



# Northumberland

## County Council

### **Selling of Discount Market Value Properties Homeowner Guidance Note**

October 2022

This note guides the seller through the process of selling a Discount Market Value (DMV) property. DMV property sales are controlled by Section 106 legal agreements and each S106 agreement includes different criteria which need to be followed.

**Please note that all Section 106 Agreements are different so your property cannot be compared to other properties outside your particular housing development.**

- 1) Check the requirements of re-sale in the Section 106 agreement for your development. This can be found via the [S106 map](#) on the Council's [Affordable Housing](#) webpage within the Buying and selling an affordable home section.
- 2) Contact the Council's Housing Enabling Team at [housing.proposals@northumberland.gov.uk](mailto:housing.proposals@northumberland.gov.uk) to make the Council aware that you intend to sell your DMV property.
- 3) You will need to get the re-sale price for the property agreed by the Council. This will need to be at the same percentage level of discount from the current full open market value as set out in the S106 agreement for the development within which the property is situated. Where the S106 agreement states that a Royal Institution of Chartered Surveyors (RICS) valuation survey is required to determine an appropriate re-sale price, this must be obtained by the seller and provided to the Council, at the seller's expense. Where the S106 agreement does not clearly state this, it is still recommended that a RICS valuation survey is obtained by the seller to ensure that you are getting the true value of your property – the Council will need to ensure that the proposed re-sale price is reasonable and would represent an affordable discounted price in accordance with the S106 agreement, so if an appropriate re-sale price cannot be agreed then a RICS survey will be requested at the seller's expense. The RICS valuation should be up-to-date within 3 months prior to marketing the property, and will be considered to remain valid for up to 6 months from the date of the Council's approval for marketing.
- 4) The Council will aim to process your re-sale price agreement within 10 working days of receiving all of the required information. If we need to contact you to check or seek any additional information that may be necessary, then this will delay your price agreement being processed.
- 5) Once a price has been agreed by the Council, you will receive a formal letter by e-mail (or post) confirming the agreed maximum re-sale price.

- 6) You can then contact a local estate agent to market and advertise the property for sale at (or below) the agreed re-sale price. Be aware of any other advertising requirements in the S106 agreement.
- 7) Be sure to tell the estate agent that the property is restricted to being sold as an affordable Discount Market Value (DMV) property and ensure that this is stated on the property advertisement. Wording can be provided for the estate agent if required.
- 8) Once an interested buyer is found, please refer them to the Council's guidance on purchasing a DMV property which is available on our [Affordable Housing](#) webpage.
- 9) Please ensure that your conveyancing solicitor is provided with the Section 106 agreement.
- 10) An administrative charge (currently £35 +VAT) is payable by the seller, through your conveyancing solicitor, to the Council for issuing the necessary certificate for HM Land Registry purposes to confirm compliance with Section 106 affordable housing requirements as per the restrictions contained within the Land Title.
- 11) A further administrative charge (currently £40 +VAT) may also be charged and payable by the seller when selling a DMV home if you require the Council to provide a letter to confirm that the obligations of the Section 106 agreement have been complied with. This is usually requested by a conveyancing solicitor during the sale process, and is generally requested by the buyer's solicitor to ensure that all eligibility criteria are met.

**Contact Details:**

Housing Enabling Team (Planning Policy)

E: [Housing.Proposals@northumberland.gov.uk](mailto:Housing.Proposals@northumberland.gov.uk)