

Low cost home ownership options

This sheet provides information for you if you are keen on buying your own home, but don't think you can afford it without help.

Property prices in the South East are amongst the highest in the country, but there are various schemes to help people afford to purchase. These schemes come under the banner of 'Help to Buy'.

Regional 'Help to Buy' agent

Each part of the country has an organisation that co-ordinates applications for 'Help to Buy' options. For Kent, the agent is a housing association called BPHA. All of the available options are explained in detail on the 'Help to Buy East and South East' website: <https://www.helptobuyese.org.uk/>. The website allows you to search for properties in your area. The information below is a brief introduction to some options.

Shared Ownership

Also referred to as 'part rent – part buy', you buy a percentage share in a property, and pay a rent for the remaining share. There is usually an option to buy further shares if you increase your income, until you own the property outright. The combination of mortgage and rent is lower than the cost of a full mortgage on a property of a similar value, and the amount of deposit that you will need will be smaller than buying outright. Be aware, though, that you will have responsibilities to maintain the property. You need to earn less than £80,000 (between all adult household members) to qualify, but you must still be able to afford the mortgage, rent, furnishing and upkeep costs.

There is also a specific scheme for people with a long-term disability, called HOLD. Under this scheme, you can buy a share of between 25% and 75% (and pay rent on the remainder). If none of the properties that have been built for Shared Ownership sale meet your specific needs, the arrangement could be used to purchase a suitable property.

Help to Buy Equity Loans

This scheme also reduces the amount of cash deposit and mortgage that you will need to find. The Government provides a loan of between 10% and 20% of the cost of a new property, which is paid back when you sell the property (or at the end of the mortgage term). If you can afford it, you can purchase a property valued up to £600,000 using the scheme, but you must raise at least 5% of the property value as a deposit to qualify.

Properties that you can buy using Equity Loans will be built by developers who participate in the scheme. You can find out who these are here: <https://www.helptobuyese.org.uk/more-information/registered-house-builders>

Rent to Buy

This is a good option for you if you'd like a Shared Ownership property but can't afford the required deposit yet. The registered provider rents out the property at 20% lower than a full market rent – allowing you to save for a deposit for a future purchase. You can usually buy shares in the property as time goes on, using the 'Shared Ownership' model described above.

Intermediate Rent

Some properties are available at 20% lower than a full market rent but cannot be subsequently bought. This enables you to save up to move out and buy a property elsewhere.

Purchasing options for older people

There is a version of Shared Ownership that is available solely for the over-55s, called OPSO. This is like conventional Shared Ownership, in that the registered provider offers an initial share of between 25% and 75%. The difference with OPSO is that you can buy further shares, but only up to a maximum of 75%. You can never own the property outright. If you do buy 75%, you will pay no rent on the share that the registered provider keeps. If you buy less than 75%, you do pay a rent for the registered provider's share.

Buying a 'resale'

Most registered providers who sell properties on a Shared Ownership basis will hold 'waiting lists' of people who qualify. If a Shared Owner wants to sell, the registered provider will be given a short while to find a purchaser from those on their waiting list. Some of these properties are advertised on the 'Help to Buy' agents website (see overleaf). If a suitable purchaser cannot be found in this way, the Shared Owner can choose to find a purchaser on the open market – these properties can be found via local estate agents.

Schemes for social housing tenants to buy their home at a discount

Under certain circumstances, you may be eligible to buy the home you rent from the Council at a substantial discount on the open market value. This is called the Right to Buy. There is a website to check if you are eligible here: <https://righttobuy.gov.uk/am-i-eligible/eligibility-quiz/>.

Tenants living in some registered provider properties may also qualify for a similar scheme called 'Right to Acquire'. You can find more information at the website here: <https://www.gov.uk/right-to-acquire-buying-housing-association-home>.

Contacting your local Council

Ashford: <https://www.ashford.gov.uk>

Canterbury: <https://www.canterbury.gov.uk>

Dartford: <https://www.dartford.gov.uk>

Dover: <https://www.dover.gov.uk>

Gravesham: <http://www.gravesham.gov.uk>

Maidstone: <https://self.maidstone.gov.uk>

Medway: <https://www.medway.gov.uk>

Sevenoaks: <https://www.sevenoaks.gov.uk>

Folkestone & Hythe: <https://www.shepway.gov.uk>

Swale: <https://www.swale.gov.uk>

Thanet: <https://www.thanet.gov.uk>

Tunbridge Wells: <http://www.tunbridgewells.gov.uk>

Tonbridge & Malling: <https://www.tmbc.gov.uk>