

New Supply Shared Equity homes at Mellor Place, Motherwell

Link Group is pleased to offer a low-cost home ownership opportunity at Mellor Place, off Tinkers Lane, allowing buyers to purchase a brand-new home without having to fund the whole purchase price.

Through the Scottish Government's New Supply Shared Equity (NSSE) scheme, buyers can purchase an equity stake in the property of between 60% and 80% subject to eligibility.

The development comprises 52 homes for general needs affordable rent and 16 homes for sale through New Supply Shared Equity. Apartments for sale through New Supply Shared Equity are available in blocks 4 and 5, both of which include a mix of one and two bedroom properties.

Expected availability dates:

- Block 5 – from late-November 2021
- Block 4 – from late-March 2022

As is common with new build properties, these dates are subject to change.

The NSSE scheme

The New Supply Shared Equity (NSSE) scheme is a shared equity scheme from the Scottish Government, which was introduced to help people on low to moderate incomes buy an affordable new build home.

Eligible applicants can apply for funding of between 20% and 40% of the purchase price of a new build home at Mellor Place.

Through the NSSE scheme you can buy a new build home without having to fund its entire cost. You pay for the biggest share (between 60% and 80% of the home's cost), usually through a combination of mortgage and deposit, and the Scottish Government will fund the remaining share, which is held under a 'shared equity agreement'.

Pricing

Block 4:

Property type	Number of bedrooms	Plot number	Valuation price	Minimum purchaser contribution (60%)	Maximum purchaser contribution (80%)
Type 4K – Internal floor area 49 sqm	1	RESERVED	£100,000	£60,000	£80,000
Type 4L – Internal floor area 66 sqm	2	RESERVED	£125,000	£75,000	£100,000
Type 4D – Internal floor area 53 sqm	1	71, 73, 75	£100,000	£60,000	£80,000
Type 4E – Internal floor area 70 sqm	2	RESERVED	£125,000	£75,000	£100,000

Block 5:

Property type	Number of bedrooms	Plot number	Valuation price	Minimum purchaser contribution (60%)	Maximum purchaser contribution (80%)
Type 5H – Internal floor area 60 sqm	1	41	£100,000	£60,000	£80,000
Type 5E – Internal floor area 48 sqm	1	42, 44, 46, 48	£100,000	£60,000	£80,000
Type 5D – Internal floor area 67 sqm	2	RESERVED	£125,000	£75,000	£100,000

Eligibility Criteria and Affordability

The NSSE scheme is open to the following groups:

- First-time buyers
- Social renters
- People with a disability
- Members of the armed forces
- Veterans who have left the armed forces within the past two years
- Widows, widowers and other partners of service personnel who have lost their life while serving in the armed forces within the last two years

- People aged over 60 who can demonstrate a housing need
- Existing or previous homeowners who are unable to sustain or move back into homeownership due to a significant change in household circumstances

The Scottish Government's contribution depends on the amount of mortgage you can get compared to the value of the property. For example, if the property is valued at £100,000 and you can afford to contribute £70,000 (through mortgage and deposit), the Scottish Government would provide the remaining 30% (£30,000). When the property is sold, 30% of the sale price would be returned to the Scottish Government. If you choose to, you can increase your equity share to 100% over time.

You must maximise your contribution to the purchase of the property by contributing 90% of any savings above £5,000. If you can raise more than 80% of the purchase price, through a combination of mortgage and deposit, you will not be eligible for the scheme.

Lenders may require a deposit in order to obtain a shared equity mortgage, you should discuss this with your Independent Financial Advisor before you apply to the scheme.

Buyer Responsibilities

When you buy through the NSSE scheme you own the property outright. This means you are responsible for:

- Paying your mortgage
- Home contents and building insurance
- Repairs and maintenance
- Council tax
- Gas and electricity bills
- Paying factoring costs, which will be in the region of:
 - £70 - £80 per month for a one bedroom apartment
 - £80 - £90 per month for a two bedroom apartment

Factoring costs

Properties at Mellor Place will be factored by Hacking & Patterson (communal ground maintenance) and Link (internal communal areas). Each property will pay:

Factoring float: £450 (comprised of Hacking & Patterson: £150 and Link: £300)

Monthly factoring fee: approximately £70 - £80 per month for a one bedroom apartment and £80 - £90 per month for a two bedroom apartment.

The factoring fee is variable, as it will include the cost of communal repairs when required. Services covered by the factoring fee include:

- Communal buildings insurance
- Ground maintenance

- Communal stair and window cleaning
- Common electricity supply
- Fire equipment annual service
- Common repairs
- Fire service testing
- Management fee

Reservations

A payment of £250 is required to secure a property once your application has been assessed. You will have 5 working days from the date your application is assessed to pay the reservation fee, if it is not paid in this time frame we will not hold the property for you.

If a reservation fee is paid but you later choose to withdraw due to a change in personal circumstances, £100 will be refunded.

How to apply

Applications will open on Monday 4 October. A link to the application form will be sent out via the mailing list.

To reserve a property, please complete an application form stating which plot you would like to reserve (you can include a first and second choice - please refer to the sales brochure for details of each plot). Plots will be allocated on a first come, first served basis on receipt of a complete application with supporting documents. Applications will only be assessed when all supporting documents have been received.

To support your application, you are required to provide the following documents for all applicants, regardless of if they are named on the mortgage:

- One mortgage decision in principle, unless you are over 60 and applying without a mortgage. A mortgage decision in principle can be obtained from an independent mortgage or financial advisor or directly from a mortgage provider.
- Your most recent 3 months' bank statements for all savings held for each applicant
- Your most recent 3 months' (or 12 weeks) payslips for each applicant
- If you are self-employed, a copy of your last year's accounts or most recent SA302 tax form
- Your most recent award notice for any benefit payments including Universal Credit, Working Tax Credit and Personal Independence Payment
- Proof of accommodation status such as tenancy agreement, mortgage redemption statement or letter from parent or guardian if living with them
- If you have a disability, a letter or report from a medical professional, such as a Consultant or your GP, advising what your housing need is and why your current home is unsuitable (e.g. you are unable to manage the stairs or require a bedroom on ground floor)

- If you have left the Armed Forces within the last two years, a discharge letter or other official document showing the date you left

Please ensure you have all of this information before proceeding with an application form.

If your application is successful, we will contact you and request that you pay the reservation fee.

NSSE Purchase Example

Ian is single and has seen New Supply Shared Equity properties advertised in the area where he would like to live and thinks that he might be eligible for the scheme. The properties are valued at £100,000 each. He works full-time and earns a salary of £21,000.

Ian has £8,000 saved towards the cost of buying a property. He may keep £5,000 and must contribute 90% of the £3,000 balance. Therefore, he can make a contribution of £2,700.

The maximum mortgage that Ian can secure is £63,000. This sum, together with his savings of £2,700, means that Ian can contribute £65,700 towards the purchase of a property.

After the property has been bought, Ian has a 65.7% equity stake in it. The Scottish Government holds the remaining stake of 34.3%.

When the property is eventually sold, the Scottish Government will receive 34.3% of the sale price.

Find out more about NSSE and upcoming developments by visiting:

www.linkhousing.org.uk/NSSE

www.mygov.scot/new-supply-shared-equity-scheme