**Affordable Housing Initiatives/Products – September 2016**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Provider | Funder | Product | comments |
| SavingsSavings | BanksBanks | GovernmentGovernment | Help to Buy ISA <https://www.helptobuy.gov.uk/help-to-buy-isa/how-does-it-work/>Lifetime ISA <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508117/Lifetime_ISA_explained.pdf> |
|  |
| Loan | Government and Banks | Government loan | Help to Buy Equity Loan  | Loan for up to 20% of purchase price (no fees if loan paid back in first 5 years)Need 5% deposit and 75% mortgageNew Build homes up to £600,000First time buyers and homeowners wanting to move |
| <https://www.helptobuy.gov.uk/equity-loan/equity-loans/> |
| Equity Loan | Catalyst HA/ local authority | Catalyst HA & LA | Regional Equity Loans | Catalyst working with Local Authorities to create bespoke equity products. With low interest loans Local eligibility criteria can be set.  |
| <https://www.homesbycatalyst.co.uk/buying-options/regionalequityloans/> |
| Mortgage | Banks | Government guarantee | Help to Buy Mortgage Guarantee | New build or resale up to £600,000Lenders can offer 80-95% LTV mortgagesMortgage must be less than 4.5 times income |
| <https://www.helptobuy.gov.uk/mortgage-guarantee/how-does-it-work/> |
| Mortgage | Local Authority | Local Authority | Local Authority Mortgage | Costs of resourcing administrationLA mortgage rate may not be competitive to market ratesRisk of defaults |
| Mortgage  | Banks  | Local Authority guarantee | Local Authority Mortgage scheme | Enable borrowers to apply with 5% depositFirst time buyersLA can determine which type of properties, areas are in the scheme and mortgage limit |
| <http://www.capitaassetservices.com/products-and-services/public-sector/public-sector-advisory-services/local-authority-mortgage-scheme-lams.cshtml/?utm_source=MMenu> |
| Mortgage | Banks | Springboard mortgage | Parental Assistance Mortgage – variations from different lenders | Example – Barclay’s family springboard mortgage enable first time buyers and movers to purchase without a borrower deposit if family can provide 10% of the property’s price as security.  |
|  |
| Shared ownership | Housing Association/Local Authority | Can be grant funded from Affordable Housing Programme | Help to Buy Shared ownership (Part buy - part rent) | Initial shares purchased from 25% - 75%First time buyers or used to own a home and cant afford to buy nowNew build or resalesMaximum income limits £80,000Can staircase to 100% full ownership |
| <https://www.helptobuy.gov.uk/other-housing-options/shared-ownership/> |
| Shared ownership | Local Authority and Banks | Local Authority indemnity  | Local Authority Partnership Purchase Scheme (LAPP) | Buyer purchase up to 70%LA purchases remaining 30%First time buyers and existing home owners5% deposit on purchased shareCan buy on open marketLA can set criteria and mortgage limit |
| Shared ownership | Heylo Housing | Pension funds | Your Home | Existing homes can be purchasedMinimum 10% deposit (no mortgage), can purchase more shares at anytime up to outright purchaseMaximum income £80,000 |
| <http://heylohousing.com/our-housing-solutions/> |
| Shared ownership | Heylo Housing | Pension funds | Home Reach | Shared ownership shares from 25-75% Developer share sold to HeyloNew build propertiesMaximum income £66,000 |
| <http://heylohousing.com/our-housing-solutions/> |
| Shared ownership | Heylo Housing | Pension funds | Your Front door | Shared ownership on discounted market sale properties. Min share 10%Available to 1st and 2nd time buyersNew build DMS propertiesMaximum income £80,000 |
| <http://heylohousing.com/our-housing-solutions/> |
| Shared ownership/Shared equity | Landspeed  | Privately funded  | Shared ownership and shared equity  | No rent on unsold share, acquire units and sell to buyers on terms/criteria agreed with LA |
| <http://landspeed.uk.com/> |
| Local scheme contact: Sandra Sainsbury – Shepway DC |
| Shared ownership | Rural Housing Trust Ltd | Part of Hobden Group (privately-owned group of property companies involved in property development and investment) | Shared ownership | Specialist developer of shared ownership on rural exception sites (possibly will venture into starter homes as well) |
| <http://www.ruralhousing.org.uk/> |
| Shared equity | Graduated Ownership | Model promoted by the Future Housing Review |  | ◦The Owner acquires the entire freehold (or leasehold) estate in his home from the Provider, so the ownership itself is not ‘shared’.◦No HCA model lease is required for a house.◦Only a normal lease is required for a flat, not an HCA model◦There is no rent payable on the ‘unowned share’ in a GO scheme.◦A GO scheme provides the Owner with an automatic bonus (the ‘Increment’) which compensates the Owner for taking on all repairing liabilities. |
| <http://www.futurehousing.org/graduated-ownership/> |
| Rent to home ownership | Housing Associations and other providers | Government  | Rent to buy | Homes are let to working households at an intermediate rent to give them the opportunity to save for a deposit to buy their first home.The homes will be offered at an intermediate rent for a minimum of 5 years.If after the initial 5 years of letting the landlord wishes to sell the property the existing tenants should have a right of first refusal.If at any point after the initial 5 years of letting the tenants submit a request to buy their home we would expect the landlord to agree to sell it If the tenants do not exercise the choice to purchase, the provider can retain the property as rented housing (at either affordable or market rate rent) or sell it on the open market.Now included in new SOAHP 2016-21 |
| <https://www.gov.uk/government/collections/shared-ownership-and-affordable-homes-programme-2016-to-2021-guidance> |
| Rent to home ownership | Rent plus leases homes leased to housing association | Institutional investors/pension funds | Rent plus | Affordable rent (80% of open market or LHA rate) on 5 year renewable tenancy up to 20 years.Option to purchase with 10% value of open market price as gifted deposit Maximum income £80,000LA can set eligibility criteriaNew build properties |
| <http://rentplus-uk.com/> |
| Local scheme contacts: Sarah Lewis – Tunbridge Wells BC |
| Rent to home ownership | Local Authority | Local Authority | Opt to Buy (Arlingclose model – independent treasury advisors) | Uses LA owned company or SPV to fund new homesFive year tenancies with option to buy Rent either market rent or up to 20% of market rent |
|  |
| Rent to Buy | QSH (Fund Management Firm) | Pension funds | QSH funds build, in collaboration with LA/HA  | Tenants rent with option to purchase between 1st and 5th year. After 5 years can rent for further 15 years.Half of rent put towards deposit up to max of 10% of open market price of house at time of purchase |
| <http://qsh.org.uk/> |
| Affordable Rented | Housing Association , Local Authority | Historic AHP funding, HA or LA resources | Affordable rent | Rented at up to 80% of market value (inc. service charges)Usually allocated to applicants on housing register |
| <https://www.gov.uk/government/collections/affordable-homes-programme-2015-to-2018-guidance-and-allocations> |
| Social/affordable Rented | Cheyne Capital(Investment Fund Managers) | Cheyne Social Property Impact Fund  | Rented housing - general needs, supported housing, extra care etc | Cheyne’s Social Property Impact team will acquire or build properties and lease these properties to social service providers at affordable rates.Lease to housing provider for 15-20 years with option to renew or purchase. |
| <https://www.cheynecapital.com/strategies/social-property/> |
|  |  |  |  |  |
| Specialist schemes |  |  |  |  |
| Older Persons Shared Ownership (OPSO) | <https://www.helptobuyese.org.uk/help-to-buy/opso> |
| Home Ownership for people with Long-Term Disabilities (HOLD) | <https://www.helptobuyese.org.uk/help-to-buy/hold> |
| The Legacy Foundation | Regeneration schemes to include a community sporting facility<http://www.legacyfoundation.co.uk/LegacyBrochure.pdf> |