

# Affordable Housing

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68 per cent

of Londoners looking for an affordable home believe their only route to home ownership is through shared equity deals, according to Housing Options.

## Turn your rent into a deposit

Raising a big enough deposit to secure a mortgage is one of the most difficult tasks for would-be homeowners today. But an innovative new scheme being launched at a development in Hackney, east London this week will allow house-hunters to rent their home first and then have 75 per cent of their rental money returned to them to use towards a buyer's deposit.

Family Mosaic housing association is operating the government scheme, called Rent to HomeBuy, at the Beaux Arts Building (pictured right) in Chatham Place, next to the iconic Burberry factory.

Beaux Arts has been turned into a nine-storey development of one and two-bedroom duplex apartments.

The scheme enables eligible potential buyers to rent one of the properties for up to two years before making a commitment to buy it outright or purchase a share.

A big advantage of the scheme is that rents on new-build properties such as those in the Beaux Arts

**Potential buyers can rent a property for up to two years before committing to buy it outright or purchase a share**

By Jayne Atherton  
Business Editor

development are also subsidised during the rental period.

A typical two-bedroom apartment in the private rental market in Hackney, for example, would cost at least £1,000 per month.

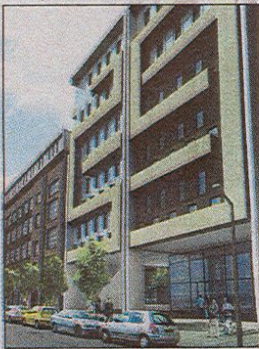
Rent to Homebuy properties, however, have subsidised 'affordable' rents of about 80 per cent of the market norm or less.

During the rental period, buyers can choose the time they are ready to buy, the idea being they use the months of paying cheaper rent to save for a deposit. This savings pot is then boosted by the return of a large portion of their rent.

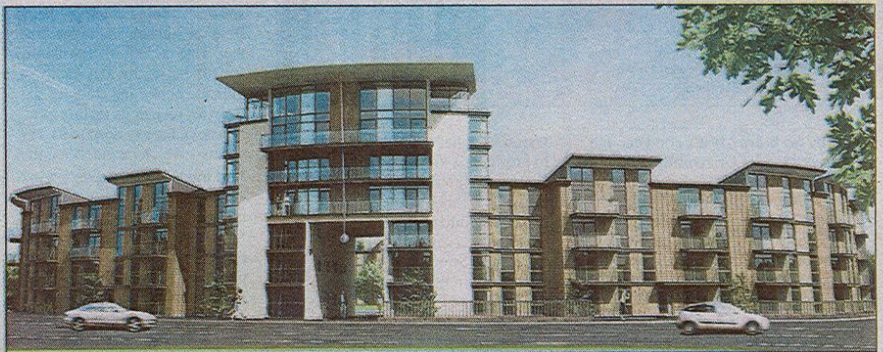
The cheapest one-bedroom flat at Beaux Arts costs £195,000, which would mean that a Rent to HomeBuy resident would pay rental of £693.60 every month for a maximum of two years and get £12,484 in rent back at the end of a full rental term.

The property would be available for buyers with a minimum single income of £19,450 or £21,772 for a joint income.

The cheapest two-bedroom duplex costs £222,500 and the monthly rental would be £816 for people with a minimum single income of £21,982 or a joint income of



### Hot property



Affordable-home buyers will be able to weather the housing-market storm perfectly in Celsius (pictured above), a development of apartments carved out of the former Meteorological Office in Bracknell, Berkshire.

The apartments are surrounded by landscaped gardens and have been built to maximise space. Some apartments also come with allocated underground parking, balconies and satellite wiring is installed as standard.

The properties also have a New Homes Building Certificate (NHBC)

£24,683. The maximum joint income allowed to be eligible for the Rent to HomeBuy scheme is £60,000.

Buyers in a position to part buy and part rent immediately can also buy into the Beaux Arts development but the Rent to HomeBuy scheme is aimed at first-time buyers who are finding

which guarantees they will be safe and secure for 12 years.

Home Group is offering homebuyers the chance to part buy and part rent a one or two-bedroom apartment from £56,875, based on a 35 per cent minimum equity share.

To be eligible, buyers must purchase the property as their only home and be unable to buy anything on the open market. But they do need to have enough savings to cover moving costs and legal fees.

Christine Harris, of Home Group

housing association, said that in some cases, part rent and part buy could work out cheaper than renting in the private sector.

This is because the rent on the portion buyers don't own is made more affordable. 'Many people don't realise that you can actually save money if you purchase property this way,' Harris says.

Once they have bought, owners can buy additional shares when they can afford it and eventually purchase up to 100 per cent of the property if they wish to do so.

it difficult to raise enough cash to cover both a deposit on a home and other costs associated with buying a property.

The problem is that lenders, stung by the credit crunch, are asking for larger deposits of between 15 and 35 per cent of the property value before they will take the risk and agree to a home loan.

Any mortgages that are available to homebuyers with deposits of less than 15 per cent carry the penalty of high interest rates and charges.

Both buying options at the Beaux Arts Building are subject to assessment by a financial adviser and applicants will be allocated properties according to priority.

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