

## Abbey Place, Paisley – Case Study



In 2016 the Link Group Ltd completed a 38 'independent living' homes, aimed at retirement living for New Supply Shared Equity (NSSE) and social rent. The total construction cost was £4.3 million and this included £2.3 million Scottish Government funding.

The development consists of

- 25 flats (one and two bedroom) to buy through the New Supply Shared Equity scheme
  - One bedroom flats valued at £110,000 (min 41%-max 80% purchaser equity)
  - Two bedroom flats valued at £130,000 (min 35%-max 80% purchaser equity)
- 13 flats (one and two bedroom) for social rent

Only purchasers aged 60 and above were considered for the properties (although they could have a partner aged 55 plus).

**Key differences** between this NSSE project and other more traditional NSSE developments included the following:-

- The minimum buyer equity percentages were lower than normally expected under NSSE. In these developments buyer equity percentages could be less than 51%. This allowed people in most need to access support.
- Buyers were not expected to take out a mortgage but had to maximise their stake by using their full house sale proceeds (minus expenses such as legal estate agency and removal costs) and 90% of any savings above a £10,000 threshold.

Renfrewshire Council wanted to ensure that the least well off households had the first opportunity to buy the flats. Therefore, flats were offered to buyers in the following order of priority:

**Priority Category 1 – for first 2 months from commencement of advertising reservation only accepted from**

1) Applicants who were residents in the Renfrewshire Council area and meet age criteria (60 plus)

2) Can demonstrate a housing need to move

(a) Under occupation – living in a property that is too large for them and need to downsize

(b) The property no longer meets their housing need – i.e. can no longer manage stairs in a house/block of flats

(c) Support – need to move closer to family or friends that provide care and support.

3) Financial Assessment and Expected Contribution

The combined amount of their expected house sale equity release plus 90% of any savings above £10,000 to be no more than £70,000 (for a one bedroom flat) or £85,000 (for a two bedroom flat)

### **Priority Category 2 – for month 3**

Applicants that meet Priority Group 1 criteria can still apply and reserve, however in month three the scheme opens up to:

1) Applicants who were residents in any council area and meet age criteria (60 plus)

2) Can demonstrate a housing need to move

(a) Under occupation – living in a property that is too large for them and need to downsize

(b) The property no longer meets their housing need – i.e. can no longer manage stairs in a house/block of flats

(c) Support – need to move closer to family or friends that provide care and support.

3) Financial Assessment and Expected Contribution

The combined amount of their expected house sale equity release plus 90% of any savings above £10,000 to be no more than £88,000 (for a one bedroom flat) or £104,000 (for a two bedroom flat)

### **General Priority – month 4 onwards**

Applicants from the previous priority group can still apply and reserve, however eligibility is opened up to

1) Applicants who were residents in any council area and meet age criteria (60 plus)

2) Those who wish to buy a property as their sole residence i.e. do not need to demonstrate any housing need.

3) Financial Assessment and Expected Contribution

The combined amount of their expected house sale equity release plus 90% of any savings above £10,000 to be no more than £88,000 (for a one bedroom flat) or £104,000 (for a two bedroom flat).

### **Onward Sales**

Buyers have the opportunity to increase their equity share in the future, up to a maximum of 90%. When the property is sold on again thereafter, the owner will receive the value of the percentage they own at point of sale and the Scottish Government will also receive the value of their percentage. The property can be sold on the open market to anyone aged 60 and over and the Scottish Government will have first refusal on the property under the 'golden share' arrangement which enables the properties to remain available as affordable housing. The title to the property is not transferable except through sale via the Scottish Government or on the open market.

### **Characteristics of the housing delivered**

Each property has gas central heating and hot water systems, high thermal insulation and double glazing to create warm, comfortable and energy efficient homes that are easy and economical to run. There is also a fully furnished day lounge and en-suite guest bedroom as well as an area for storing and charging mobility scooters.

Mrs T, an Abbey Place resident, said: *"I am so happy with the flat. It has made a huge difference to our lives, as we have a wet room that allows my husband to shower with plenty of space."*