

Help to Buy (Scotland) Affordable New Build Scheme – Post Sales Information for Buyers

Following the purchase of your home with assistance from the Help to Buy (Scotland) Affordable New Build Scheme you should direct any post sales queries to the administering agent appointed by the Scottish Government to act on its behalf. The contact details for administering agents can be found at the end of this booklet. Please check which one administers the scheme for your area.

This booklet aims to provide you with information on the most commonly asked queries relating to any post sale shared equity issues. If, however, there is something you would like to discuss and it is not covered here, please contact the relevant administering agent for a response.

Repayment of Scottish Government Equity Share

There is no set deadline which you must repay the equity stake that is granted in favour of Scottish Ministers under the Help to Buy (Scotland) Affordable New Build Scheme. The shared equity agreement that you entered into with Scottish Ministers runs on indefinitely and you can decide to acquire all or some of Scottish Government's retained equity stake at any time after you move in to your home. You are required to repay the equity stake to Scottish Ministers upon the occurrence of certain events (which are set out in your shared equity agreement), the most common one being when you sell your home.

Should you wish to purchase an increased share in your shared equity home you can do so by doing what is called 'tranching-up' and the following will apply:-

- You can tranche up any time after the date that you move in to your home;
- When you tranche up you must buy a minimum of 5% of the market value of your home.
- You can tranche up regardless of whether the open market value of your home has increased or decreased.

The agents who administering the Help to Buy (Scotland) Affordable New Build Scheme on behalf of the SG will also write to all Help to Buy (Scotland) Affordable New Build Scheme home owners every five years to encourage you to 'tranche-up'.

You should be aware that will you be responsible for meeting all costs (including those incurred by the administering agent and Scottish Ministers) when you tranche up. You will be informed what these costs are at an early stage by the administering agent.

Home Improvements

Substantial home improvements are not permitted while the Scottish Government holds an equity share in a Help to Buy (Scotland) Affordable New Build Scheme property. Your Help to Buy (Scotland) Affordable New Build Scheme home has been acquired with assistance from the Scottish Government and it is expected that any funds available are used to purchase all or some of the remaining SG equity share before any funds are spent on home improvements. If home buyers have any queries regarding home improvements they should contact the administering agent for their area.

Subletting

Your home should be your sole residence and permission to let your home will not be given in any circumstances. If you let your home or do not reside there as your sole residence then this will be a breach of the shared equity agreement and enforcement action could be taken.

Selling Your Home

Should you wish to sell your home you **should firstly contact the administering agent for your area to advise them of this.** You can then proceed with putting your home on the open market after you have obtained a home report. If you receive an offer for your property which is less than 95% of the market value you are required to obtain permission from Scottish Ministers before you accept the offer.

If, for example, you have an 85 per cent equity stake in your property when you want to move, then you will get 85 per cent of the selling price when it is sold. The Scottish Government will receive the remaining 15 per cent. The percentage you get is not affected by changes in the value of your property over time. In this example, if the value of your house increases, you will benefit from 85 per cent of the increase. The other 15 per cent of the increase will go to the Scottish Government.

Example 1 - An example of when the value of your property increases

Initial property value	£160,000
Your stake - 85 per cent	£136,000
Scottish Government's stake - 15 per cent	£24,000
Sale price	£180,000
You receive 85 per cent	£153,000
Scottish Government receives 15 per cent	£27,000

In this example, the value of your stake has increased from £136,000 to £153,000.

Example 2 - An example of when the value of your property decreases

Initial property value	£160,000
Your stake - 85 per cent	£136,000

Scottish Government's stake - 15 per cent	£24,000
Sale price	£150,000
You receive 85 per cent	£127,500
Scottish Government receives 15 per cent	£22,500

In this example, the property value has fallen by £10,000. You have an 85 per cent stake and make a loss of £8,500 (85 per cent of £10,000). Please be aware that fees connected to the sale of your property such as Estate Agent Fees, Solicitor/conveyancer fees will not be deducted from the sale price or market value. And these fees will not be deducted from the proceeds due to the returned to the Scottish Government. You should be aware that you will be responsible for meeting all costs (including those incurred by the agent and Scottish Ministers) when you sell your home. You will be informed what these costs are at an early stage by the administering agent.

Adding/Removing Someone from Shared Equity Agreement

If you wish to either add a new partner to the property title or remove a partner who was on the original title at the time that you purchased your home, you should in the first instance ask your legal and /or financial adviser to approach your lender to seek its approval and at the same time you should contact the Help to Buy (Scotland) Affordable New Build administering agent.

You should be aware that you will be responsible for meeting all costs (including those incurred by the agent and Scottish Ministers) when you add or remove someone from a shared equity agreement. You will be informed what these costs are at an early stage by the administering agent.

Re-mortgaging

Remortgaging is the term used when you would like to switch mortgage lender without increasing your borrowing. If you want to proceed with this transaction consent is required by the Scottish Government.

When you re-mortgage your home, your new lender must be a qualifying lending institution (e.g. a bank or building society) and the new mortgage must be a repayment mortgage (meaning that you must be required under the mortgage to make payments of interest and capital which are designed to repay the mortgage over the stated time). You may not remortgage your home and take out an interest-only mortgage.

Please note: if you are looking to change your lender AND you wish to take out further borrowing which is over and above the amount you originally borrowed, please inform the administering agent dealing with your request as this is a different process.

Post-Sale Administrative Costs

You should be aware that you will be responsible for meeting all costs (including those incurred by the administering agent and Scottish Ministers) for all post sale work.

The agents who administer the Help to Buy (Scotland) Affordable New Build Scheme are responsible for administering post sale work and they will provide you with an indication of what costs you will need to pay.

If you have a post-sale query, please check the list of administering agents below and contact the relevant one with your query:-

AGENT	Local Authority Areas Covered
<i>Highland Residential (Part of Albyn Enterprises Limited)</i> 68 MacLennan Crescent INVERNESS IV3 8DN Telephone: 01463 701 271	
	Highland
	Eilean Siar (Western Isles)
	Shetland Islands
	For Help to Buy Only
<i>Grampian Housing Association Limited</i> Huntly House 74 Huntly Street ABERDEEN AB10 1TD Freephone: 0800 1214496 ownership@grampianhousing.co.uk	
	Aberdeen City
	Aberdeenshire
	Moray
	For Help to Buy Only
<i>Link Homes</i> Watling House Callendar Business Park FALKIRK FK1 1XR Telephone: 0330 303 0023 helptobuy@linkhaltd.co.uk	Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife
	Angus, Clackmannanshire, Dundee, Falkirk, Perth & Kinross and Stirling
	Glasgow, East Renfrewshire, Renfrewshire, East and West Dunbartonshire, Inverclyde, North and South Lanarkshire, North, South and East Ayrshire, Argyll & Bute and Dumfries & Galloway