



ABOUT DISCOUNT FOR SALE?

For example if the property has an agreed OMV of £150,000 the RSL nominated by the Local Authority is allowed to purchase the property at a discount of say 40% off the OMV = £60,000 less OMV from the developer. The RSL is then allowed to market the property for discounted sale at 60% of the OMV = £90,000 (which provides the affordability of the purchase)

The 40% unsold equity is then retained in the property and the RSL is not allowed to charge rent on the 40% unsold equity. The resident only has to be concerned with their own mortgage payments and in some instance depending on the scheme development the resident may have to pay a monthly service charge.

Should the resident wish to sell their share of the lease, the RSL would require the resident to offer the property first back to the RSL, then should the RSL choose not to buy the residents share, the property can then be offered on the open market. Upon completion of sale the resident would receive 60% of the sales receipts and the RSL would receive 40% subject to the open market valuation at that time. Please note that all legal cost are the responsibility of the resident.

Whether you decide to buy via shared ownership or discounted sale, you will need to approach a high street bank who will issue you with a mortgage in principle for the share price you wish to purchase. You will need to have this approved by the RSL before we can proceed with the sale providing any additional information we request from you. Once approved, you can instruct a solicitor and begin to proceed with the sale. The sale will normally take between 6 to 12 weeks to complete.

BENEFITS OF OWNING YOUR FIRST HOME THROUGH DISCOUNT FOR SALE

- Continue to own your initial share with no need to purchase further as the rest will be owned by the RSL.
- No rent to pay on unsold equity (maybe a small service charge).
- Avoid paying stamp duty as long as the value of your home is under £175,000. (government legislation and subject to change).
- If the market rises and you decide to sell, you benefit from the open market value at that time.

ABOUT NEW BUILD HOMEBUY (THE NEW SHARED OWNERSHIP)

Where the property is marketed at full open market value (OMV) the purchaser decides on what share they are able to purchase following marketing by the housing association. Let's say you purchased 25% of the OMV, for the remaining 75% equity left you will pay a proportional rent and service charge to the housing association. For example on a £150k house:-

- 25% share @ £37,500 rent payable would be around £60.00pw
- 50% share @ £75,000 rent payable would be around £40.00pw
- 75% share @ £112,500 rent payable would be around £20.00pw

Rent is usually based on 2.75% - 3% of the unsold equity

You have the option to purchase the property outright after 1 year. If you choose not to, then don't worry, you just continue to pay your 25% mortgage and 75% rent until you decide to staircase up to 100% and own your property outright

BENEFITS OF OWNING YOUR FIRST HOME THROUGH SHARED OWNERSHIP

- Buy an initial share now and have the option to own your home outright after the first year.
- Continue to own your initial share with no requirement to purchase further shares.
- Why worry about finding a mortgage to buy a large home at £150K when you can purchase a 4 or 5 beds at with a 50% share for around £75,000?
- Avoid paying stamp duty as long as the value of your home is under £175,000 (government legislation and subject to change)
- The more shares you buy, the less rent you pay.
- If the market rises and you decide to sell, you benefit from the open market value at that time.

OMV = Open market value
RSL = Registered social landlord/housing association
LA = Local authority

Information Sheet

Making Homes Affordable



Quality – right down to the last detail

At Firebird Homes, quality is key to everything we do.

Our houses are built with the very best materials, using traditional building methods. We take a real pride in our properties, putting in the extra time and trouble to make sure that every Firebird Home is absolutely right for you, and then we add a whole lot more. Inside you'll find a high specification components and energy saving innovations to help to reduce your fuel bills and make your home a comfortable environment. And where we can we will even lay the turf in your garden, all you have to do is maintain the garden occasionally.

Here are some of the additional features you'll find in your affordable Firebird Home:

Internal Features

- Double Glazing
- Gas central heating
- Fully fitted kitchen with oven hob
- Vinyl flooring in kitchen & bathroom*
- Fully fitted bathrooms with shower*
- Secure by Design certification **
- 10 year Building warranty i.e. NHBC / Zurich

Energy Saving Features

- Highly insulated cavity walls and roof
- Draught excluding doubled glazed sealed windows
- Controlled heating and hot water timer

Decoration

- White & Magnolia matt emulsion to walls and ceilings
- White gloss to all internal woodwork

*vinyl flooring and shower may be subject to scheme requirements or prior negotiation

**Secure By Design certification - subject to initial scheme designs

Safety/Security Features

- Burglar alarm
- Smoke alarm
- Window locks

Electrics

- TV socket outlets in lounge & master bedrooms
- BT outlet (connection not provided)
- All sockets and switches to be white plastic (chrome is only in kitchen**)
- Smoke detectors
- Infrastructure to receive satellite/digital TV (unless otherwise specified)



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Making Homes Affordable