



HomeBuy Direct

HomeBuy Direct is a new shared equity scheme designed to help builders to sell completed or near-completed vacant properties. Properties will be offered on specific new build homes brought forward by developers.

You will need to buy a minimum 70% share in a home (maximum initial share that can be purchased is 85%), with the share you do not buy being funded by an equity loan of up to 30% of the purchase price. The loan will be jointly funded by Government and the developer on a 50/50 basis.

The scheme is targeted at First Time Buyers who cannot afford to buy a suitable property on the open market without assistance in the area where they live or work. Although the scheme is targeted at First Time Buyers, it could also help people who have previously owned properties but are now unable to buy without assistance, for example in the case of relationship breakdowns or families who are over-crowded in their existing homes.

After six years you will pay a charge on the equity loan of 1.75% of the initial market value of the home. This charge rises annually thereafter by the Retail Price Index plus 1%.

For further details of HomeBuy Direct homes available in the region, please refer to the list on our website.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



First Time Buyers Initiative

This scheme aims to help eligible first time buyers to own a share of their own home on a designated FTBI development:

You will need to purchase a minimum 50% share of the sale price of the home. The share you do not buy will be funded by the Homes and Community Agency (a Government agency) and paid directly to the developer. You will not need to make any payments Homes and Community Agency contribution for the first three years.

After three years you will pay a charge to the Homes and Community Agency of 1% per annum of its contribution. This charge rises by 1% annually reaching a maximum of 3% after five years in the home.

When you sell the property you repay the Government the value of the share they own in the home based on the sale price you obtain. You also have the option of buying additional shares in your home at any time. The minimum additional shares you can buy is 10% of the market value of the home.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



Open Market HomeBuy

There are currently two Open Market Homebuy schemes available in the region. The first, MyChoiceHomeBuy, is offered by a consortium of housing associations mainly based in the greater south east England, each one of which is an equity loan provider in its own right. The second, Ownhome, is offered by Places for People (a national housing association) in partnership with Co-Operative Financial Services. These products are described in brief below;

MyChoiceHomeBuy equity loan product

You can buy a new or second hand home on the open market. The scheme funds a minimum of 15% and up to a maximum of 50% of the price/value of the home (whichever is the lower). You can pay a deposit on the home but this is not essential. You can obtain a conventional mortgage from any qualified lending institution (a qualified lending institution is one regulated by the Financial Services Authority).

You will need to pay interest on the equity loan on a monthly basis. This will not exceed 1.75% of the amount of the equity loan in year one, rising annually by the Retail Price Index plus 1%.

Ownhome equity loan product

You can buy a new or second hand home on the open market. The scheme funds a minimum of 20% and up to a maximum of 40% of the price/value of the home (whichever is the lower). You can pay a deposit on the home but this is not essential. You will be required to obtain your conventional mortgage from the Co-operative Bank in the first instance. However, you will be able to re-mortgage with another qualified lending institution in accordance with the terms of your initial mortgage agreement.

You will not pay interest on the equity loan for the first 5 years. For years 6 to 10 the equity loan is subject to a fixed interest rate of 1.75% per annum, and from year 11 it is a fixed interest rate of 3.75% per annum.

Please contact the NomadE5 Homebuy Team to get more detailed information and to enquire about the current availability of funding for this scheme.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



New Build HomeBuy

You can buy a home on a leasehold basis on shared ownership terms – part buy, part rent. The minimum initial share you can buy is 25%, and 75% is the usual maximum. You will need savings and/or be able to raise a mortgage for the share you want to buy, and you will pay rent on the share you don't own. Rents are calculated to be affordable. You will usually pay a rent of approximately 2.75% of the share you do not own.

You can buy additional shares as you become able to afford it, until you own the home outright. This is known as 'staircasing'. When you want to sell the property you can sell the share you own to another household nominated by your landlord or you can staircase to 100% and sell it in the normal fashion.

However, your landlord may want to buy the property back from you to offer to other households who want to enjoy low-cost home ownership. They will tell you if they want to do this when you tell them that you want to sell. The property is sold at market value and you benefit from any increase in value that has built up on the share that you own.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



Rent to Homebuy

Rent to Homebuy is a pilot scheme operating in 2008/9 and is currently expected to continue beyond that time. The scheme aims to help you if you cannot afford to buy a share in a home at the present time (for example because you cannot obtain an affordable mortgage because you do not have sufficient funding for a deposit). It will enable you to rent a new build home on certain sites at an intermediate rent (defined as 80% of the market rent for that home) for a specified period, with the first option to buy the home on New Build Homebuy terms at the end of that period.

Homes will be let on Assured Shorthold Tenancies for approximately 2-3 years. When this period ends, you will undergo a further assessment to determine the size of share that you are able to afford and sustain under New Build HomeBuy. If you are assessed as not being in a position to buy at the end of the period due to a change in circumstances, you will have your position reviewed by your landlord but there is no guarantee that your tenancy will be renewed.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



Social HomeBuy


If you are an existing social housing tenant you may be able to buy your current home through Social Homebuy with the benefit of a discount. To do so, your landlord must have decided to take part in the scheme. This may be of interest if you don't qualify for the Right to Buy or the Right to Acquire or if you are not currently in a position to buy a home outright.

Homes are usually bought on a shared ownership basis and you will need to buy a minimum share of 25%. However, you can buy the property outright at the outset.

The maximum discount will vary between £9,000 and £16,000, depending on the location of the property. The discount you may receive will be in proportion to the initial share you purchase. Any subsequent share purchased will also attract a discount pro-rata to the percentage of the share being purchased.

If you sell the property within five years, the discount is repayable on a sliding scale, relative to what point you are in the 5 year repayment period.

Only existing secure or assured tenants of participating housing associations or councils are eligible. Tenants who are facing legal action for anti-social behaviour or breaches of their tenancy agreement cannot take part.

 <p>HomeBuy a government-led initiative</p>	<p>For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.</p>
---	--



Schemes for the Over 55's

There are 3 schemes specifically aimed at people aged 55 years and over.

Leasehold for the Elderly – Applicants could be buying for the first time but more usually will be existing owner occupiers who find their present home is a burden either financially or physically.

A purchaser can buy a 70% share in the property at market value by way of a lease (usually 99 years on the first sale). This has the effect of reducing the purchase price to 70% of the full value.

There is no facility to purchase the remaining 30%. This is always retained by the Housing Association to ensure that the property is resold to persons meeting the criteria of the scheme.

Subsidised Ownership for the Elderly

Applicants could be buying for the first time but more usually will be existing owner occupiers who find their present home is a burden either financially or physically.

A purchaser buys an 80% share in the property at market value usually by way of a 99 year lease. This has the effect of reducing the purchase price to 80% of the full value.

There is no facility to purchase the remaining 20%. This is always retained by the Housing Association to ensure that the property is resold to persons meeting the criteria of the scheme.

Shared ownership for the elderly

Applicants could be buying for the first time but more usually will be existing owner occupiers who find their present home is a burden either financially or physically.

Purchasers can buy between 25% and up to 75% share in the property at market value by way of a lease (usually 99 years on the first sale)

A maximum 75% can be owned and there is no facility to purchase the remaining 25%. This is always retained by the Housing Association to ensure that the property is resold to persons meeting the criteria for the scheme



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



Resales – Existing shared owners may wish to sell their share of their property.

The Shared Ownership Scheme is aimed at assisting first time buyers and people in genuine housing difficulties who would not normally be able to purchase a suitable property outright on the open market.

Under some older style leases the shared owner can place their share of the property on the open market with an estate agent

On newer leases the shared owner must agree to have a valuation carried out by a valuer who is a member of the Institute of Chartered Surveyors as per the terms of the lease

Depending on the type of lease, the owner must have a valid valuation carried out to determine current market value. This means that the % share being sold has to be marketed for whatever it has been valued at and cannot be sold for any more or any less than this figure. The current owner can arrange to sell their share of the property through an independent Estate Agent.

If anyone is interested in purchasing the available share, the consent of the Housing Association must be sought and prospective purchasers must submit an application form to the Housing Association in order for us to assess their eligibility. No sale must progress or offer be accepted until the applicant has been approved by the Housing Association.

Once an application has been received the prospective purchaser will be contacted and may then be asked to make an appointment with the Housing Association to discuss the application further depending on the information given. The applicant must not own another property, unless they are currently selling it and it is at least sold subject to Contract. If this is the case we have to consider what they will be realising from the sale, the reason for selling and their current savings and income details as well as assessing their housing need.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.



Eligibility

Broadly speaking all the HomeBuy schemes are aimed at first time buyers, existing social housing tenants and key workers, whose income is less than £60,000 who cannot afford to purchase on the open market unassisted. In certain circumstances you may already own a home, though you will be expected to sell that home when buying a home funded through Homebuy. Social HomeBuy however, is only available to existing Local Authority and Housing Association tenants. You should check with the NomadE5 Homebuy team if you are unsure about your eligibility for any of the schemes.

You will be assessed to see that you cannot afford to buy a home without assistance, and also to make sure that you can afford to maintain a mortgage and other housing costs without getting into financial difficulty. We will also need to undertake credit history checks.



For further information on any of the Homebuy products please contact the NomadE5 Home Ownership team on Tel: 0191 292 2749 or by e mail to nomad.homebuy@nomade5.co.uk.