

## Customer Information Affordable Homeownership

Affordable Homeownership schemes can help local people who might not be able to afford a property at full market value move onto the property ladder.

Stockton Council is working with a range of partners to increase the number of affordable homes for sale for local people who would otherwise not be able to purchase a property in Stockton-on-Tees.

Through planning legislation, the Council stipulates that on all new private developments across the Borough over a certain size, a proportion of the new homes for sale are 'affordable'.

We can provide information on current and proposed developments offering affordable homeownership. Please see the Further Information Section for a link to the affordable homeownership application where you can register your interest.

The information below provides a summary of the affordable homeownership options available with links to further information and helpful advice.

<b>Discounted Market Sale</b>	<p>Properties are offered at less than market value. The amount of discount may vary depending on the development.</p> <p><b>Eligibility:</b> Applicants must</p> <ul style="list-style-type: none"> <li>• Be over 18</li> <li>• Be employed/ self-employed (unless buying cash only)</li> <li>• Have a household income under £60,000 p.a</li> <li>• Have a local connection</li> <li>• Be a first-time buyer or discharged from ownership in any other property.</li> <li>• Be able to fund the required deposit</li> </ul> <p><b>How it Works:</b></p> <ul style="list-style-type: none"> <li>• Property is purchased at a discounted price</li> <li>• This is a long-term scheme, with the same level of discount applied to any future sales/rentals (conditions will apply)</li> <li>• Purchaser will own 100% of property and have the full rights of any homeowner</li> </ul>
<b>Help to Buy- Shared ownership</b>	<p>Provided through a Registered Provider e.g. Housing Association. You buy a share of the property (between 25% and 75%) and pay rent on the rest.</p> <p><b>Eligibility</b> Your household must earn below £80,000 p.a. and any of the following apply:</p> <ul style="list-style-type: none"> <li>• You are a first-time buyer</li> <li>• You used to own a home but can't afford one now</li> <li>• You are an existing shared owner looking to move.</li> </ul> <p><b>How it works</b></p> <ul style="list-style-type: none"> <li>• Shared ownership properties are always leasehold</li> <li>• Properties may be new build or through a resale programme.</li> </ul>

	<ul style="list-style-type: none"> <li>• There are specific criteria which applies to people over 55 and disabled people (see further information for links)</li> <li>• You can buy more shares once you become the owner (Staircasing). The cost will depend on the current market value of the property.</li> <li>• If you want to sell and own a share of the property, the Registered Provider has the right to buy it first or find a buyer. If you own 100%, you can sell the property yourself.</li> <li>• Eligibility and affordability checks will be carried out (by Help to Buy agent and Landlord)</li> <li>• Priorities may apply based on local housing need.</li> </ul>
<p><b>Rent to Buy</b></p>	<p>New build properties that are available to rent initially, with rents cheaper than the market rent for similar properties in the area.</p> <p><b>Eligibility:</b> To qualify for Rent to Buy applicants must be either a:</p> <ul style="list-style-type: none"> <li>• Working household intending to buy your own home at the start of the letting period</li> <li>• First time buyer or returning to the market following a relationship breakdown</li> <li>• Priorities may apply based on local housing need as determined by the Registered Provider</li> </ul> <p><b>How it works:</b></p> <ul style="list-style-type: none"> <li>• You save for deposit over minimum of 5 years</li> <li>• Purchase property outright after 5 years if you can afford to.</li> <li>• You can apply to buy the property through shared ownership before the 5-year period ends if you meet the criteria</li> <li>• May be possible to remain as a tenant if unable to buy/ access shared ownership option (options will be discussed with landlord)</li> </ul>
<p><b>Help to Buy- Equity Loan</b></p>	<p>The current scheme is due to end on 31/3/2021 and <b>from 1/4/2021 will be available for first time buyers only</b>. Extra measures have been introduced to assist customers who have experienced delays with their purchase due to coronavirus with extensions to the deadline for completions. The new scheme will run until March 2023.</p> <p><b>Criteria (new scheme):</b> The home you buy must:</p> <ul style="list-style-type: none"> <li>• Be a new build</li> <li>• Have a purchase price of up to £186,100 in North East (regional variations apply across England)</li> <li>• Be the only one you own</li> <li>• Not be sub-let or rented out after you buy it</li> <li>• You must buy from a registered Help to Buy builder</li> </ul> <p><b>How it works:</b> With an equity loan:</p> <ul style="list-style-type: none"> <li>• You need at least a 5% deposit</li> <li>• The government will lend you up to 20% (40% in London) of purchase price</li> <li>• You need a mortgage of up to 75% for the rest (up to 55% in London)</li> <li>• You won't have to pay interest on the equity loan for the first 5 years</li> </ul>

	<ul style="list-style-type: none"> <li>• You can pay back part or all your loan at any time (minimum payment of 10% of current market value)</li> <li>• You must pay back the loan when you sell the property, pay off your mortgage, or reach the end of your equity loan term. The amount you pay back depends on the market value of the property.</li> <li>• You must be able to evidence that you can afford the repayments on the equity loan and all other outgoings</li> </ul>
<b>Help to Buy ISA</b>	This closed to new accounts on 30/11//2019, but if you already had an account you can continue to save until November 2029. The government will boost your savings by 25% for the purchase of your first home. You must claim your bonus by 1 <sup>st</sup> December 2030.
<b>Lifetime ISA</b>	<p>You can continue to open and save in a lifetime ISA for the purchase of your first home. You can save up to £4,000 each year and receive a Government bonus of 25%. If you are buying with someone else and they are also a first-time buyer, you can use both bonuses. To be eligible for the Government bonus you must have opened the ISA at least 12 months prior to purchase of the property. The home you buy must:</p> <ul style="list-style-type: none"> <li>• Be in the UK</li> <li>• Have a price of £450,000 or less</li> <li>• Be the only home you will own</li> <li>• Be where you intend to live</li> <li>• Be purchased with a mortgage.</li> </ul>
<b>Further Information</b>	<p>The Help to Buy website provides information on Help to Buy options including advice on finding the right scheme for you <a href="#">Help to Buy</a></p> <p>The Help to Buy agent can guide you through the options available. They administer the Help to Buy: Equity Loan scheme for Homes England. <a href="#">Help to Buy Agent North East</a></p> <p>Government Publications- How to buy a home <a href="#">How to Buy a Home</a></p> <p>Government Publications- Help to Buy Equity Loan Buyers Guide <a href="#">Help to Buy Equity Loan Buyers Guide</a></p> <p>Home Ownership for people with long term disabilities <a href="#">HOLD</a></p> <p>Older people shared ownership <a href="#">OPSO</a></p> <p>Stockton- on-Tees Borough Council Affordable Homeownership Application. <a href="#">Stockton-on -Tees Borough Council Affordable Homeownership</a></p>