

South West Homes

What is HomeBuy?



Is a name the Government has given to a suite of housing options available to people who wish to purchase a home but cannot do so without financial assistance, and those who wish to rent but cannot afford the cost of high market rents.



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www.southwesthomes.org.uk

WHO CAN APPLY

Applicants should be 18 years of age or over. There are two initial criteria you must meet before completing an application form:

1. Have a household income of less than £60,000 per annum.
2. Be a first time buyer unable to buy, or afford market rents without assistance.

HomeBuy can also help people who have previously owned a property but are now unable to buy without assistance, for example in the case of relationship breakdowns, or families who are overcrowded in their existing home.

Priority for HomeBuy will be given in accordance with Government guidelines; ie social tenants; armed forces personnel and local priorities; and other first time buyers.

How does it work?

If you think you qualify then simply complete an application form on line or paper copy. This will ask you questions such as your household details, employment, income and savings. This helps the Agency to assess your eligibility and how much you can afford.

Once we have received your completed application form with all the necessary information, we will write to you within four working days advising you of your affordability level and will give you a guide as to which of the HomeBuy products you may be eligible for.

HOW DO I KNOW WHICH PROPERTIES ARE FOR SALE?

Developers and housing associations offering homes under the Government's Homebuy scheme advertise their homes on our website. You can view property details on our website or alternatively contact our customer service team who will be pleased to send you a printed newsletter of properties for sale in the area of your choice.

Details of approved applicants are available to developers and housing associations and they may contact you direct if they have a home for sale or market rent which meets your housing needs, taking account of location, affordability and bedroom sizes.

How do I apply?

You can complete the online application form on our website or contact our customer services team and request a paper copy. Your local council, housing association and participating developers also hold paper applications.

You should apply to the HomeBuy Agency operating in the area where you wish to live ie Devon, Cornwall, Somerset, Gloucester, South Gloucestershire, Bristol, Dorset & Wiltshire. If this is outside of the South West then contact our customer services team who will be pleased to advise you of the HomeBuy Agent operating in the area you wish to live.

SHARED OWNERSHIP

This option offers brand new homes for sale on a part buy / part rent basis. How does it work? Homes are available through different housing associations. You can buy shares worth between 25% and 75% of the property's market value and you pay a subsidised rent on the remaining share.

You will normally be required to buy a share to the maximum you can afford. You may need to raise a mortgage to purchase your share. If you have a large deposit or equity from the sale of a property, this can also be used towards purchasing your share.

Second-hand properties originally sold as shared ownership are also available from existing owners. These are known as re-sales.

SHARED OWNERSHIP REALES

When any existing part buy / part rent home becomes available for resale, you can buy the share from its current owner. The homes vary greatly in terms of age, size and type.

How does it work?

Just like shared ownership, homes are available through different housing associations. You can buy the share being offered for sale, at open market value, plus an additional percentage depending on your affordability. you also pay a subsidised rent on the remaining share you don't own. You may need to raise a

Your HomeBuy Options...





mortgage to purchase your share. If you have a large deposit or equity from the sale of a property, this can also be used towards purchasing your share.

SHARED EQUITY SCHEMES

This Opportunity gives you a head start on the property ladder by helping you to become a home owner without having to purchase 100% of the property when you first buy. Housing Associations and private developers offer new homes for sale under this scheme.

How does it work?

You pay for a majority stake in a new home, usually with a mortgage, for example 60% to 80 % and the developer pays for the rest with a loan. This may require a small amount of interest to be paid depending on the scheme. This loan is usually repayable when the property is sold. When this occurs the developer will be entitled to receive their share of the value of the property at the time of sale. The main difference between this and shared ownership is that you do not pay rent on shared equity.

HOME BUY DIRECT – SHARED EQUITY

This option offers equity loans towards the purchase of a new build home on selected developments.

How does it work?

You buy a minimum of 70% of the market value of a property. An equity loan of up to 30% is provided to assist



your purchase. There are no payments on the loan for the first five years. After five years there is a fee of 1.75%, which increases annually in line with inflation. You will need to raise a mortgage to purchase through this scheme. You can also use any savings you may have to contribute as a deposit towards your share.

ARMED FORCES HOME OWNERSHIP SCHEME (AFHOS)

AFHOS is a HomeBuy option designed specifically for members of the armed forces (subject to qualifying criteria). The scheme provides qualifying applicants with assistance to buy a home.

How does it work?

If you have between four to six years of continuous service in the armed forces, this scheme is a way for you to buy a home suited to your needs, with some extra help to top up your mortgage.

AFHOS could provide you with a loan of between 15-50% of the value of the home that you choose on the open market, usually through an estate agent like any other buyer. For example if you qualify for a mortgage of £70,000, you could potentially purchase a property worth up to £140,000. For more details and to find out if you qualify for the scheme visit: www.afhos.co.uk or contact the scheme agent, Swaythling Housing Society on 0800 028 1980, or email enquiries@afhos.co.uk.

H.O.L.D. HOME OWNERSHIP

Home Ownership for People with Long-term Disabilities (HOLD) is not a separate housing product but a route into shared ownership. You should apply for affordable home ownership assistance in the standard way by filling out our application form. All applicants must meet the Homes and Communities Agency's general eligibility criteria (that is, you should be a first time buyer (or be defined as being in housing need) with a household income of less than £60,000 per year.

This scheme is currently not widely available. Applicants may be required to either have a lump sum sufficient to cover the initial purchase with the need for a mortgage, or on-going source of income sufficient to secure mortgage finance. Lenders are reluctant to provide interest only mortgages to applicants to cover their mortgage repayments solely through the support of mortgage interest (SMI) benefit.

Applicants are advised to get independent financial advice regarding the option of shared ownership.

RENT TO HOMEBUY

This option offers new homes to rent for a period of time with the expectation that you will buy a share of the property at the end of the rental period.

How does it work?

Homes are available through a range of housing associations on assured shorthold tenancies with an affordable rent of 80% of market rents. The rent is payable for a pre-defined and limited period, after which time there is an expectation that you will purchase the property on the terms of Shared Ownership. The rental period provides you with the opportunity to save for a deposit towards buying a share in the home, enabling you to access mortgage availability.

SOCIAL HOMEBUY

This option offers some housing association or local authority tenants the opportunity to buy a share in their rented home.

How does it work?

Tenants can purchase a minimum initial share of 25% of the home. The remaining un-owned equity is retained by the landlord. Your landlord then charges you an affordable rent on the un-owned equity. It is possible for you to purchase 100% of the property. Please contact your landlord directly to find out if they offer this option.

DISCOUNTED RENT

This option is also known as intermediate rent and offers new homes to rent at 80%(or less) of typical market rents.

How does it work?

Housing associations offer this scheme on an assured tenancy, usually for an initial period of six months. This is reviewed regularly. When a property is vacated, it becomes available again for rent.



**Help
and
Advice...**

Our website holds further detailed information on all the housing options in this leaflet. You will find details of solicitors, independent financial advisors and surveyors who have experience in affordable housing schemes and would be pleased to offer you help and advice. You will also find examples of the cost of buying a home, to help you budget if you are thinking or purchasing a home through one of the schemes.

Please contact us for a hard copy of information if you don't have access to the internet.

INTERESTED?

South West Homes make it easy. You complete one application form. Simply visit our website at www.southwesthomes.org.uk to apply on line or call us on **0300 100 0021** to request an application form.

View properties available

Visit www.southwesthomes.org.uk to search for properties in your area. Please contact the relevant housing association or developer directly to find out further details for any properties you are interested in.

Alternatively, call us on **0300 100 0021** to request a property newsletter, which gives you information about properties available in the area of your choice. information.

FOR FURTHER HELP

If you would like further information please contact our customer services team on **0300 100 0021** or email us at info@southwesthomes.org.uk

This information can be made available in large text, on CD or audio tape by request. We also offer translation services if your first language is not English.



If you or someone you know would like this leaflet “What is Homebuy?” on CD or audio tape, in large print , in Braille , or translated into another language, please contact our HomeBuy Team on 0300100021 or email info@southwesthomes.org.uk

Jeśli Ty albo ktoś kogo znasz chciałby otrzymać broszurę “Czym jest Homebuy?” na płycie CD, kasecie audio, dużym drukiem, pismem Braille’a lub przetłumaczonym w innym języku, prosimy o kontakt telefoniczny z naszym Managerem ds. Komunikacji pod numerem telefonu 0300100021 lub drogą mailową info@southwesthomes.org.uk

Se você ou alguém que você conhece deseja este folheto, intitulado “O que é o Homebuy?”, em CD ou cassete áudio, num formato ampliado, em Braille ou traduzido para outra língua, por favor contacte a Equipa do HomeBuy através do número 0300100021, ou por e-mail, para info@southwesthomes.org.uk

Si vous, ou une personne que vous connaissez, souhaitez obtenir ce feuillet « Qu’est-ce que Homebuy ? » sur CD, cassette audio, en gros caractères, en braille ou traduit dans une autre langue, contactez notre équipe HomeBuy au 0300100021 ou par e-mail à info@southwesthomes.org.uk.

倘若您或您結識的人需要此小葉“Homebuy 介紹”

以 CD 或錄音帶、大字體、盲文格式提供，或
翻譯成另外一種語言，

請聯絡我們的 Homebuy 團隊：0300100021

或發送電郵至：info@southwesthomes.org.uk

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