



# First Homes

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# What are First Homes?

- A new type of affordable Home Ownership
- Doesn't replace Shared Ownership – a new but different product



## The Homes

- Must be offered at a minimum of 30% discount on market housing
- Only newly built homes (by developers)
- Initial/first sale price capped at £250,000
- Discount remains in perpetuity



## The Buyers

- First Time Buyers
- National Criteria
- Local Criteria (optional)
- Must be buyers main residence

# Is it a planning requirement?

- On new developments, 25% of the affordable homes should be First Homes
- But, transition periods apply: -
  - No need to include First Homes in our current emerging Local Plan
  - No need for First Homes on planning applications that are permitted before the end of 2021
  - No need for First Homes on planning applications permitted by the end of March 2022 where significant pre-application has already taken place.

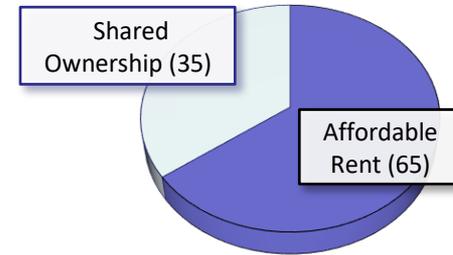


2022 may see the first,  
First Homes approved in  
Fareham Borough

# Implications to AH delivery

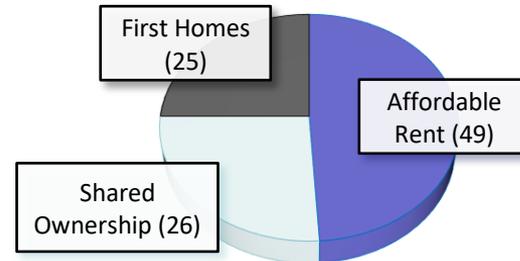
- The First Homes 25% is 'cut' first
- The remaining AH on site is then split by tenure according to our Local Plan Policy
- The example to the right shows how the split would work on a site with 100 affordable homes (current and with First Homes)
- This means that First Homes will reduce the amount of Affordable Rent homes delivered on new build sites.

## CURRENT MIX



- 65:35 split

## FUTURE MIX



- 25% First Homes cut  
- 65:35 split then applied to the rest

# Who is Eligible?

## National Criteria

- First time buyers
- Maximum household income of £80,000
- At least 50% of purchase price should be on a mortgage



## Potential local criteria?\*

- Local connection test\*\*
- Key Workers (but we'd need to define this)
- Reduced household income cap

\*Any local criteria would apply for 3 months on initial marketing, and then fall away

\*\*Active armed forces (inc. spouses) would be exempt from any local connection test

# Next Steps

- Do we want local eligibility criteria?
- Local connection test?
- Key workers?



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- Next steps – potential policy for future Executive decision?



# Any Questions

