

Helping people with disabilities to access low cost home ownership



**TOWER
HOMES**

1. How do low cost home ownership schemes work?

There are various schemes in operation that are outlined in a. to d. below. An explanation of how people with disabilities can access these services is provided in 3. below.

a. New Build HomeBuy

This scheme, which was previously called shared ownership or 'part buy part rent', enables people to buy a share in new homes, which can be as little as 25%. Buyers pay a mortgage on the part they own and a subsidised rent on the part they don't own. If their income rises over time they can increase their share of their property until they own 100% of their homes and no longer need to pay rent to their housing association landlords.

b. Open Market HomeBuy

The Open Market HomeBuy scheme is run by Tower (in the SE and SW London) and Metropolitan (in North, West and East London). It caters primarily for key workers and existing Council/housing association tenants, or first time buyers. Under this scheme buyers can select a home of their own choice and can either:

i. Raise 75% of the purchase price by obtaining a mortgage from one of the four mortgage lenders taking part in the scheme. Lenders will provide an additional equity loan to cover 12.5% of the purchase price, which will be free for the first 5 years. Tower and Metropolitan will also provide an additional 12.5% loan (excluding any deposit they have), which they will not be required to repay; or

ii. Apply for a flat rate 17.5% Government equity loan (i.e. no equity loan from lenders). The loan will be capped at £50,000 and any savings gifts that applicants have can be used to “top up” their purchase price.

c. Low cost home resales

New Build HomeBuy properties that were built and sold in previous years that are now available to purchase on a part buy, part rent basis because their existing owners wish to sell, are also readily available throughout a given year. In 2006/07 over 200 such properties were sold in the South East London Sub-Region alone.

d. HomeBuy schemes for disabled people with support needs

A few associations run special schemes usually for people with learning difficulties. These schemes help people to part buy/part rent their own home

using welfare benefits. A number of banks provide the 'interest only' mortgages needed for this scheme. The Benefits Agency provides Income Support up to £100,000 to meet the 'interest only' mortgage for people who have received (or qualified to receive) this benefit for 39 weeks, and require housing that better meets their needs. Housing Benefit will pay the rent and a service charge that will cover most repairs. Buyers do however need to fund their legal fees, stamp duty, valuation fees and payment for the mortgage processor, which can amount to £4,000.

2. What are the basic qualifying criteria for these schemes?

The qualifying criteria for these services depends on the funding rules that apply for each scheme, and whether the scheme is New Build HomeBuy or Open Market HomeBuy.

Generally, people must be living in appropriate housing conditions. Applicants must be British or EU/EEA citizen, have a good credit history and have:

- A household income that does not exceed £52,000;
- A permanent employment contract or, if not in employment, have capital to buy a share of a home; and
- Savings, or can access £4,000 to cover the costs of buying a home.

There are over 2,500 low cost homes currently being marketed by housing associations throughout London. Shares and income required for all these schemes varies, with the lowest share being 25%.

3. How can people with disabilities buy low cost homes?

People with disabilities' ability to access low cost home ownership schemes depend largely on whether they:

- Are in employment;
- Have capital at their disposal; and/or
- Have particular needs that can be met by the provision of specialist low cost home schemes and that can be funded through the welfare benefits system.

a. If people are employed

People in employment can be considered under the New Build HomeBuy and the Open Market HomeBuy schemes that are explained above in 1.a. b. and c. Most homes are 1 and 2 bedroom flats and in SE London for example the average income of households

purchasing these schemes is about £27,000 per annum.

b. If people are not employed but have capital at their disposal

For people not in employment low cost home ownership can only be realised if they have access to capital that they can use to either:

- Buy as little as a 25% share of a New Build HomeBuy property as explained in 1.a. above. Housing Benefit (HB) may be able to be provided to fund the 'rental' element of the home including service charges. However, HB will not meet the legal fees and stamp duty costs and therefore a proportion of the applicants' available capital would have to be set aside to meet these costs.
- Purchase a home under the Open Market HomeBuy scheme using a Government grant as explained in 1.b.ii.

above. People purchasing under this scheme do not pay rent and therefore HB is not required. However, the Government grant that is provided under this scheme cannot be used to meet legal fees and stamp duty costs and therefore a proportion of the applicants' available capital would have to be set aside to meet these costs.

People with disabilities who could take advantage of these two schemes could include for example:

- Home owners who have become disabled who cannot afford to buy a home that is more suitable for their needs on the open market;
- People who inherit capital and who live in inappropriate housing and wish to live in their own home; and
- Families in owner occupied or rented homes that have a disabled member in the household who cannot

achieve the outright purchase of a more suitable home.

c. If people require a specialist low cost home ownership scheme

People with disabilities in housing need who are neither in employment or have capital may in special circumstances be able to access specialist schemes of the type described in 1. d. above.

4. Schemes for people with disabilities that are currently available

A number of schemes are currently available for people with physical disabilities, and people with learning disabilities or long term mental ill health, that are described below.

AmicusHorizon

Pelican House, Peckham, London SE1

AmicusHorizons is developing a new scheme which comprises 31 apartments, and includes 2 apartments on the ground floor (a one bedroom and a two bedroom) that have been designed for people who require wheelchair accessible housing.

The development is close to local amenities and local transport and overlooks a private court yard and secure underground parking facilities. The homes are being sold under the New Build HomeBuy scheme (see 1.a.).

Pelican House

Price*	35% share	Monthly mortgage repayment	Monthly rent payment**	Monthly service charge	Total Monthly cost
£207,000	£72,450	£469	£308	£80	£857
£240,000	£84,000	£547	£358	£80	£985

* Based on the mortgage rate being set at 6.5%

** These are guideline figures which will be finalised when the development is finished.

The 1 bedroom flat is being sold for £185,000 and the 2 bedroom flat for £225,000. The minimum share that can be purchased for both these properties is 25%. The table below provides an approximate breakdown of the monthly mortgage, rent and service charge repayments for these properties. An artist impression of the scheme can be seen on the HousingOptions website (www.housingoptions.co.uk).

To discuss this scheme please ring: 020 8726 8833 and quote 'Adapted Living'.

AmicusHorizon

Wheelchair units at Croydon Road, Penge

This scheme comprises 36 apartments, and includes a 1 bedroom apartment on the ground floor that specifically caters for a person who requires wheelchair adapted accommodation. This property has its own patio area, garden and car parking space. The scheme is close to amenities in Penge, Croydon and Crystal Palace. The homes are being sold under the New Build HomeBuy scheme (see 1.a.).

Croydon Road

Price*	25% share	Monthly mortgage repayment	Monthly rent payment**	Monthly service charge	Total Monthly cost
£175,000	£43,750	£299	£300	£100	£699

* Based on the mortgage rate being set at 6.5%

** These are guideline figures which will be finalised when the development is finished.

The wheelchair flat is on sale for £175,000 and the minimum share that can be purchased is 25%. The table below provides an approximate breakdown of the monthly mortgage, rent and service charge repayments for these properties. An artist impression of the scheme can be seen on the HousingOptions website (www.housingoptions.co.uk).

To discuss this scheme please ring: 020 8726 8833 and quote 'Adapted Living'.

AmicusHorizon

Wheelchair units at Warminster Road, Norwood

This scheme comprises 15 homes including a 2 bedroom bungalow with its own parking space and garden that has been designed for a person(s) who require wheelchair accessible accommodation. The scheme is close to local amenities and local transport. The bungalow is being sold for £320,000 under the New Build HomeBuy scheme (see 1.a.). The minimum share that can

Warminster Road

Price*	25% share	Monthly mortgage repayment	Monthly rent payment**	Monthly service charge	Total Monthly cost
£320,000	£80,000	£546	£550	£100	£1,196

* Based on the mortgage rate being set at 6.5%

** These are guideline figures which will be finalised when the development is finished.

be purchased is 25%. A photo of the bungalow can be seen on the HousingOptions website (www.housingoptions.co.uk). The table below provides an approximate breakdown of the monthly mortgage, rent and service charge repayments for this bungalow.

To discuss this scheme please ring: 020 8726 8833 and quote 'Adapted Living'.

Gallions

**The College Quarter,
Broomfield Road,
London SE18**

Gallions has developed a new scheme comprising 38 apartments. 30 of these for sale under the New Build HomeBuy scheme (see 1.a.)

including 5 that are designed for people who need wheelchair accessible housing. These units are 1 bedroom ground floor flats that come with allocated car parking spaces. Local shopping facilities are available in Plumstead, Woolwich and Thamesmead. The DLR is due to be extended to Woolwich in 2009, enabling residents of the scheme to access Canary Wharf and the West end. An artist impression of the scheme can be seen on the HousingOptions website (www.housingoptions.co.uk). Priority of these apartments is given to those living in Bexley, Bromley, Greenwich, Lewisham and Southwark Boroughs.

4 of the flats are on sale for £180,000 and one is valued at

College Quarter

Price*	40% share	Monthly mortgage repayment	Monthly rent payment**	Monthly service charge	Total Monthly cost
£180,000	£72,000	£345	£270	£64	£679
£182,000	£73,000	£348	£274	£68	£690

* Based on the mortgage rate being set at 6.5%

** These are guideline figures which will be finalised when the development is finished.

£182,500. The minimum share of these properties that can be purchased is 40%. The table below provides an approximate breakdown of the monthly mortgage, rent and service charge repayments for these homes.

To discuss this scheme in more detail please contact: Christine Bartlett 020 8320 3680

In Touch

For people with learning disabilities or mental ill health

In January 2005 In Touch launched a special HomeBuy scheme that operates in Bromley and Croydon and caters for people with learning disabilities and people with long term mental ill health. The scheme enables people to identify a property of their own choice on the open market and purchase it under 'part buy/part rent' arrangements using welfare

benefits as a revenue stream to pay the mortgage and the rent (see 1.d.). Priority for these apartments is given to those living in Bexley, Bromley, Greenwich, Lewisham and Southwark Boroughs.

To discuss this scheme in more detail please contact: Angelina Salisbury 020 8297 7630

Notes

Useful Contacts

Peter Brewer

Policy & Partnerships Co-ordinator

020 8294 5094

Tower Homes, 70 Court Road,
London SE9 5NP

pbrewer@lqgroup.org.uk

Jim Munson

Marketing Operations Manager

020 8920 7740

Metropolitan Home Ownership,
The Grange, 100 High Road,
Southgate, N14 6PW

jim.munson@mht.co.uk

Dave Shiress

South East London Housing

Co-ordinator

020 7525 7725

Municipal Buildings, 9 Larcom Street,
London SE17 1RX

dave.shiress@southwark.gov.uk

**TOWER
HOMES**