

LOW-COST HOUSING SCHEME

OVERVIEW OF DISPOSAL APPROVAL PROCESS

When affordable housing units were constructed and sold by the developer as part of a low-cost market housing scheme in Milton Keynes, a Deed of Covenant was required to be entered into between: (1) the Developer (2) the initial Buyer and (3) the Council which obliged all future owners not to enter into a contract for the sale of the property without first completing a supplemental Deed of Covenant with the Council that the property may not be sold for more than a specified maximum percentage of the full open market value, to an Approved Disponee (who meets the relevant eligibility criteria for the purchase of low-cost housing); and this applies to all subsequent sales. A Restriction is required to be entered on the registered title to the property, requiring certification that any future disposal complies with the provisions of the Low-Cost Housing Scheme.

The Low-Cost Housing Scheme Disposal Approval Process is as follows:

The Seller must:

- not enter into a contract to sell the property without notifying the Council in writing of its intention to dispose of the property (by completing the “Availability Notice” see below);
- obtain independent valuations from not less than two reputable local estate agents (with knowledge of the local housing market) to demonstrate that the proposed sale price of the property does not exceed the maximum percentage amount (as defined in the Deed of Covenant) of the full open market value of the property, as at the date of the Availability Notice;
- only enter into a contract to dispose of the property to an Approved Disponee who meets the relevant eligibility criteria for the purchase of low-cost housing (the Buyer must complete the attached “Eligibility Criteria” form for approval by the Council). Once the document is signed then the buyer(s) is deemed to meet the criteria;
- not dispose of the property without first procuring that the Approved Disponee enters into a supplemental Deed of Covenant with the Council (as set out in the original Deed of Covenant) to observe the low-cost housing covenants and also consents to the Restriction on the registered title to the property ensuring that any future disposal complies with the provisions of the Low Cost Housing Scheme;
- pay the Council’s reasonable costs for reviewing the title documentation and eligibility of the Buyer, considering the independent property valuations and prior deeds of covenant and for providing a Certificate of Compliance to HM Land Registry that the disposal complies with the provisions of the Low-Cost Housing Scheme (such costs being not less than £500.00)
- The Council will require sight of the original sale document (and any subsequent sale document to your clients) and office copies of the title registers plus the Memorandum of Sale and these should be sent as soon as possible.

Once completion of the sale has taken place and the Council has received a scanned certified copy of the supplemental Deed of Covenant, along with a copy of the Transfer Deed and payment of the Council's fees, a Certificate of Compliance will be provided for the Buyer to register the disposal.

Please note that if you have solicitors acting for you in this matter we will only respond to them direct and all queries should go through your solicitors themselves.

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AVAILABILITY NOTICE

I/We hereby give notice to Milton Keynes City Council that the following Property is intended to be disposed of:

Property Address	
Proposed Sale Price	£
Sellers Names (Registered Proprietors)	
Buyers Names and address (if sale agreed)	
Estates Agents for Sellers	
Solicitor for Sellers (name, address, contact)	
Solicitor for Buyers (name, address, contact)	

Signed:

Signed:

Name:

Name:

Date:

Please provide two independent valuations by reputable local estate agents (with knowledge of the local housing market) to demonstrate that the proposed sale price of the Property does not exceed the maximum defined percentage (under the Low-Cost Housing Scheme) of the full open market value of the Property (as at the date of this notice), for approval by the Council.

The Selling Agent should provide a Memorandum of Sale once a Buyer has been found.

Please arrange for your solicitor to provide the Council with a copy of the registered title for the Property and developer Transfer Deed or Lease (as appropriate), along with the original Deed of Covenant and all supplemental Deeds of Covenant.

The Buyer must complete the “Eligibility Criteria” form below for approval by the Council.

LOW-COST HOUSING SCHEME
APPROVED DISPONEE - ELIGIBILITY CRITERIA FORM

Property Address	
Buyers Full Names	
Current Address	

The Seller and Buyer are required to enter into a Deed of Covenant by the Council in order to comply with the provisions of the s.106 Planning Agreement relating to the development which imposes limitations on the sale price of Low-Cost Housing Units (as such units are defined in the Agreement).

The Seller covenants not to enter into a contract to dispose of the Property unless to an Approved Disponee, for which the Council's qualifying criteria is:

1. The total household income must be no greater than £80,000 per annum;
2. The Buyer must be acquiring the Property for their own owner-occupation and use as their sole residence; and
3. The Buyer must have some local connection to Milton Keynes either through work, family, education or some other link

I/We can confirm compliance with all of the above qualifying criteria and understand that if any information is not true or accurate then Buyer approval will be refused or withdrawn.

Signed:

Signed:

Name:

Name:

Date:

Please return these forms to Housing.Strategy@Milton-keynes.gov.uk