



Section 157 Restrictive Covenants on former Local Authority properties

This Guidance refers to the Section 157 restriction of the 1985 Housing Act applied to the ex-council houses that were bought under the right-to-buy scheme in the Cotswolds that reside within the Area of Outstanding Natural Beauty (AONB).

Which properties does this apply to?

This applies to properties bought under the 'Right to Buy' Scheme from Cotswolds District Council before 28 February 1997. After this date Cotswold District Council transferred all its housing stock to Fosseway Housing Association – now Bromford Group. The restrictions still apply to ex-housing association properties - please view the [Bromford website](#) to apply for consent.

What areas are within the Cotswold AONB?

Please view the [map of the AONB](#)

Does the restriction apply even though I did not buy the house from the council?

The Section 157 restriction is a life-time covenant and stays with the ex-council property irrespective if you are the first buyer or subsequent ones.

Why do I need consent?

On the sale or assignment of lease of a property to which the restriction applies these rural ex-council houses can only be transferred with the council's consent. If written consent is not obtained the Land Registry will not register the transaction and the sale will be void.

Why were these restrictions imposed?

All ex-council properties are restricted to use as a main residence and not as a second or holiday home. The Section 157 restriction was designed to help local properties to be available and affordable to local people. This is important in areas like the Cotswolds where people would like to move to from other parts of the country or invest in a holiday home.

How does this restriction affect sellers or landlords?

From 21 May 2014 properties subject to the Section 157 restriction should be marketed solely to local people for a minimum period of eight weeks before the council will consider an application for consent from a person who does not automatically qualify for it. This will allow local people more time to buy these properties before they can be offered for sale on the wider open market.

What do I need to do if my property has an s.157 Restriction?

Once you've selected an Estate Agents tell them know about the restriction.

Your solicitor should examine the Deeds at an early stage to identify any relevant restrictions or you may be able to this yourself through the Land Registry Agency (fees may apply).

Details of the restriction need to be clearly advertised in the marketing details to reduce the risk of the sale falling through because the council will not give consent. Your estate agent should include the following text on the property advert.

“S.157 Housing Act 1985 – [INSERT PROPERTY ADDRESS] was formerly part of the Local Authority housing stock and as such contains a restrictive covenant which requires consent to purchase from the Local Authority. It is understood that any purchaser (or tenant) who has lived and worked within Gloucestershire or the Cotswolds Area of Outstanding Natural Beauty for at least the last three years immediately prior to the purchase or rental, would qualify for automatic consent. Other applications may be considered on merit following a minimum of 8 weeks marketing on the Council’s website.”

If you change estate agents you are required to notify the Council. Let the Legal team at Cotswold District Council know

Once you have appointed estate agents you are required to notify the Land, Legal and Property Team in writing at:

- Email aonbconsents@cotswold.gov.uk
- Write to: Cotswold District Council, Trinity Road, Cirencester, GLOS, GL7 1PX.

Please ensure that you tell us:

1. Your name(s)
2. The Estate Agent details
3. Full address of the property to be marketed
4. When the marketing will commence
5. Provide a web link to the marketing material (ie. Right Move / Zoopla Web link)

The eight week marketing period will commence once you have notified Cotswold District Council.

Someone wants to buy or rent out my property. What should I do now?

When you have secured a buyer or tenant, you will need to contact CDC's Land, Legal and Property Team to apply for a consent form or download it from the Council’s webpage. You do not need to wait until the end of the eight week period if your buyer automatically qualifies for consent (see below for qualification criteria). When you have exchanged contracts please contact the Land, Legal and Property Team to remove your property from CDC’s website.

How does the purchaser or tenant apply for consent?

They will need to complete and sign the application form available on our website and provide information as requested to assist in the process of their application.

What supporting evidence is needed?

Utility bills, copies of Electoral Roll or council tax bills and/or letters from employer(s) confirming continuous employment in Gloucestershire are acceptable.

How do the purchasers qualify for automatic consent?

Automatic consent is granted where prospective purchasers either live (i.e. their principal home) and/or work within Gloucestershire or the Cotswolds AONB continually for three years immediately prior to the proposed purchase of the property

Can the purchaser buy an ex-council house if their partner does not qualify?

Yes, a property can be bought in joint names with only one person meeting the qualifying conditions. However, the qualifying person's name must be included in the Deeds.

Can the purchaser buy an ex-council property if they do not meet the qualifying criteria?

Yes, the council has discretion to grant consent for the sale after the initial eight week marketing period. This also applies to disposals by way of a tenancy or licence.

Additional information

Is this the only restriction on buying and selling ex-Council houses?

Not necessarily, you need to check with your solicitor if your house is subject to other restrictions.

What if the property is leasehold?

In the case of a leasehold property, you will need to request consent from the Housing Association in the first instance. However, the restriction at the Land Registry is specifically in the council's name, and the Registry will insist on specific consent from the Cotswold District Council as well. In practice, if the housing association consents to the transfer of a leasehold property, the council will consent as a matter of course.

What if I rent out my property?

The restrictive covenant also applies to the renting or letting of these properties, tenants must have lived and/or worked in Gloucestershire for the preceding three years.

Is there any exception when consent is not needed?

The Council's consent may not be needed if the property is being transferred from joint to sole name (or vice versa) or is inherited under a will or intestacy.