen solicitors.
- You have 3 months from the point of our offer letter to complete your purchase, if you fail to complete within this time, you will be required to obtain a new valuation.

Please note that sale of the Council's interest in the Council Shared Equity homes is at its absolute discretion.

To sell your share:

You are required to submit two RICs valuation reports

- Once LBHF has received your application form and two separate valuation reports, we will seek approval of the report and subject to approval being received we will issue you with the offer letter and a proforma to complete.
- If you accept, we will prepare an advert from your completed form and market the property for an initial period of 2 weeks to our nominated buyers, this will be the time for any interested applicants to express their interest and arrange viewings.
- After this time, LBHF will ask you to send a list of all applicants who came and viewed the property. We will then shortlist and allocate your home to a potential buyer from the Council's nominations list.
- The successful applicant will have 48 hours to accept or decline the offer, then a further 2 weeks to provide us with all documents and information required to instruct our legal team.
- The process will then be dealt with by solicitors acting for each party, through to completion, which must take place within 3 months of the offer letter being issued, or a new valuation may be required.
- Should we fail to find you a buyer within the initial 2-week period, we will repeat the process up until the end of our 8-week exclusivity period, if we are still unable to find you a buyer within this time, The Council will give you permission to sell on the open market.

Selling on the Open Market:

If you intend to sell your share, please note that it must be to a First Time Buyer. We will also consider applications to purchase the full share. There are no buyer restrictions around this but any application to purchase the full share must be presented to the Council for approval before acceptance.

Please note permission is only granted to market the property on the Open Market for three months.

If you are not able to sell your property within this timeframe, you are required to obtain another valuation from a RICS valuer. This value must then be approved by the Council before the new price is advertised.

As we retain an interest in the property, this measure is required to ensure we secure best value for our share. This is particularly important if a prospective purchaser intends to purchase the full share.

Please note the estate agent must also be clear in the advert that the full market value and your share of the same are priced for different levels of ownership.

In this regard, we require sight of any advert before it goes live to ensure it is not misleading. This reduces the likelihood of a sale falling through further along the line.

Once we have agreed for you to sell on the open market, we will send further guidance notes for you and your chosen Estate Agent.

Please note the Council will not usually countenance offers for the full share of the property below the agreed Open Market Value. Where a lower offer is received, we will generally require a Registered Institute of Chartered Surveyors (RICS) valuation that validates the price before we will consider it.

Fees

You will be responsible for payment of the Council's fee, which are as follows:

The Home Buy Team administration fixed fees are currently *£160.

The legal fees are charged on an hourly basis. The hourly rate for legal officers is *£72 per hour. Following referral of the case to the legal department, the legal officer will review the instructions for the preparation of the supplemental lease / lift of restrictive covenant and provide you with an estimate of the legal fees. The final legal fees will be confirmed at the conclusion of the matter.

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The administration fees and the legal fees will need to be paid by you prior to the issue of the supplemental lease / lift of restrictive covenant.

Developer's solicitor's fees from £300 plus VAT

*Please note that the above fees are subject to change.

We strongly recommend you seek independent legal advice before proceeding with your application.

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