

New Supply Shared Equity Initiative

Frequently Asked Questions

Introduction

Glasgow City Council operates the New Supply Shared Equity scheme (formerly Homestake) within the Glasgow area, on behalf of the Scottish Government. The New Supply Shared Equity scheme aims to help people on low incomes who wish to own their home but who cannot afford to pay the full price for a house. It is part of a range of assistance from the Scottish Government under its Low-cost Initiative for First Time Buyers, LIFT. This scheme is provided through Registered Social Landlords (Housing Associations). The Council is currently working with Housing Associations across the city to fund new homes that will be sold through the scheme.

- **Who is eligible?**
Although New Supply Shared Equity aims mainly to help first-time buyers, it can also help other groups of people. For example, a disabled person who owns a house which is no longer suitable for their needs could be helped to move to a more suitable house. Also, in a small number of locations where owner occupiers are affected by demolition plans, New Supply Shared Equity may be available to help them buy a replacement home in the same area.
- **How much of a share can I purchase?**
Individuals purchasing a New Supply Shared Equity property from a Housing Association will generally require to take an equity stake of between 60% and 80% of the market value of the property as set by the District Valuer. The maximum stake that you can initially take is 80%. In certain circumstances, the minimum equity stake can be reduced to 51%, this may apply where people with particular housing needs face additional costs, for example a requirement for special adaptations.
- **Can I increase my equity share?**
In the majority of cases, New Supply Shared Equity owners should have the option of increasing their equity stake after the initial purchase to 100%. In certain circumstances however, Housing Associations will be allowed to keep a 20% stake in the property. This is known as the "Golden Share" and is likely to happen in areas where there is only a small amount of affordable housing and few opportunities to build more affordable homes. Associations may also keep a Golden Share where a home has been adapted for particular housing needs and might otherwise be lost for this use in the future.
- **Can I reduce my equity share?**
It is not possible for New Supply Shared Equity owners to reduce the stake they own. This is why it is important that applicants undergo a financial assessment and are as confident as possible that they can meet their mortgage commitments.
- **Can I afford a New Supply Shared Equity Property?**
The underlying principle of the New Supply Shared Equity Initiative is that applicants purchase the maximum amount of equity that they can reasonably afford, taking account of the other financial commitments and the associated costs of home ownership.

Individuals purchasing a New Supply Shared Equity property will be means tested in order to establish eligibility.

Applicants will require to complete an application form and provide the Housing Association with details of all sources of income. This information will be used by the Association to determine the anticipated value of mortgage finance and any other personal contributions which an applicant can make towards the cost of the New Supply Shared Equity property.

Applicants are also advised to seek advice from an Independent Financial Advisor.

- **What responsibilities do New Supply Shared Equity owners have?**
New Supply Shared Equity owners will be responsible for their own legal and valuation costs. They will have full title to the property and they will not require to pay rent to the Housing Association.

New Supply Shared Equity owners will require to occupy the New Supply Shared Equity property as their only residence and they will be responsible for all maintenance, repairs and insurance costs and not just for the percentage in their ownership.

A New Supply Shared Equity owner will not be allowed to let or sub-let the property or any part of it without the Housing Association's prior written consent.

- **What happens if I want to sell my New Supply Shared Equity home?**
If you have an 80% stake in the New Supply Shared Equity property when you want to move, then you will receive 80% of the selling price when it is sold. The percentage you get is not affected by changes in the value of the property over time. Similarly if the property loses value then you will meet 80% of the loss.
- **Which Housing Associations are developing New Supply Shared Equity properties?**

The following Housing Associations are developing New Supply Shared Equity properties in the city:

- [Housing Associations Developing New Supply Shared Equity Properties](#)
- **Further General Information about the New Supply Shared Equity Initiative** If you would like general information about New Supply Shared Equity you can obtain this from the Scottish Government Website at:
 - [Scottish Government LIFT scheme](#)
 - [New Supply Shared Equity Leaflet](#)

If you would like further information about the New Supply Shared Equity Initiative in the Glasgow area, please contact:

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