

Help 2 Own – Key Information

What is it?

Help 2 Own homes will be sold at 70% of their market value to couples or families who would otherwise be unable to get their first step on the property ladder.

Help 2 Own buyers will purchase the property outright, with no equity share being retained by WWH. Instead, WWH will hold a charge against the property. Whenever the house is sold, the home owners will receive 70% of the sale value, with the remaining 30% being paid to WWH.

Unlike other LCHO models, there is no need for purchasers to have a deposit. Instead, the mortgage lender will have a first charge against the property meaning that WWH will only receive their 30% if the mortgage lender has received the full amount owed to them. The mortgage lender will recoup their monies first, reducing their risk and creating enough comfort for them to lend without the need for a deposit.

Who is it for?

Help 2 Own will help couples or families who are unable to access homeownership due to affordability and are therefore reliant on social housing or private rented accommodation.

Providing the opportunity for people to own their own home at a discounted value, and without the need for a deposit, will help to balance the housing market, reduce the risk of households falling into acute housing need and improve their housing security.

Help to Own buyers must:

- be aged 18 or over.
- use the home as their main residence.
- not own a property, or part of a property, at the time of completing on the purchase.
- be able to secure a mortgage or otherwise fund the purchase of 70% of the value of the home
- be a couple or family.
- be a lower income household, usually less than £45,000 p.a., and not be able to afford to buy the home at its full market value.
- have a housing need for the size of property they wish to purchase. Applicants may purchase a home with one bedroom more than their housing need if all other eligibility criteria are met.
- not be in mortgage or rent arrears.
- have a local connection defined as those who have:
 - *are currently living or working in the local area.*
 - *have a family connection or long-standing links with the local community.*
 - *are employed in the local area, or have a job offer in the locality.*

How is it funded?

New homes cost significantly more than 70% of their market value to build. Therefore, delivery of the Help 2 Own product requires subsidy from WWH. Selling at an affordable level of 70% represents a significant level of subsidy from WWH, which it can withstand as long as its losses are recovered

Appendix 1

when homes are sold in the future. The net profit will be used to re-invest in new affordable housing.

What happens when the homes are sold?

Help 2 Own homes can be sold on the open market without any restrictions. This is so that the money paid back to WWH can be reinvested to support delivery of more affordable housing. The home owners will receive 70% of the value the house is sold for, with WWH receiving the remaining 30%. WWH will provide a secure mechanism to recycle, within County, the net capital receipts gained from homes sold under the Help 2 Own scheme.

A schedule will be provided annually detailing the Help to Own properties resold, the value of the net capital receipt and the scheme (social/intermediate rental/homebuy/LCHO/Help to Own) into which the funds will be recycled to provide replacement affordable housing. WWH will retain the funds for recycling within the county in which they were received for 20 years, effectively guaranteeing their use within the planning authority's area.