

# Discounted Housing



*You should read this leaflet to find out how you could get a brand new home at a discounted price.*

When a developer applies for planning permission to build a housing development with over 25 houses Oldham Council can negotiate for a number of the properties to be sold at a discounted price in return for granting the permission.

These homes are sold at a percentage discount to people who can prove that they cannot afford to buy the property at the full market value.

If you wish to sell in the future you have to sell with the same percentage discount off the market value. There is a condition attached to your deeds to make sure this happens.

In the future when you wish to sell the property, the Council will be responsible for trying to find a buyer who meets the requirements of the scheme. If the Council cannot find a buyer, you will be able to sell the property on the open market yourself as long as it is still with the agreed percentage discount.

## How does it work?

There are discounted homes already negotiated in a number of developments across the borough and more are currently waiting for planning permission. [Please contact a Community Housing Officer for more information.](#)

### How do I get a discounted home?

We regularly write to everybody affected by clearance proposals giving them details of new developments where discounted homes are available. We ask people to return a questionnaire expressing interest.

[If you have not already registered your interest in the discounted housing, please contact a Community Housing Officer to do so.](#)

When the developer asks for nominations for the discounted homes we will write out to everybody on our list to invite applications. You will be asked to complete an application form and provide information about your income. Assuming all applicants meet the eligibility criteria applications returned will be successful on a first come, first served basis.

[If you need assistance in the application process, telephone a Community Housing Officer as soon as you receive the forms.](#)



*Tony and Jean Camusi are one of 90 households who have used the Home Plus Plan to move, since it was launched at the beginning of 2005.*

*Tony, who was one of the founding members of the Werneth Action Group moved from a terraced house on Cambridge Street to a brand new three bedroomed house in Erin Close, Chadderton in June 2006.*

*The father-of-two said: "My wife saw this house and it was love at first sight. It has a big garden so I'm looking forward to planting some flowers and possibly building a conservatory."*

*Tony received £61,750 for his old house plus £6,175 of compensation for losing his home (home-owners receive 10% of the house's value). He put this towards the cost of his brand new house, which was discounted from £105,000 to £73,500. After receiving independent financial advice to make sure the Home Plus Plan was right for him, Tony's application for £13,500 gap funding was approved. All his moving and survey costs were also paid for.*

*Tony said, "A lot of people in Werneth will benefit from the money being spent there and property prices will probably rise there in the future after new homes are built. We are pleased to have now moved. The neighbours here seem to be really nice and we're looking forward to the future."*



*Falklands veteran Carlton Allison moved to a brand new discounted house at the Waters Edge development in Shaw with help from the Home Plus Plan.*

*His new home was discounted by 30% to £69,950 using a Government affordable housing scheme, negotiated with the developer by Oldham Council. However, property prices have increased since this agreement was made and when Carlton moved in similar houses were selling for around £140,000.*

*As well as receiving market value for his old house, home loss compensation and a discount on the price of his new home, Carlton used the Home Plus Plan. Using this scheme, he accessed £35,000 of gap funding to help him move from his two bedroom terraced house on Evelyn Street in Derker, to the three bedroom house in Shaw. The Council paid for all Carlton's survey and moving costs too.*

*When Carlton sells the house, he must sell it with a 30% discount on the market value. Regarding the gap funding, he doesn't have to pay a penny now but when he sells the house or transfers the deeds he must pay back the same percentage of the value as he borrowed when he originally took out the gap funding.*

*He said: "When the neighbourhood team explained to me why some houses are going to be demolished, I understood straight away. I've seen the area go downhill. New houses will make Derker a nicer place to live."*

### **Who decides who gets the discounted homes?**

People affected by the demolition proposals will get priority. If a scheme has lots of interest we will give priority to those residents whose home is likely to be demolished in the earlier phases of clearance before making the properties available to all affected residents. If there is little interest in any particular scheme, it will be opened up to a borough-wide list of people.

### **Is there any other way of getting a new build home at a discounted price?**

You can use Oldham Council's Home Plus Plan to buy a home at a reduced price.

The Discounted Homes, and Home Plus Plan schemes both allow you to purchase a home at a reduced value. There are lots of similarities between the schemes. Some of the differences are given below.

#### **Discounted Homes**

- The discount is tied to the property, which is decided when the scheme is developed.
- You must attempt to sell the property to another person who can demonstrate they cannot afford the full market value via Oldham Council. The Council will keep a list of such buyers. If the council is unable to find a buyer you can sell on the open market (but still at the discounted value). It is noted on the deeds that you must sell in this way.

#### **Home Plus Plan**

- This Scheme allows you to buy a property and sell at the open market value to whoever you choose.
- The gap funding must however be repaid at the point of selling.
- The gap funding is registered on your deeds.
- Within the Home Plus Plan you are able to pay back the gap funding, or a proportion, early and remain in the property.
- If property values have increased you will pay back a larger amount than the actual amount you borrowed initially, if property prices decrease, you will pay back less than you borrowed.

It may be possible to use the Home Plus Plan and the Discounted Housing Scheme together, depending on your circumstances.

Please see the Home Plus Plan leaflet for more details or speak to a Community Housing Officer.

#### **Community Housing Officers -**

#### **Derker Team (0161) 652 8873**

Flint Street, Derker, OL1 4EX

#### **Community Housing Officers -**

#### **Werneth/Freehold Team (0161) 770 4246**

80 Tamworth Street, Werneth, OL9 7QY

#### **Community Links Support Officers -**

#### **(0161) 331 2611/2632**



[www.oldhamrochdalehmr.co.uk](http://www.oldhamrochdalehmr.co.uk)

**OLDHAM**   
Metropolitan Borough 

September 2007