



# A Guide to First Homes



Backed by HM Government

**The Government is committed to making the dream of home ownership a reality for everyone and we recognise that for many this simply feels out of reach. First Homes will be life-changing for people all over the country aspiring to take their first step onto the housing ladder, by providing new homes at a discount of at least 30 percent.**

## What are First Homes?

- First Homes are flats and houses built on developments up and down the country. They will be no different from other properties except they will be sold with a discount of at least 30 percent.
- They will be sold to local people who want to stay in the community where they live or work but are struggling to purchase a home at market prices.
- They will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers.
- The discount will be passed on to future buyers when First Homes are resold so more people can be helped onto the ladder.

### Example:

Market Price £300k

First Homes discount of 30%

First Home buyer pays £210k

When the owner is looking to sell, the new value of their home is £350k. This is allocated to a new first time buyer or prioritised worker by the local authority, and it is sold with a 30% discount at £245k.

## How will it work?

- First Homes will be sold with a minimum discount of 30 per cent off the market price, but local areas will be able to set a larger discount to ensure the homes are affordable to local people.
- Buyers will purchase First Homes in the usual way and will have access to conventional mortgage products.
- When owners of First Homes decide to move up the ladder, their home will be independently valued. When they sell the home, the discount will be passed on to the new owner with the discount (of at least 30%) applied to the new value.
- This means homes will always be sold below market price and local communities will benefit for generations to come, with local authorities continuing to allocate these homes to first-time buyers and able to prioritise local workers.
- First Homes are for people to live in, so we won't allow them to be used as holiday homes or as buy to lets. These are for local people to take their first step onto the ladder.

## When will I be able to buy a First Homes property?

We are working to deliver First Homes as quickly as possible and are currently consulting on the final design of First Homes scheme. Look out for further details later this year.

### Important disclaimer:

This guide explains the proposals for the new First Homes scheme as of February 2020. The policy detail may change over time. You should not make any financial or other decisions in reliance on the contents of this guide. For more information please see the full First Homes consultation and subsequent publications.