

**BDW Trading Ltd
Development of Kingfisher Meadow, Horsford**

**Agreement under Section 106 of the Town & Country Planning Act 1990 dated 14
September 2017 made between Broadland District Council, MJ DJ NJR Keeler and BDW
Trading Limited ("the Section 106 Agreement")**

**Criteria for vetting prospective purchasers for Discounted Market Dwellings (First Sales
and Resales) and approval of Sale Prices for confirmation that they comply with the
requirement that the Sale Price is no more than 80% of the Open Market Value (or
such other percentage as is approved as part of the Approved Affordable Housing
Scheme)**

Background

This memorandum records the arrangements to be made in relation to Discounted Market Dwellings being constructed on the above development pursuant to the Section 106 Agreement, and requirements of verification of the price as being within the limits imposed by the Section 106 Agreement, and for ensuring that prospective buyers of the units are "eligible households" to whom the units can be sold.

1. First sales of each Discount Market Dwelling

- 1.1 The prices of which the Discounted Market Units are to be offered for sale are to be submitted to the Housing Department at Broadland District Council for approval. The Developer shall supply any further information reasonably required by the Housing Department to support any value proposed. The Housing Department may require that the percentage of Open Market Value applicable to a particular unit is reduced so as to ensure that it is affordable, and in the case of plots 67, 76 and 81 Kingfisher Meadow, the percentage applicable is 75% (not 80%).
- 1.2 The property will not be offered by the Developer for sale at a price in excess of the price approved by the Housing Department.
- 1.3 The Developer will provide prospective purchasers with an information sheet explaining the scheme. A copy of the current approved Information Sheet is attached.
- 1.4 Each buyer wishing to bid should complete a questionnaire to establish their eligibility, which sheet will include:-
 - (a) confirmation that the relevant dwelling will be the only residence of the prospective purchasers;
 - (b) confirmation that they will not rent out the property;
 - (c) confirmation that they are not a current homeowner; and
 - (d) confirmation that they have registered with the home buy agent under the "Help to Buy" scheme so that their household income is checked, the

applicant having to complete the form by giving their Help to Buy registration number.

The form also includes provision for the prospective buyers to give details of their local connections, being their full work addresses, and details of any "family connection". The relevant criteria for connections are set out in part 3 below.

The complete forms are signed by the applicant to confirm the truthfulness of the information given, and they are submitted to the Housing Department to the Council, which will then confirm whether or not prospective purchasers do meet their criteria, after which a reservation can be taken.

2. Procedure on subsequent re-sales

- 2.1 In order to verify that the property is being re-sold as Discounted Market Dwellings, the owner selling the house will have to confirm in writing to the Housing Department that they understand the limitations on the price that can be achieved, and that they have specifically sold the unit on the basis that it is a Discounted Market Unit subject to the limit on price (80%, or such other figure that may have been set by the Housing Department under section 1 above), backed up by written confirmation from the selling agents of the open market price that the property would have been sold at in their opinion had it been an unrestricted market unit not subject to the Discount Market Unit limitations in the Section 106 Agreement.
- 2.2 The prospective buyer should also be somebody that has registered with the local home buy agent under the Help to Buy scheme, so as to ensure that their income has been verified as qualifying them under the scheme. Please see section 4 below as to what might happen if the Help to Buy scheme is replaced or no longer operates.
- 2.3 The prospective buyer also has to make a statutory declaration confirming that it has registered under the Help to Buy scheme (or any successor scheme approved by the Council under section 4 below) and:-
 - (a) it is not an existing homeowner;
 - (b) it is a person that has a qualifying connection with Broadland District as set out in section 3 below.

The statutory declaration shall be sent to the Housing Department before contracts are exchanged.

3. Criteria for establishing that a buyer is a "qualifying person" by reason of their connection with Broadland District

The criteria applied to ascertain whether or not a person qualifies are as follows:-

- (a) the prospective buyer lives in Broadland District;
- (b) that they are employed in Broadland District; or

- (c) that they have the relevant family connection with Broadland District, which is that their parents, siblings or grandparents live in Broadland District or that there is another relative who is not so closely related, but who lives in Broadland District, and there is a reason why the prospective buyer wishes to move to Broadland District (such as providing support for such relative as a result of any illness, disability or other personal circumstance). The statutory declaration should specify such reason.

4. Replacement of the "Help to Buy" scheme

If at any time the "Help to Buy" scheme closes, then the Council will confirm whether any replacement scheme (and in particular any mechanism under such replacement scheme for verifying that prospective buyers qualify for assistance under the scheme) should be substituted for the "Help to Buy" scheme when verifying the eligibility of a prospective buyer. If there is no such scheme currently in existence that is approved by the Council for these purposes, then the Council may require any prospective buyers to provide evidence of their income and any capital resources available to them to assist in the purchase (whether by way of savings or by gift from family members or others) so as to ensure that the Discounted Market Units are only acquired by those who otherwise would not be able to afford to buy houses on the open market in Broadland District.



