

First Homes Scheme

Frequently Asked Questions

Is the First Homes scheme worth it?

Whether the First Homes scheme is the right option for you depends on individual circumstances and housing market conditions. For first time buyers who meet the eligibility criteria and struggle with high property prices, the scheme can be a valuable opportunity to secure a home with a substantial discount, potentially making homeownership more affordable and achievable.

However, it's essential to consider factors like location, the resale process, and long term housing goals. While the discount may provide immediate affordability, prospective buyers should carefully weigh the benefits and drawbacks of the scheme considering unique financial situations and housing needs to determine if it aligns with their objectives.

How much deposit will I need?

5% deposit of the discount market price.

Will I own the property outright?

Yes, you retain full ownership of the property (as with any normal market sale).

What is the maximum purchase price of the property?

It is capped at £250,000, after the discount has been applied.

How does the First Homes scheme work?

The First Homes scheme is a UK government initiative designed to make homeownership more affordable for first time buyers. It works by offering newly built homes at a significant discount of 30% to 50% off the market price. These discounted properties are available to local residents and key workers, ensuring that people who already live in the area benefit from the scheme.

To qualify, buyers must meet specific criteria, including income and residency requirements. Once purchased, First Homes can only be sold at the same discount percentage, maintaining affordability for future buyers. This scheme aims to address the housing affordability crisis and support those trying to get onto the property ladder, providing a more accessible route to homeownership.

What are First Homes scheme properties?

The First Homes scheme refers to properties offered under a UK government First Homes

initiative aimed at making homeownership more affordable for first time buyers. These properties are typically newly built homes, and they are sold at a significant discount, between 30% to 50% below the market price. The specific types of properties available under the scheme can vary, including houses and apartments in different locations across the country.

What is the new scheme for first time buyers?

The term “new scheme for first time buyers” can refer to various government initiatives or programs introduced in different countries and regions to assist individuals in purchasing their first homes. These schemes often involve financial incentives, such as grants, loans, or discounted properties, to make homeownership more attainable for those who have not previously owned property.

The specifics of such schemes can vary widely depending on the government and region, so it's essential to check with your local housing authorities or financial institutions for information on the latest programs available to first time buyers in your area.

Can I be classed as a first time buyer again?

Whether you can be classified as a first time buyer again typically depends on the specific eligibility criteria set by government programs or financial institutions. Generally speaking, if you have never owned or held an interest in a residential property, either in the UK or abroad, you will qualify as a first time buyer. However, the exact requirements can differ and some alternative housing schemes will accept buyers who have owned a home previously but have since sold, so it's advisable to consult with relevant authorities or lenders to determine your eligibility.

How much deposit do you need for a first time buyer in the UK? The deposit required for a first time buyer in the UK can vary depending on several factors, including the property price, the mortgage lender's policies, and your financial situation. Some mortgage lenders in the UK require a deposit of just 5% to 10% of the property's purchase price. However, having a larger deposit, ideally 15% to 20% or more, can often result in more favourable mortgage terms and lower interest rates. Various government schemes, such as Help to Buy (which closed in March 2023) and Shared Ownership, may also influence the required deposit amount, so it's essential to research your options and consult with mortgage advisors to determine the best approach for your specific circumstances.

Is it necessary for both partners to be first time buyers if you're purchasing together through the First Homes scheme?

Absolutely. In the case of joint purchases in the First Homes scheme, all buyers involved must meet the first time buyer eligibility criteria, meaning that they've never owned a property in the UK or abroad.

Are there any limitations on property prices in the First Homes scheme?

Certainly. The First Homes scheme enforces property price caps to ensure affordability. Properties cannot exceed £250,000 (£420,000 in London) after applying the discount. While local authorities may have the authority to lower these caps in their areas, they cannot raise them.

What is the required deposit for the First Homes scheme?

To participate in the First Homes scheme, you'll need to secure a First Homes mortgage. Lenders like Halifax offer 95% mortgages for First Homes. For example, if you're buying a First Homes property valued at £175,000, you'd need a minimum 5% deposit of £8,750.

What is the local eligibility criteria?

To apply for a First Home in Thanet, you must meet the national criteria and the following local criteria:

- Currently residing in or have previously resided within Thanet within the last 5 years; or
- You currently work in the district and have done so for at least 3 years; or,
- You used to live in the district and would like to return because you have close family living in Thanet; or,
- You need to live in the district to give or receive essential support/care to or from a family member who lives in Thanet

Does the local connection criteria apply to everyone?

No. Members of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or veterans within five years of leaving the Armed Forces should be exempt from any local connection testing restrictions

What happens to the discount when I come to sell my home? When you purchase a First Home the 30% discount is written into the Title Deeds by the solicitor/conveyancer. When you come to sell your First Home the same 30% discount of the current market value will be passed on to the buyer, and this ensures the home will remain affordable forever.

Can I rent my home to someone else?

A First Home must be your only and main home. In exceptional circumstances, you can seek permission from the Council to rent your home. If it is agreed, it may be rented for a maximum of 2 years