



Helping you to own your own home

Your guide to Low Cost Home Ownership schemes

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**Mansfield
District Council**

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Introduction

If you can't afford to buy your own home, there are a number of Low Cost Home Ownership schemes that might be able to help. This leaflet can help you find out more about the schemes available and whether you are eligible to apply.

There are currently six Low Cost Home Ownership schemes:

- 1 Shared Ownership
- 2 FirstBuy
- 3 Rent to Buy
- 4 Discount for Sale
- 5 Developers' Shared Equity schemes
- 6 NewBuy



1. Shared Ownership

The Shared Ownership scheme allows you to buy a share of a property and pay rent on the remaining share.

How does the scheme work?

You buy a share of the property (between 25-75% of the full value) and pay a reduced rent on the remaining share, usually to a Housing Association. You can increase the amount of shares you own by 5% at a time until you have bought the property outright, although in some circumstances you may only be able to buy 80% of the property.

Until you buy the property outright you will be a leaseholder, meaning that you own the lease of the home for a fixed period of time, usually 99 years. During this time you will have all the rights and responsibilities of a homeowner. If you decide to sell your shares before you fully own the property, the Housing Association must be given the opportunity to find a buyer for your shares. If you own all of your home you can sell it yourself.

The majority of Shared Ownership properties are new. However, some older properties may be available. Priority is given to

serving members of the British Armed Forces, those who are on a waiting list for a Council or Housing Association property and current Council or Housing Association tenants.

Am I eligible?

- Your household income must be below £60,000 a year.
- You must be unable to purchase a property outright.
- You must be a first time buyer.
- You must not currently be a homeowner or have your name on another mortgage.
- You must be able to obtain a mortgage.
- You must not be in breach of your current tenancy agreement.
- You must be aged 18 or over.
- You must have a good credit history.
- You must have savings or funds to pay a deposit and other costs of purchasing a home.

How do I apply?

Please see page 9 for information on how to apply for this scheme through EMHomeBuy.

2. FirstBuy

The FirstBuy scheme offers new homes on select developments throughout the East Midlands. The scheme allows you to buy a minimum 80% share, with the rest being provided as an equity loan, jointly funded by the Government and the developer.

How does the scheme work?

This is an equity loan scheme where you buy a minimum of 80% of the property and the remaining share is provided as an equity loan (this is a loan where the amount you owe can change based on how much your home is worth).

You do not have to start repaying this loan for up to six years after you have bought the house but it must be repaid when your mortgage comes to an end or when you move, whichever happens first. If you move before the loan is paid back, you will need to repay the equity loan based on the same percentage split at the time of sale. You may purchase the remaining shares of your home at any time.

Priority is given to serving members of the British Armed Forces, those who are on a waiting list for a Council or Housing Association property and current Council or Housing Association tenants.

Am I eligible?

- You must be unable to purchase a property outright.
- You must be a first time buyer.
- You must be able to obtain a mortgage.
- You must not be in breach of your current tenancy agreement.
- You must be aged 18 or over.
- You must have a good credit history.
- You must have savings or funds to pay a deposit and other costs of purchasing a home.

How do I apply?

Please see page 9 for information on how to apply for this scheme through EMHomeBuy.

3. Rent to Buy

The Rent to Buy scheme offers new build homes to rent for a pre-defined period of time (maximum of five years) with the expectation that you will buy a share of the property at the end of the rental period.

How does the scheme work?

You pay a reduced rent, usually 80% of the market rent, for the property for a set period of time (normally between three to five years). This is to help you save for a deposit to purchase a share of the property under the same terms as the Shared Ownership scheme.

During the rental period, you may be assessed to determine your eligibility to purchase a share of the property. If your circumstances have changed and you are no longer able to afford to buy, your landlord may review your tenancy.

Am I eligible?

- Your household income must be below £60,000 per year.
- You must be committed to owning your own home within the next five years.
- You must be able to obtain a mortgage.
- You must be aged 18 or over.
- You must have a good credit history.

How do I apply?

Please see page 9 for information on how to apply for this scheme through EMHomeBuy.

4. Discount for Sale

The Discount for Sale scheme offers specific properties on new developments for sale at a discount of the full market value.

How does the scheme work?

Specific properties on new housing developments are priced between 25-50% lower than the market value of the property. You own 100% of the property and have the full rights of any homeowner, but when you sell the property it must be sold with the same discount as you bought it. This ensures that there are properties for people in the local area who cannot afford to purchase them at the full market value.

Am I eligible?

- Your household income must be below £60,000 a year.
- You must be unable to purchase a property outright.
- You must be able to obtain a mortgage.
- You must be aged 18 or over.
- You must have a good credit history.
- You must have savings or funds to pay a deposit and other costs of purchasing a home.
- You must have a local connection to the area in which you want to buy.

How do I apply?

Please see page 9 for information on how to apply for this scheme through EMHomeBuy.



5. Developers' Shared Equity schemes

Developers' Shared Equity schemes are equity loan schemes, where you buy a minimum of 80% of a property and the remaining share is provided as an equity loan.

How does the scheme work?

The schemes are available on selected housing developments. You own 100% of the property but you only take a mortgage for a set percentage, usually 80-90% of the value. The developer owns the remaining share of the property, which will have to be paid back as an equity loan within a set period of time or when you decide to move. The period of time set for repayment will vary between developers.

Am I eligible?

- You must be able to obtain a mortgage.
- You must be aged 18 or over.
- You must have a good credit history.
- You must have savings or funds to pay a deposit and other costs of purchasing a home.
- Other eligibility requirements will vary between developers.

How do I apply?

Contact local developers directly for information on how to apply.



6. NewBuy

The NewBuy scheme helps buyers with a 5% deposit to get a mortgage of up to 95% of the value of a new build property.

How does the scheme work?

This scheme is available on selected housing developments. You must have 5% of the purchase price saved as a deposit and you will need to take out a mortgage for the remaining 95% of the purchase price. There is no cap on income for this scheme.

Am I eligible?

- You must be able to obtain a mortgage.
- You must be a UK citizen or have the right to remain indefinitely in the country.
- You must have savings or funds to pay a 5% deposit and other costs of purchasing a home.

How do I apply?

Please see page 10 for information on how to apply for this scheme.



Applying for a scheme

The list below covers the stages you will need to go through to buy an affordable home through EMHomeBuy (EMHB) which is a Government agency that helps people in the East Midlands access Low Cost Home Ownership schemes:

- 1** Complete an application form.
- 2** EMHB will check your eligibility for the scheme you are interested in.
- 3** Discuss your mortgage options with a financial/mortgage advisor.
- 4** Choose your home from the selection on the EMHB website.
- 5** Advise EMHB of your choice.
- 6** EMHB will assess you further and reserve the property.
- 7** You may have to pay a reservation fee.
- 8** You will need to instruct a solicitor to carry out all of the legal work.
- 9** Ask your mortgage lender to arrange a valuation and survey.
- 10** Finalise your mortgage offer with your lender.
- 11** Exchange contracts and pay any deposits.
- 12** Organise your move.
- 13** Completion day arrives, pick up your keys.
- 14** Move in and enjoy your new home.



Contact information

- For information about the NewBuy scheme visit **www.newbuy.org.uk**
- For information about any of the other schemes in this booklet please contact EMHomeBuy on **0844 892 0112** or visit **www.emhomebuy.co.uk**
- You can also contact Mansfield District Council's Housing Strategy Officer on **01623 463 128** for help and advice about any of the schemes.

Disclaimer

Information has been gathered by Mansfield District Council in good faith. Every effort has been taken to ensure accuracy at the time of production. We cannot be held responsible for any amendments, changes or alterations to any of the schemes included in this leaflet.

Home Ownership aspirations

Your views are needed to help Mansfield District Council plan for the future and to help us support the development of Low Cost Home Ownership schemes. We have put together this questionnaire to find out what the demand for low cost housing is within the District and what type of scheme would most benefit our residents.

Please answer the following questions and return the slip to Mansfield District Council at:

FREEPOST RSUG-HG XK-UAET
Mansfield District Council
Civic Centre
Chesterfield Road South
Mansfield NG19 7BH

Alternatively you can fill in the questionnaire at www.mansfield.gov.uk/lcho

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Which of the Low Cost Home Ownership schemes mentioned in this booklet are you interested in? (Please tick all that apply)

- Shared Ownership
- FirstBuy
- Rent to Buy
- Discount for Sale
- Developers' Shared Equity schemes
- NewBuy

2

Which area of the District would you be interested in living in? (Please tick all that apply)

- All
- Mansfield - Central
- Warsop
- Church Warsop
- Pleasley Hill
- Berry Hill
- Clipstone
- Ladybrook
- Bull Farm

s survey

- Bellamy
 - Oak Tree
 - Ravensdale
 - Rainworth
 - Meden Vale
 - Mansfield Woodhouse - Park Hill Road area
 - Mansfield Woodhouse - Brown Avenue area
 - Mansfield Woodhouse - Peafield Lane area
 - Mansfield Woodhouse - Sherwood Street area
 - Forest Town
 - Other (please specify)
-

3

What type of property would you like to live in?

(Please tick all that apply)

- Detached house
- Semi-detached house
- Terraced house
- A flat, maisonette or apartment
- Bungalow

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How many bedrooms would you require? (Please tick one)

- 1
- 2
- 3
- 4
- 5+

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Which of the following best describes your household?

(Please tick one)

- One person (aged 16-64)
 - One person (aged 65+)
 - Couple (aged 16-64) with no children
 - Couple (aged 16-64) with one dependent child
 - Couple (aged 16-64) with two or more dependent children
 - Couple (aged 65+)
 - Lone parent household with one dependent child
 - Lone parent household with two or more dependent children
 - Other (please specify)
-

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What is your total annual household income?

(Please tick one)

- Under £20,000
- £20,001 - £47,000
- £47,001 - £60,000
- £60,001+

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If you would like to be kept updated on Low Cost Home Ownership opportunities within the District, please fill in your contact details below:

Name.....

Address

Postcode.....

Tel.....

Email

EMHomeBuy

EMHomeBuy is part of the East Midlands Housing Group based in Coalville, Leicestershire and has been appointed by the Government as the HomeBuy agent for the East Midlands. They help people access Low Cost Home Ownership schemes in the East Midlands and cover Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire, Rutland and Northamptonshire.

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Would you like the Council to forward your contact information to EMHomeBuy? (Please tick one)

- Yes
- No

Data Protection

The information you supply will be used for this exercise only. Your personal data will be stored electronically and handled in accordance with the Data Protection Act 1998.

For more information see our privacy notice at www.mansfield.gov.uk. We may send you information about other developments and promotions by Mansfield District Council. If you do not wish to receive this information please tick this box.

Meeting your needs

We can provide this information in larger print, in Braille, on audio tape, on CD or in another language. Please contact the Marketing and Communications team for more information on:

Tel: **01623 463 463**

Minicom: **01623 463 444**, or

Email: **mdc@mansfield.gov.uk**



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