

### 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. **Approval is required for any type of let, including Short Term Lets.**
- 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 must be provided to support the criteria –**

- 1) Valid Photo ID,
- 2) Proof of address,
- 3) Previous 3 months payslips and previous 3 months bank statements.
- 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) 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) If purchasing a three bed property, please explain how your household circumstances would require a home of this size

The above information will be passed to CEC for verification. Further information may be requested.

## **FRAUD PREVENTION**

If you give us false or inaccurate information and we identify or suspect fraud or other criminal activity, we may pass details to the Police or fraud prevention agencies. We and these other organisations may use the information you provide to prevent fraud and money laundering

Fraud, as defined in the Fraud Act 2006, includes fraud by false representation and fraud by failing to disclose information. If found guilty, the perpetrator faces imprisonment for a maximum jail term of 10 years, a fine and/or they may also be subject to a confiscation order under the Proceeds of Crime Act 2002.

## **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 any factoring or additional fees which are required to pay
- • Applicants should be aware that some lenders may require a deposit of 20% or more of the open market value of the home. This may vary depending on individual circumstances.
- • The Council cannot assist with queries relating to individual mortgages or finance arrangements; these should be discussed with a lender or mortgage broker.
- • Please note you may only submit one Golden Share application within a six month period. No subsequent applications for any Golden Share housing will be considered unless your previous application has not been approved by the Council.;

**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](mailto: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](http://www.edinburgh.gov.uk/info/20058/private_housing/320/help_for_first_time_buyers)