

Guide to FirstBuy

The basics

FirstBuy is a Government scheme to help you get on the housing ladder. With FirstBuy, you can own your home for as little as 80% of the value, which could be from £89,600!*

You're eligible for FirstBuy if you have a household income of £60,000 or less, are not currently a home owner, and can't afford to buy a home on the open market.

If you're eligible, you could get a loan (funded equally by the Government and Urban Splash) for up to 20% of the value of the property, and the loan is interest-free for the first five years.

You will need to fund the other 80% through a combination of mortgage and savings. Usually this would be 5% deposit from your savings, and 75% mortgage.



Top image - Chips exterior

Bottom image - One bedroom show apartment

The buying process

1. Find your dream home

Look at the apartments we have available at Chips through FirstBuy. They are listed on our website (www.urbansplash.co.uk) and you can arrange a viewing by emailing live@urbansplash.co.uk or calling 0333 666 9999.

2. Register your interest

Register with **Plumlife**, either directly with them or through Urban Splash, by filling in an **application form** online.

Plumlife will assess your eligibility for FirstBuy and issue an Eligibility Approval Letter which sets the prescribed mortgage level for your purchase once they have received all the additional documents required with your application, e.g. payslips and evidence of identity.

3. Arrange your mortgage

Once you've chosen your dream home (or before if you want), you can set about arranging for a mortgage offer in principle. We have an Independent Financial Advisor (IFA) on hand who can help you find the best mortgage to suit your requirements (details below). The IFA will complete a financial requirement form which you will need in order to process the next part of your application. You will also need to provide two forms of identification (one with a photo), three months' payslips and any other documents as required by the lender.

You may reserve your dream home and pay a reservation fee of £500 (which will form part of your deposit) once you have received the Eligibility Approval Letter from Plumlife and your mortgage offer in principle.

Recommended IFA

Paul Elliott
Money & Mortgages
Telephone 07595 388 377
Email paul.elliott@moneyandmortgages.org

4. The legal bit

Once you have reserved your property you will need to instruct a solicitor to act on your behalf. Your solicitor will take you through the buying process and explain the steps involved. Once contracts have been issued, exchange will take place within 28 days, at which point a deposit of 5% (less the reservation fee) may be payable depending upon the amount of mortgage offered by your lender. Completion can take place simultaneously or at an agreed date with us.

Recommended solicitor

Claire Egerton
Lewis Hymanson Small Solicitors
Telephone 0161 827 1821
Email residentialproperty@lhs-solicitors.com

5. Move in!

We look forward to welcoming you in to your new home once the legal process has completed.

Visit www.urbansplash.co.uk now to get started, or call us on 0333 666 9999 to find out which apartments are still available at Chips. Alternatively, contact Plumlife on 0161 447 5151 to discuss the registration process.



Top image - Typical kitchen
Bottom image - Chips exterior

Your questions answered

For further information, please read the FirstBuy Buyers' Guide available on the HCA website.

If you have any other questions, just email us at live@urbansplash.co.uk, or call us on 0333 666 9999.

We'd love to hear from you!

What happens with my interest-free loan from the Government and Urban Splash after the first five years?

For the first five years, you pay no interest at all. After that, you will pay a fee of 1.75%, rising annually by the increase (if any) in the Retail Price Index (RPI) plus 1%. See page 13 of the **FirstBuy Buyers' Guide** for an illustration of how this works. The fee will be collected by direct debit by the Post Sale HomeBuy Agent, on behalf of the Government and Urban Splash.

You will receive a statement each year confirming when fees are payable. The statement will also show any payments made, once you have started paying the fee. Fees can be paid in a single yearly payment or in monthly instalments.

What do you mean when you say I own 100% of my home when I only pay 80% of the value?

When you purchase your home through FirstBuy, you have 100% title to your home and you can sell it on the open market without restriction. The arrangement is known as 'shared equity' rather than 'shared ownership', meaning you are offered an equity loan from the Government and Urban Splash, but you are the outright owner of the property. So although you purchase 80% of the value of the property, and Urban Splash and the Government provide a loan for the remaining 20%, you still own 100% of the title.

How can I work towards paying off the equity loan?

You can start to pay off the loan from the Government and Urban Splash after 12 months of initially purchasing your home. You can pay in instalments (this is called 'staircasing'), which must be a minimum of 10% of the home's prevailing value, or in one lump sum. Each time you make a payment like this, you'll need to have your home revalued by an independent RICS surveyor, and the percentage you pay off will be based on this value. When you're ready to start paying off the equity loan, you will need to get permission from the Post Sale HomeBuy Agent, and you should contact them to make arrangements.

What happens when I sell my FirstBuy home?

You can sell your home on the open market, and you will pay the costs of selling. You will repay the equity loan from the Government and Urban Splash simultaneously and the outstanding share will be valued at the value of the property when you sell.

How do I know if I'm eligible for FirstBuy?

FirstBuy is a scheme designed by the Government to help people who don't already own their own home to get on the housing ladder. You're eligible if your annual household income is less than £60,000, and you're not already home owners.

Will I have to pay Stamp Duty?

The Government's standard rules and procedures for Stamp Duty Land Tax (SDLT) apply to all FirstBuy purchases.

SDLT is payable at the time of purchase, on the full purchase price of the home. That is, the amount paid by you (the first mortgage and any cash contribution) plus the value of the FirstBuy assistance.

There is no further SDLT to pay on any 'staircasing' repayments or repayment when the home is sold.

Can I sublet my FirstBuy home?

No - FirstBuy is designed to assist you to get on the housing ladder. If you wish to sublet, you will first have to repay the FirstBuy equity loan assistance.

Can I own a FirstBuy home and buy a second home?

No - FirstBuy is designed to assist you to get on the housing ladder. If you wish to purchase another home you will have to repay the FirstBuy equity loan.