

What is Golden Share?

Golden Share is an approved affordable housing tenure in the City of Edinburgh. Properties are sold at 80% of Open Market Value making them affordable to people in housing need (who could not afford to purchase a similarly sized home in the local area).

The sales process is similar to a standard house sale and the purchaser own 100% of the property, however:

- Purchasers must demonstrate that they are eligible and provide the necessary evidence— see **“Who can buy a Golden Share home”** below.
- It must be the purchasers sole and primary residence, it may not be let or sub-let without prior approval from the City of Edinburgh Council.
- The property price is capped at 80% of open market value for all future re-sales. This information is inserted in the title deeds (against the land register) and remains there in perpetuity i.e. each time the property is sold the solicitors ensure this is adhered to.
- The maximum first sale purchaser price (80% of market value) for a Golden Share home is currently £214,796.

Who can buy a Golden Share home?

Potential purchasers must evidence a local connection, a need for a property of this size and an inability to finance the purchase of the full market value of the property. The City of Edinburgh Council will assess eligibility based on the evidence provided.

Evidence that must be provided in order for eligibility to be assessed:

- 1) *Valid Photo ID,*
- 2) *Proof of address,*
- 3) *Previous 3 months payslips and previous 3 months bank statements, joint accounts and savings accounts.*
- 4) *Mortgage Offer or Mortgage offer in principle (AIP) to evidence that you would not be able to purchase this property at full market value.*
- 5) *If you are receiving a ‘cash gift’ from a family member, we would require proof of the transfer or written confirmation from them confirming amounts and date of proposed transfer.*
- 6) *A supporting statement should be provided which includes:*
 - a) *Details of your connection with the Lothians, either through employment, family or cultural networks*
 - b) *If the deposit or cash sum being used to purchase the property is more than £64,439, you must include evidence of why you would not be able to purchase a property at market value elsewhere in the area and how other housing does not meet your needs. You must also include details of the deposit; the source of funding and the amount of the deposit. If you can afford to purchase a similar property at market value you will not be eligible for a Golden Share home.*
 - c) *The level of savings that you will have after completing the purchase of the home and furnishing the property*
 - d) *If purchasing a three bed property, please explain how your household circumstances would require a home of this size. The following eligibility criteria apply;*
 - *If an applicant can demonstrate an immediate need for a three bedroom property*
 - *A couple will be expected to share a bedroom*
 - *At least two bedrooms are expected to be used full time by applicants’ and a child under the age of 14*

- *The third bedroom could also be used by another dependant such as family member or a live-in carer*
- *Other use of a third bedroom such as for visiting family or work will not be eligible*

In addition to this set of criteria, a two bedroom property will be available to a single person or couple with no children.

Q&A

(1) How much can I sell this property for when I come to sell it?

- At the time the owner comes to sell, they get a Home Report (or equivalent house survey report).
- A surveyor will value the home as if it had no price cap, establishing 100% of the property's market value. The property will be re-valued each time the property is sold.
- The sellers' solicitor must send the Home Report to the Council. The resale Golden Share price will be fixed at 80% of the market value established by the Home Report. The home can then be marketed and must be advertised to the majority of the market. The advertised Golden Share price is the maximum that the home can be sold for. The new purchaser of the home will need to provide documents to the Council proving their eligibility. This is straightforward and confidential.

(2) Who owns the 20%?

The 20% is a restricted price cap on the open market price, restricted through the title deeds, so the purchaser owns 100% of the property.

Applicants are requested to note the following:

- In considering the affordability of a property, applicants should make sure they are aware of all costs, including Council Tax and any factoring or additional fees which they are required to pay.
- The Council cannot assist with queries relating to individual mortgages or finance arrangements and cannot influence finance providers or their decisions. Matters relating to personal finance should be discussed with a bank, lender or mortgage broker.
- Applicants should be aware that some lenders may require a deposit of 20% or more of the open market value of the home. This can vary depending on individual circumstances and should be discussed with a bank, lender or mortgage broker.

The City of Edinburgh Council does not provide mortgages. The value of a home can decrease or increase over time. Your home may be repossessed if you do not keep up repayments on your mortgage.

Contact: Affordable.Housing@edinburgh.gov.uk

Further information on low cost ownership homes can be found at;

http://www.edinburgh.gov.uk/info/20058/private_housing/320/help_for_first_time_buyers