



Northumberland County Council

Frequently asked questions

Will I own 100% of my Discounted Market Value property?

You will own 100% of your property but you will pay a discounted price on purchase.

In Northumberland there is typically a 30% discount to assist affordability. The size and design of the unit should also be appropriate to ensure the unit is affordable

For example, a 2 bedroom semi-detached as opposed to 4 bedroom detached. A house costing £100,000 will be offered to qualifying applicants for a discounted price of £70,000.

Some schemes offer 20% discount and properties sold at 80% of the open market value.

At what price will I have to sell my property?

Each time the Affordable Home is sold, it must be sold with the same discount taken off the current market value to ensure that it remains an affordable discount market value property.

Will there be any restrictions upon resale?

Anyone purchasing the property upon resale will have to meet the criteria set out in the relevant Section 106 agreement.

Do I need to live in the local area to apply for a Discount Market Value (DMV) property?

The Section 106 agreement has all the eligibility clauses in it. Some are more complex than others and have unique obligations and requirements. It is recommended that all buyers check the relevant S106 agreement to ensure they are fully compliant. All S106 agreements can be found on the [Section 106 Map](#) of planning applications.

Examples for requirements are:-

- 'local connection to the area'. Local Housing Need People must demonstrate a need to be housed locally by virtue of their strong local connections;

- People who have had their main place of residence locally for the preceding 2 years; or People who are employed locally, or are to be employed locally, or have retired from employment locally and wish to remain in the area; or
- People whose work provides local services and who need to live locally; or
- People who have long-standing connections with the area, such as the children of local residents or elderly people, who need to move back to the area to care for or be cared for by relatives or other carers, AND who also lack their own housing or live in housing which is inadequate or unsuitable to meet their existing and future requirements, whether because of its tenure, size, type, design, condition, security or cost. First priority will be given to people connected to the Settlement or Parish in which the Affordable Housing units are built (hereinafter referred to as a Parish Person). Second priority to be given to people connected to the Parishes immediately adjoining the Parish

Who is eligible for a Discount Market Value Property (DMV)?

When applying for DMV property, the buyer needs to complete an [eligibility application form](#). This form, alongside all the relevant evidence requested, will help the Housing Enabling Team assess the applicants eligibility for the DMV property. If the form and all evidence is provided, a decision is made within 10 working days.

Example DMV cases and calculations used when assessing eligibility:

Example 1

1. Property price (full market value before the discount): £100,000. Property price (after a 30% discount): £70,000. Mortgage offer: £90,000. Single applicant's gross income: £20,000 per annum x 4 = £80,000.

Joint applicants combined gross income: £40,000 per annum x 3.5 = £140,000. Single applicants savings: £19,000. Total: £99,000. The applicant is eligible as this figure is less than the full market value. Joint applicants savings: £19,000 total: £159,000. The joint applicants are **not eligible** with or without their savings as both figures are more than the full market value.

Example 2

2. Property price (full market value before the discount): £120,000. Property price (after a 30% discount): £84,000. Mortgage offer: £150,000. Joint applicants combined gross income: £65,000 per annum x 3.5 = £227,500. Applicants are **not eligible** as this figure is more than the full market value and the mortgage offer is more than the full market value

Example 3

3. Property price (full market value before the discount): £205,000. Property price (after a 30% discount) £143,500. Mortgage offer: £135,000. Joint applicants combined gross income is £60,000 less student loans and child care per annum of £6,480 = £53,520 x 3.5 = £187,320. Applicants **are eligible** as figure is less than the full market value and the mortgage offer is less than the full market value

Can I rent my affordable home?

Yes, However you will need to follow the councils policy and procedure to ensure that the affordable unit is rented to someone in housing need.