

Wandsworth Council

House Purchase Grant (portable discount) scheme

Introduction

The House Purchase Grant is a voluntary scheme which can be used to assist council tenants to vacate their council homes and buy their own homes in the private sector. This will then free up council homes for reletting to families registered on the Council's housing queues.

Who is eligible?

To be eligible for the scheme you must have been a secure tenant for at least two years and live in a council property.

You must not be in any form of arrears and show that you could not afford to buy your new home without a grant but can sustain long term home ownership.

You do not have to be a first-time buyer, but you must not own another property

How does it work?

A sum of money is set aside for the scheme for each financial year, where a financial year starts on 1st April and ends on 31st March. Funds are limited and once all of the money is allocated no further grants will be made available for that year.

We will give preference to tenants who live in larger sized properties or tenants registered with the Housing Department as a management transfer case.

The grant money is paid directly to your solicitor before you complete the purchase of your new home and move out of your council property.

The grant is for the property named in the offer letter and cannot be transferred to a different property during the sales process.

How can I use the Grant?

If you qualify, you can use the grant to help you:

- buy a home anywhere in the UK (England, Scotland, Wales and Northern Ireland)
- buy a home anywhere in the world
- use the grant money towards adding accommodation (for example, an extension or loft conversion) to an existing property **within the UK**
- use the grant towards buying a shared ownership property **within the UK** (to qualify for this option your household income must be within the GLA income qualification criteria)

Wandsworth Council

House Purchase Grant (portable discount) scheme

How much grant could I get?

Grants of up to £120,000 are available; however, the amount of grant you could qualify for will depend on:

- the size of your current home
- total length of your tenancy
- the outcome of a means tested financial appraisal, as you must be in need of the grant towards the purchase as well as be able to demonstrate that you can afford any mortgage repayments.

Interview

Your case officer will make an appointment for you and any joint applicants joining in the purchase to come into the council or meet via MS Teams to go through the house purchase grant procedure, following the outcome of a means tested financial appraisal place to determine the level of grant you are awarded. Please note that the level of grant will vary dependent upon personal circumstances such as income and savings.

Qualifying tenancies

When we calculate the amount of the grant you could qualify for, we will include the length of:

- your current and any previous secure Wandsworth Council tenancy
- a secure tenancy with another council or
- a secure tenancy with a housing association
- years in self-contained temporary accommodation

If you want us to count any other qualifying tenancy, you must give us a copy of the relevant tenancy agreement or a letter from your previous landlord confirming your tenancy.

Conditions of the scheme

- You must be a secure tenant now and have had a qualifying tenancy of at least two years
- You must have a reasonable rent account and must not owe the Council any money from any previous tenancies
- You must pass a means tested financial appraisal to enable us to ensure that you are in need of the grant towards the purchase i.e. that you could not afford to purchase without the assistance of the grant

Wandsworth Council

House Purchase Grant (portable discount) scheme

- You must be able to afford the repayments on the mortgage you will need to buy your new home
- If your purchase is by way of a cash payment (i.e., without a mortgage) you will need to provide the Home Ownership Team with a satisfactory survey i.e. either a full structural survey or a Homebuyer's Report. **Please note that the survey should not be carried out until the financial appraisal has been approved.**
- The offer of grant is subject to contract and will not be sent to you until the financial appraisal has been fully carried out and approved.
- The purchase price of your new property must not exceed £600,000 if you are purchasing in Greater London, £450,000 anywhere else in the UK or £200,000 for properties outside of the United Kingdom. Shared ownership properties and those wishing to buy outside the United Kingdom will be assessed separately.
- Your present home must be in good condition when you move out. If we need to do work to bring it up to standard, we may charge you for it. You must also have a clear rent account at the time of completion or the grant money will not be released.

Applying for your grant

Once you have found a suitable property, you must contact the Home Ownership Team to provisionally secure grant funding for one week whilst your offer is being accepted. Upon acceptance, you will need to contact the Home Ownership Team again. We will then request the various documents that we will need for us to carry out the financial appraisal. If you are approved, we will then make an appointment to see you and anyone else that is buying the property with you

It should be noted that allocation of grant funding is not secured until you have found a suitable property and your offer has been formally accepted by the vendor.

Before we can approve a grant, one of our officers will visit your present home to see what work (if any) is needed to the property before you vacate. We will then send you a formal offer of grant, in which we will list any necessary work that is needed to be carried out by you before exchange of contracts can take place on your new home.

Completion

You must aim to complete the purchase of your new home within six months of the date we formally approved the grant. The offer of the grant may be withdrawn if you fail to exchange contracts within the six month period. We will also ask you to sign the following.

- A formal 'surrender of tenancy notice', which must be signed solely by the

Wandsworth Council

House Purchase Grant (portable discount) scheme

tenants.

- A rent undertaking (to pay the rent “up front” between the exchange of contracts and completion)
- A deed confirming that you and all other people who live in the property will give vacant possession of your existing property on the day you complete on your new home.
- You must leave your old home clean, tidy and in good decorative condition. All fixtures and fittings must be working and in good condition. We will keep back £1000 retention of your grant until we have checked that you have done this and that any necessary repairs identified have been carried out prior to vacation.
- We will pay the grant money (**less the £1000 retention**) to your solicitors when they complete the purchase of your new home. We will then pay the £1000 retention (less anything we keep back for repairs or rent) to your solicitor after the completion date.

Please note that should the home inspection uncover works costing in excess of £1,000 this retention amount could increase which will reduce the amount of grant awarded. As a consequence, this could delay or have a financial impact on your ability to purchase a property.

Tenants should not vacate their property until the day of completion, if the property is vacated before this date it could end the tenancy/ house purchase grant

Mortgages

Council mortgages are not available for this scheme.

All secure tenants will be expected to be identified on the deeds of the property being purchased/ adapted.

Remember, you should not enter into a contract to buy unless we have confirmed your grant and then only after you have taken advice from your solicitor. We will not be liable for any of your costs in connection with this scheme.

More information

For more information on the House Purchase Grant (Portable Discount) scheme, please contact the Home Ownership Team below:

Web: www.wandsworth.gov.uk/homeownership

Wandsworth Council

House Purchase Grant (portable discount) scheme

Email: housesales@wandsworth.gov.uk

Telephone: (020) 8871 6161

Revised November 2023