

**urbansplash**

# **The First Time Buyers' Initiative**

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## How does it work?

First Time Buyers Initiative is designed to enable first time buyers, who cannot otherwise afford to buy a new home, to purchase a new property with an affordable mortgage and with government assistance to top up what they can already borrow from a bank...simple really! The idea is that the buyer can then pay some, or all, of the money back to the government once, and if, they are in a position to do so.

## What is the role of the HomeBuy Agent?

Plumlife, the HomeBuy Agent for Urban Splash FTBI developments, will act on behalf of the government at a local level to market and administer the FTBI schemes in their area and guide the purchaser through the process of buying a FTBI home.

## Who can take part in the scheme?

Around 50% of homes will be made available for key workers such as nurses, teachers and police officers. The other 50% of homes are available for social tenants, those on housing waiting lists and other first-time buyer groups determined by Regional Housing Boards.

## Can a FTBI owner 'staircase'?

The FTBI scheme allows owners to reduce all or part of the government's entitlement to some of the future sale proceeds. A partial reduction in the entitlement is called 'staircasing'. Staircasing payments can be made at any time and must be a minimum of 10% of the home's prevailing market value. An independent surveyor/valuer must provide the valuation and the owner will pay for this.

## What are the monthly costs of FTBI?

- Mortgage repayments to lenders
- Fee on the government's contribution (nothing payable in the first three years)
- Service charges
- Council tax
- Life insurance and payments into investment products if the mortgage is interest only
- Buildings insurance
- Utility bills and other costs of occupying the property

## Who pays for repairs and ongoing maintenance to the FTBI home?

It is the owner's responsibility to repair and maintain their new home.

## What happens if the rules change after a buyer purchases and they are no longer a priority or eligible as a key worker? Do they have to pay all the cash back?

No – eligibility status will be judged against the criteria at the time they were given financial help to buy the FTBI home.

However, if a buyer qualified for a home because of their key worker status and then changes job, they may have to pay back the government's entitlement.

## Can a buyer sub-let their FTBI home?

No. If they wish to sub-let, they will first have to immediately repay the government's entitlement.

## Can a buyer own a FTBI home and buy a second home?

No. If a buyer wishes to purchase another home, they will have to immediately repay the government's entitlement

## After purchasing a FTBI home, can a buyer increase their mortgage or take out another loan?

Not without permission from the National HomeBuy Agent.

## After three years of ownership how is the fee collected?

By the National HomeBuy Agent through a monthly direct debit. Buyers will receive an annual statement.

## Can a buyer extend or alter the property?

Not without permission.

## Can two key workers buying together get a double subsidy of government assistance help them buy a FTBI home?

No, buyers cannot combine two separate applications for financial assistance. The joint income will be taken into consideration to assess their affordable mortgage.

## What happens if a buyer stops being a key worker?

If a buyer leaves eligible employment they will have to repay the government's entitlement within five years. They can do this by staircasing or selling on the open market.

## Three easy steps to becoming a first time buyer:

- 1 Register your interest with us for the FTBI development you are interested in at either: [www.urbansplash.co.uk/3towers](http://www.urbansplash.co.uk/3towers) or [www.urbansplash.co.uk/chimneyoptpark](http://www.urbansplash.co.uk/chimneyoptpark)
- 2 Fill out an application form which can be found on the Homebuy agent, Plumlife's website [www.plumlife.co.uk](http://www.plumlife.co.uk) along with the full terms and conditions for the FTBI if you have not already done so. Plumlife will assess your eligibility for FTBI.
- 3 Once your application has been approved by Plumlife then you can reserve an apartment or house of your choice with our sales team.

For more information on the First Time Buyers' Initiative please refer to the HomeBuy Buyers' Guide which is available from the Urban Splash sales team.

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