

North Lincolnshire Council Discounted Market Sale Housing



www.northlincs.gov.uk

DEFINITION OF DISCOUNTED MARKET SALE

Discounted market sales (DMS) is a low cost home ownership product where a new build property is purchased at a discounted price directly from the developer. The discount is usually around 20%, and the scheme is to help low and middle income earners get onto the property ladder. The discount is written into a covenant on the property and will remain in perpetuity through all subsequent sales. Unlike shared ownership, you do not have to pay rent on the remaining share of the property, as there is no remaining share.

A purchaser buys the percentage of the property available after the discount (80%) and when the property is sold, it has to be sold at the same percentage of the market value at the time of sale.

Applicants will need a mortgage and/or savings to cover the discounted price of the property. For example, if the property has an open market value of £100,000 then the discounted price is £80,000. The remaining 20% is held in perpetuity by North Lincolnshire Council.

Qualifying Criteria

Who can apply?

- Applicants must have a local connection to North Lincolnshire (through family, employment or ordinary residency) and meet the eligibility criteria of the S106 Agreement.
- Applicants must not be able to afford to buy a home suitable for their needs on the open market.
- Must remain as the Applicant's sole main residence and not be leased or rented out.
- Must be over 18.
- Is or are employed.
- Has an account with a bank, building society or the Post Office.
- Be a British National (or have indefinite leave to remain)
- Applicants must have a joint income (including savings) of not more than £45,000 per annum (to be recalculated on each development).
- Applicants must produce a "Decision in Principle" letter from their mortgage lender.
- Applicants must secure the purchase of the home with a mortgage from a lender registered with the Financial Conduct Authority and must have a deposit of between 5% and 9%.
- Where a mortgage is not required, the Applicant must provide evidence of their means to finance the purchase through bank statements, which will be approved by the Strategic Housing Team.
- Applicants must not be in mortgage or rent arrears or in breach of their current tenancy agreement.
- Applicants must undertake their own credit search and produce the credit report to North Lincolnshire Council.