



**FIRST HOMES RESERVATION AND
APPLICATION TO BECOME A FIRST
HOMES OWNER**

Contents

1.	First Homes reservation and application to become a First Homes Owner	2
2.	Proposed First Homes purchase	2
3.	Proposed First Homes Owner(s)	4
4.	Proposed First Homes Owner(s) conveyancer	6
5.	[Developer] (Current First Homes Owner) conveyancer	6
6.	Proposed First Homes Owner(s) mortgage advisor	6
7.	Eligibility criteria to be a First Homes owner	7
8.	Proposed First Homes Owner(s) household income eligibility	9
9.	Proposed First Homes Owner(s) Local Connection eligibility criteria	11
10.	Proposed First Homes Owner(s) Key Worker/Local Essential Worker eligibility criteria	13
11.	Proposed First Homes Owner(s) Armed Forces connection	17
12.	Proposed First Home Owner(s) Confirmations and Legal Declaration	19
13.	Legal Declaration	21
14.	Your data	22
15.	Equal Opportunities	24
16.	Application checklist confirmation to Hertsmere Borough Council	26
17.	Enclosures	29
18.	First Homes Customer Guide	30
19.	Hertsmere Borough Council eligibility criteria	39

1. First Homes reservation and application to become a First Homes Owner

- a. To be completed by the proposed First Homes Owner(s), [Developer] (current First Home owner) and the proposed First Homes Owner(s) mortgage advisor.¹
- b. The application cannot be submitted to Hertsmere Borough Council unless all sections are complete.
- c. The proposed First Homes Owner(s) must sign all the declarations in the application.
- d. The [Developer] (current First Home owner) and the proposed First Homes Owner(s) mortgage advisor must complete the application checklist before submitting to the Hertsmere Borough Council.
- e. A mortgage lending decision in principle must be obtained by the proposed First Homes Owner(s) before the application is submitted to Hertsmere Borough Council. However, the full mortgage application cannot be submitted to the mortgage lender until Hertsmere Borough Council has checked this application and issued the Authority to Proceed and Eligibility Certificate to the proposed First Homes Owner(s) and their conveyancer.

2. Proposed First Homes purchase

First Homes Buyer(s) FULL name(s) - the proposed First Homes Owner(s)	
[Developer] (current First Homes Owner)	
First Home property to be purchased (plot & postal address inc postcode)	
[[Developer] scheme/development name/reference including planning permission reference]	
House type (Detached/Semi-detached/Terraced/Flat)	
Tenure (Freehold/Leasehold – leasehold houses not permitted)	
Number of bedrooms	
[Reservation fee paid (£)]	£
[Date of reservation]	
[Actual/Expected build completion date]	
Forecast First Home purchase legal completion date	

¹ Developers and mortgage advisors and all parties working with customers to complete this Application Form are reminded of their duties to comply with the latest equality and related legislation.

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Market value of First Home (100% of value) [if the current First Homes Owner is not a [Developer], they must provide a valuation by a RICS qualified valuer with this application]	£
First Homes discount %	%
Discount Market Price (price to be paid by the proposed First Homes Owner after applying the First Homes discount to the Market value)	£
<p>Proposed First Homes Owner deposit cash contribution to be paid at exchange of contracts and no less than 5% of the Discount Market Price. For customers who cannot pay all deposit monies at exchange of contracts, it is permitted to provide a deposit less than 5% of the First Homes Discount Market Price at exchange of contracts. However, the full balance of the deposit must always be paid at legal completion.</p> <p>Please state deposit amount and what percentage of the Discount Market Price this represents.</p>	£ and %
<p>Proposed First Homes Owner mortgage Mortgage cannot be less than 50% of the Discount Market Price. The deposit and mortgage added together must equal and be no more than the Discount Market Price.</p> <p>Please state mortgage amount and what percentage of Discount Market Price this represents.</p>	£ and %
Proposed First Homes Owner mortgage lender [bank / building society]	
Has the proposed First Homes Owner mortgage lender issued decision in principle for mortgage?	
Total incentives (as applicable) As set out in the UK Finance Disclosure of Incentives Form and not to exceed 5% of the Discount Market Price. These must include all financial and non-financial incentives provided by the builder [only applicable if a new build sale from a [Developer]. First Homes Owners selling, who are not house builders and selling a second hand property are not permitted to provide incentives.]	

3. Proposed First Homes Owner(s)

If there are more than two purchasers, please complete additional Proposed First Homes Owner Homebuyer forms as required.

Note the proposed mortgage lender's decision in principle must have been made for the number of proposed owners.

Is your application single or joint?	
Proposed First Homes Owner Homebuyer 1	
Title	
First Name	
Middle name(s)	
Surname	
Date of Birth	
National Insurance number	
Occupation	
Relationship status (Single/Married/Civil Partnership/ widow / widower / Not applicable)	
Contact telephone number (This must be your contact telephone number, not that of a third party such as a mortgage adviser)	
Email address	
Current address (inc postcode)	
Previous addresses during past 5 years and dates at each address	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Proposed First Homes Owner Homebuyer 2	
Title	
First Name	
Middle name(s)	
Surname	
Date of Birth	
National Insurance number	
Occupation	
Relationship status (Single/Married/Civil Partnership/ widow / widower / Not applicable)	
Contact telephone number (This must be your contact telephone number, not that of a third party such as a mortgage adviser)	
Email address	
Current address (inc postcode)	
Previous addresses during past 5 years and dates at each address	

4. Proposed First Homes Owner(s) conveyancer

Name	
Firm	
Address	
Email	
Telephone	
Reference (if known)	

5. [Developer] (Current First Homes Owner) conveyancer

Details to be given to the purchaser by [Developer] (current First Homes owner)

Name	
Firm	
Address	
Email	
Telephone	
Reference (if known)	

6. Proposed First Homes Owner(s) mortgage advisor

Name	
Firm	
Address	
Email	
Telephone	
Reference (if known)	

7. Eligibility criteria to be a First Homes owner

Please consider the eligibility requirements you need to satisfy and ensure all the applicable sections are completed below. Use this check list to help you do this.

MANDATORY (NATIONAL) CRITERIA

To buy a First Home, ALL applicants must be able to answer YES to both of these questions Q1 and Q2. (State YES or NO in the relevant box in the right hand column):

Q1: First Time Buyer requirement	
ALL proposed First Homes Purchasers, the New First Homes Owner(s), must be first time buyers. ALL applicants must sign the legal declaration in Section 12 below.	
YES first time buyer(s): State YES.	
NO not first time buyer(s): State NO. (You are not eligible and cannot apply)	

Q2 Household income limit	
The total household income of ALL proposed First Homes Purchasers, the new First Homes Owner(s), must not exceed £80,000 per annum. ALL applicants must complete Section 8 below.	
YES , requirement met and detailed in Section 8 below. State YES.	
NO the household income cap is exceeded. State NO. (You are not eligible and cannot apply)	

FURTHER CRITERIA

To buy a First Home, you also need to be able to answer YES to one of these further questions (i.e. one of Q3-Q6 inclusive) (If YES state YES in the relevant box in the right hand column and complete the further section indicated):

Q3: Local connection requirement	
Are proposed First Homes owner(s) buying because of meeting the local connection eligibility criteria? See sections 9 and 19 for details. <i>For joint purchasers only one applicant needs to meet these requirements.</i>	
YES: please state YES and complete Local Connection section (Section 9) below	
NO: please state NO and leave section 9 blank	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

<u>Q4: Keyworker/essential worker requirement</u> Are proposed First Homes owner(s) buying because of meeting the Keyworker/local essential worker eligibility criteria? See sections 10 and 19 for details. <i>For joint purchasers only one applicant needs to meet these requirements.</i>	
YES: please state YES and complete Keyworker/local essential worker section (Section 10) below	
NO: please state NO and leave section 10 blank	

<u>Q5: Armed Forces requirement</u> Are proposed First Homes owner(s) buying because of meeting the Armed Forces eligibility criteria? To meet these criteria at least one applicant must meet one of these conditions: In recognition of the unique nature of their circumstances, members of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or veterans within five years of leaving the Armed Forces should be exempt from any local connection testing restrictions. <i>For joint purchasers only one applicant needs to meet these requirements.</i>	
YES: please state YES and complete the Armed Forces section (Section 11) below	
NO: please state NO and leave section 11 blank	

<u>Q6: National criteria (if First Home is unsold after three months of marketing with local eligibility criteria)</u> Are proposed First Homes owner(s) buying because of meeting the national criteria only? <i>The First Homes seller will advise whether this is an option and supply the relevant information to complete this application.</i>	
YES: please state YES, and provide the information requested in the next row below	
[Developer] confirmation that home previously marketed for three months [from date] to [date] and no proceedable buyers meeting local criteria reserved. The developer must supply this information and provide evidence of the dates and extent of marketing undertaken including dates, location, extent and copies of advertising, mailshots, social media etc.	
NO: please state NO and leave the rest of this section blank	

8. Proposed First Homes Owner(s) household income eligibility

Remember the total household income must not exceed £80,000 per annum for First Homes purchasers (in the tax year immediately preceding the year of purchase).

If more than 2 people are purchasing the First Home, please remember to complete additional copies of the application.

Homebuyer 1		
Name		
	Annual gross amount	Evidenced by
Employment income (gross) Please state annual gross salary for last tax year and what evidence (P60, pay slips/bank statements, signed contract of employment, etc.) is being provided. Also, please provide most recent 3 payslips if paid monthly or 8 if paid weekly. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.	£	
Self-employment income (gross) Please state annual gross income and enclose copy of signed off accounts with this application when submitted to Hertsmere Borough Council.	£	
Other income Please state amount and source of other income e.g. Child Benefit, pensions, interest on savings, other welfare benefits, maintenance payments, stocks and shares and what evidence is being provided. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.	£	
Total income Homebuyer 1	£	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Homebuyer 2		
Name		
	Annual gross amount	Evidenced by
<p>Employment income (gross) Please state annual gross salary for last tax year and what evidence (P60, pay slips/bank statements, signed contract of employment, etc.) is being provided. Also, please provide most recent 3 payslips if paid monthly or 8 if paid weekly. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	£	
<p>Self-employment income (gross) Please state annual gross income and enclose copy of signed off accounts with this application when submitted to Hertsmere Borough Council.</p>	£	
<p>Other income Please state amount and source of other income eg Child Benefit, pensions, interest on savings, other welfare benefits, maintenance payments, stocks and shares, and what evidence is being provided. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	£	
Total income Homebuyer 2	£	
Total Household income Homebuyers 1&2	£	

9. Proposed First Homes Owner(s) Local Connection eligibility criteria

Complete Section 9 if you have answered YES to Q3 in Section 7 above. Leave Section 9 blank if you have answered NO to Q3 in Section 7 above.

Homebuyer 1 (only one homebuyer needs to meet this requirement)	
Name	
<p>I <i>(delete as appropriate)</i></p> <p>Currently live in the area in settled accommodation (and have done for more than 12 months); or</p> <p>Have previously lived in the area in settled accommodation for 3 of the past 5 years; or</p> <p>Have immediate family in the area (immediate family is defined as parents, siblings, children or other family members on an exceptional basis as agreed by Hertsmere Borough Council).</p> <p>The Council defines settled accommodation as a tenancy, tied accommodation or living with family.</p> <p>Where relevant please indicate which criteria are met and list evidence provided. Evidence required is normally rental contract or landlord reference. Where unavailable utility bills, council tax bills covering relevant period may be accepted. Where immediate family are relied upon for eligibility birth certificates are also required in order to prove relationship to applicant(s). Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	<p>Evidenced by:</p>

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Homebuyer 2 (only one homebuyer needs to meet this requirement)	
Name	
<p>I <i>(delete as appropriate)</i></p> <p>Currently live in the area in settled accommodation (and have done for more than 12 months); or Have previously lived in the area in settled accommodation for 3 of the past 5 years; or Have immediate family in the area (immediate family is defined as parents, siblings, children or other family members on an exceptional basis as agreed by Hertsmere Borough Council).</p> <p>The Council defines settled accommodation as a tenancy, tied accommodation or living with family.</p> <p>Where relevant please indicate which criteria are met and list evidence provided. Evidence required is normally rental contract or landlord reference. Where unavailable utility bills, council tax bills covering relevant period may be accepted. Where immediate family are relied upon for eligibility birth certificates are also required in order to prove relationship to applicant(s). Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	<p>Evidenced by:</p>

10. Proposed First Homes Owner(s) Key Worker/Local Essential Worker eligibility criteria

Complete Section 10 if you have answered YES to Q4 in Section 7 above. Leave Section 10 blank if you have answered NO to Q4 in Section 7 above.

Homebuyer 1 (only one homebuyer needs to meet this requirement)	
<p>Name</p>	
<p>I am a key worker/local essential worker employed within Hertsmere Borough in one of the following occupations: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> • Public sector employees delivering or supporting those delivering frontline services in areas including health, education, community safety, housing and can include NHS staff, teachers, police, firefighters, military personnel, social care, civil servants, council employees and childcare workers; or • Employees of registered charities; or • Private sector employees and the self-employed providing essential frontline services, which may include those being delivered on behalf of a public sector body, and which can include teachers, health care, social care, and childcare workers; or • Any other frontline occupational group experiencing recruitment or retention issues, such issues being first evidenced to the satisfaction of Hertsmere Borough Council. Inclusion as local essential workers is at the sole discretion of Hertsmere Borough Council. <p>Employed means</p> <ul style="list-style-type: none"> • In paid full or part-time permanent employment for 16 hours or more per week; or • Working in the borough on a paid temporary or zero-hour employment contract that has been in place for at least 6-months, and can demonstrate they have worked at least 16-hours per week since starting the employment contract. 	<p>Evidenced by:</p>

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

<p>To qualify as being employed in the borough, one of the following conditions must be met:</p> <ul style="list-style-type: none"> • The actual place of work is in Hertsmere Borough; or • For those with a caseload or have a roving remit (e.g. district nurses, social workers, police officers etc.), the applicant would need to obtain written confirmation from their employer that a substantial amount of their day-to-day duty fell within the borough; or • For the self-employed, if the employment required the worker to work outside of the borough from time to time, they would be required to demonstrate that their permanent base of operations was within the borough. <p>Where relevant please indicate which criteria are met and list evidence provided. Evidence would normally include a letter from employer on headed paper confirming eligibility criteria are met and contract of employment. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	
<p>Employer (name and address)</p>	
<p>Job title/role</p>	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Homebuyer 2 (only one homebuyer needs to meet this requirement)	
Name	
<p>I am a key worker/local essential worker employed within Hertsmere Borough in one of the following occupations: <i>(Delete as appropriate)</i></p> <ul style="list-style-type: none"> • Public sector employees delivering or supporting those delivering frontline services in areas including health, education, community safety, housing and can include NHS staff, teachers, police, firefighters, military personnel, social care, civil servants, council employees and childcare workers; or • Employees of registered charities; or • Private sector employees and the self-employed providing essential frontline services, which may include those being delivered on behalf of a public sector body, and which can include teachers, health care, social care, and childcare workers; or • Any other frontline occupational group experiencing recruitment or retention issues, such issues being first evidenced to the satisfaction of Hertsmere Borough Council. Inclusion as local essential workers is at the sole discretion of Hertsmere Borough Council. <p>Employed means</p> <ul style="list-style-type: none"> • In paid full or part-time permanent employment for 16 hours or more per week; or • Working in the borough on a paid temporary or zero-hour employment contract that has been in place for at least 6-months, and can demonstrate they have worked at least 16-hours per week since starting the employment contract. <p>To qualify as being employed in the borough, one of the following conditions must be met:</p> <ul style="list-style-type: none"> • The actual place of work is in Hertsmere Borough; or • For those with a caseload or have a roving remit (e.g. district nurses, social workers, police officers etc.), the applicant would 	<p>Evidenced by:</p>

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

<p>need to obtain written confirmation from their employer that a substantial amount of their day-to-day duty fell within the borough; or</p> <ul style="list-style-type: none"> • For the self-employed, if the employment required the worker to work outside of the borough from time to time, they would be required to demonstrate that their permanent base of operations was within the borough. <p>Where relevant please indicate which criteria are met and list evidence provided. Evidence would normally include a letter from employer on headed paper confirming that eligibility criteria are met and contract of employment. Enclose copies of evidence with this application when submitted to Hertsmere Borough Council.</p>	
<p>Employer (name and address)</p>	
<p>Job title/role</p>	

11. Proposed First Homes Owner(s) Armed Forces connection

Complete Section 11 if you have answered YES to Q5 in Section 7 above. Leave Section 11 blank if you have answered NO to Q5 in Section 7 above.

Homebuyer 1 (only one homebuyer needs to meet this requirement)	
Name	
<p>I am a member of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or a veteran within five years of leaving the Armed Forces.</p> <p>Please state your relationship to member and nature of claim to eligibility under this heading.</p> <p>Please provide evidence of eligibility including a copy of ID/Warrant card, payslips and if you are not the Armed Service member yourself, proof of your relationship to them and where relevant, death certificate.</p>	
<p>Armed Forces unit Please state name and address of unit</p>	
Title/role/rank	
Evidenced by	ID/warrant card Other

Homebuyer 2 (only one homebuyer needs to meet this requirement)	
Name	
<p>I am a member of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or a veteran within five years of leaving the Armed Forces.</p> <p>Please state your relationship to member and nature of claim to eligibility under this heading.</p>	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

<p>Please provide evidence of eligibility including a copy of ID/Warrant card, payslips, and if you are not the Armed Service member yourself, proof of your relationship to them, and where relevant, death certificate.</p>	
<p>Armed Forces unit Please state name and address of unit</p>	
<p>Title/role/rank</p>	
<p>Evidenced by</p>	<p>ID/warrant card Other</p>

12. Proposed First Home Owner(s) Confirmations and Legal Declaration

A reference to “the homebuyer” is a reference to Homebuyer 1 and Homebuyer 2 set out in section 3 unless specified otherwise.

A reference to “the Property” is a reference to the First Home Property as detailed above.

First Homes confirmation statements and legal declaration	Homebuyer(s) signature(s) or Not Applicable
The homebuyer has read the First Homes information	
The homebuyer acknowledges that the percentage discount on market value is to remain in perpetuity and the First Homes property can only be resold in the future to an eligible First Home buyer who meets all eligibility requirements.	
<p>The homebuyer agrees and confirms by completing this application that they are a first-time buyer, meaning they are a buyer who has not (either alone or with others):</p> <ul style="list-style-type: none"> • owned a home or residential land now or in the past in the UK or abroad; and/or • had any form of home purchase plan mortgage finance. 	
The homebuyer understands that it is a condition of First Homes that they will occupy the First Homes Property as their only or main residence. You may be allowed to let out your First Homes in some circumstances but only with, as required, the prior notification to and/or approval of the Hertsmere Borough Council and the consent of your mortgage provider.	
The homebuyer confirms that they (as applicable) have a local connection as required by Hertsmere Borough Council, as evidenced by appropriate documentation.	
The homebuyer confirms that they (as applicable) are a key worker/local essential worker as required by Hertsmere Borough Council, as evidenced by appropriate documentation.	
The homebuyer confirms that they (as applicable) are a member of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or a veteran within five years of leaving the Armed Forces, as evidenced by appropriate documentation.	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

<p>The homebuyer confirms that they (as applicable) are purchasing the home according to the national First Homes criteria, after three months of active marketing, as confirmed by the home seller and as evidenced by appropriate documentation.</p>	
<p>The homebuyer confirms that their household income is below the income cap as set by Hertsmere Borough Council as evidenced by appropriate documentation.</p>	
<p>The homebuyer acknowledges that when reselling the property, should there be no eligible First Home buyer after 6 months of marketing, the property should be offered for sale to Hertsmere Borough Council with the same percentage discount as that which was applied when they purchased the property. Should Hertsmere Borough Council resolve not to purchase the property, the homebuyer acknowledges that the First Home may be sold on the open market with the same percentage of the sales value being transferred to the Council.</p>	
<p>The homebuyer confirms they have received a copy of and read and understand the First Homes Customer Guide.</p>	

13. Legal Declaration

WARNING If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years imprisonment or an unlimited fine, or both.

- a. The homebuyer has read the above confirmation statements and confirms that they are a first-time buyer and satisfy the eligibility requirements for a First Home, they have provided accurate and up-to-date information relating to their application for a First Home.
- b. The homebuyer understands that if it is found that false information has been given to obtain a First Home, either knowingly or recklessly, appropriate legal action may be taken by Hertsmere Borough Council.
- c. The homebuyer acknowledges that to process and administer your application [Developer] and the proposed First Homes Owner(s) mortgage advisor will pass over information you have provided to 3rd parties: Hertsmere Borough Council conveyancers, other government departments and agencies applicable for the purposes of processing this application and conducting statistical surveys and analysis of First Homes.

Legal Declaration Homebuyer 1	
I confirm and declare that all statements and information provided in this application form are true and accurate (Homebuyer 1):	
Signed	
Print name	
Dated	

Legal Declaration Homebuyer 2	
I confirm and declare that all statements and information provided in this application form are true and accurate (Homebuyer 2):	
Signed	
Print name	
Dated	

14. Your data

- a. The homebuyer(s) acknowledges that:
- i. The First Homes programme is administered by Hertsmere Borough Council, Homes England and the Department for Levelling Up Housing and Communities (DLUHC) and applications are processed by [Developer] and the applicable mortgage advisor and Hertsmere Borough Council.
 - ii. The above parties will only process the personal data of the homebuyer(s), or other named individuals, in accordance with the Data Protection Act 2018 (DPA 2018) and the United Kingdom General Data Protection Regulation (UK GDPR) for the following purposes:
 1. The processing and administering the homebuyer's application for a First Home, including performing identify, credit, and fraud checks, and to assess eligibility.
 2. The parties above will share this information for the same purpose between each other to ensure orderly administration of this Government programme.
 3. The information may be used for statistical surveys and analysis, by Hertsmere Borough Council, Homes England or DLUHC. When conducting these activities we will either anonymise or, if anonymisation is not possible, pseudonymise the information.
 - iii. All information will be treated in the strictest confidence. Hertsmere Borough Council, Homes England, DLUHC, [Developer] and the applicable mortgage advisor, reserve the right to take up any references relating to homebuyers as Hertsmere Borough Council and these parties considers necessary.
 - iv. Hertsmere Borough Council and these parties must protect the public funds it administers and so may use the information the homebuyer has provided on this form to prevent and detect fraud. Under Schedule 2 of the Data Protection Act 2018 the information may be disclosed for purposes of crime prevention and detection.
 - v. All parties will respect the security of your data and to treat it in accordance with the law. For more information on how your personal data is managed, please refer to the appropriate privacy notice:

[Hertsmere Borough Council Privacy Notice](#)

[\[Link to Developer Privacy Notice \]](#)

<https://www.gov.uk/government/publications/homes-england-privacy-notice>

<https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/personal-information-charter>

Marketing and Research

- vi. In addition to the communications we are required to provide you about your First Homes purchase, we may want to send you updates about products, services and research that might be relevant to you about First Homes.
- vii. We may want to contact you via social media to send targeted information in relation to First Homes or similar products. To do this we will use the email address you provide as part of your application to identify social media accounts linked to that email address.
- viii. You will be able to opt out of receiving our updates if you change your mind.

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Homebuyer 1 consent communications	
I give consent to receive information by email	YES/NO
I give consent to receive targeted information by social media.	YES/NO
Signed	
Print name	
Dated	

Homebuyer 2 consent communications	
I give consent to receive information by email	YES/NO
I give consent to receive targeted information by social media.	YES/NO
Signed	
Print name	
Dated	

15. Equal Opportunities

The homebuyer declares for data capture purposes only (or if there is more than 1 homebuyer in relation to each homebuyer) that they are:	Homebuyer(s) signatures
A UK National	
An EEA citizen	
A person with indefinite leave to remain	
Other (please give details in the box below)	

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Hertsmere Borough Council operates a policy of equal opportunities in all aspects of its work. No person or group of people applying for housing will be treated less favourably than any other person or group of people because of their sex, age, race, colour, ethnic or national origin. We ask the homebuyer to tick the group to which they consider they belong.

You are under no obligation to complete this question.

How would you the homebuyer(s) describe your ethnic origin?

White	Home buyer 1	Home buyer 2	Asian or Asian British	Home buyer 1	Home buyer 2	Asian or Asian British continued	Home buyer 1	Home buyer 2
A1 British			C80 Indian			E15 Chinese		
A2 Irish			C90 Pakistani			E16 Other ethnic group		
A3 Other			C10 Bangladeshi			F17 Question refused		
			C11 Other					
Mixed	Home buyer 1	Home buyer 2	Black or Black British	Home buyer 1	Home buyer 2			
B4 White & Black Caribbean			D12 Caribbean					
B5 White & Black African			D13 African					
B6 White & Asian			D14 Other					
B7 Other								
Does any member of household consider self to be disabled?	Response: YES/ NO	If yes, please give details in the box to the right						
Does any member of household use a wheelchair?	Response: YES/ NO							

16. Application checklist confirmation to Hertsmere Borough Council

For completion by the Developer and Mortgage Advisor in conjunction with the Homebuyer(s)

- a. This is a fully complete application for a First Homes purchase.
- b. The homebuyer(s) meet all the eligibility criteria set by Hertsmere Borough Council and we have provided the evidence of this as applicable and referenced below and with the enclosures to this application pack.
- c. The homebuyer(s) have a mortgage decision in principle and have not submitted their full mortgage application.
- d. The application requirements are confirmed as follows:

Date	
Homebuyer(s) name(s)	
[Developer] representative	
Plot number and Site Address of First Home	
Market value selling price (100% of value)	£
Discount Market Price (price to be paid by the proposed First Homes Owner after applying the First Homes Discount to the Market value)	£
Expected date for exchange of contracts	
Expected date for completion of contracts	
[Developer] date plot marketing commenced	
If applicable, [Developer] Confirmation 3 month marketing period (for local eligibility criteria) has expired.	YES / not applicable
The homebuyer(s) meet the eligibility criteria:	
NATIONAL First Time Buyer (if NO do not submit this application)	YES / NO
NATIONAL not exceeding £80,000 pa household income (if NO do not submit this application)	YES / NO
LOCAL CONNECTION	YES / not applicable
KEYWORKER / LOCAL ESSENTIAL WORKER	YES / not applicable
ARMED FORCES	YES / not applicable
[Developer] Confirmation reservation made (as applicable) after 3 months marketing with no prior proceedable reservation by prospective purchaser meeting local eligibility criteria	YES / not applicable

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

Requirement	Confirm eligible/ compliant	Evidenced by:	Builder/mortgage advisor sign off
Property cap £250,000 not exceeded by discount market price	YES / NO	Discount market price £	
Household income <=£80,000 pa (list evidence submitted)	YES / NO	[and see enclosures]	
First time buyer eligible	YES / NO	Signed legal declarations	
If applicable, Local connection eligibility (list evidence submitted)	YES / not applicable	[and see enclosures]	
If applicable, Key worker/local essential worker eligibility (list evidence submitted)	YES / not applicable	[and see enclosures]	
If applicable, a member of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or a veteran within five years of leaving the Armed Forces (list evidence submitted)	YES / not applicable	[and see enclosures]	
If applicable, the home has previously been actively marketed for at least three months (requiring local eligibility criteria to be met) (list evidence submitted), and the buyer is purchasing according to national criteria only.	YES / not applicable	[confirmation of the marketing dates from the seller] [and see enclosures]	
Mortgage lender decision in principle	YES / NO	[and see enclosures]	
Homebuyer(s) legal declarations signed	YES / NO		
Homebuyer(s) data protection signed	YES / NO		
Homebuyer(s) instructed conveyancer	YES / NO		

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

[Developer] and mortgage advisor confirmation	Signatures
<p>We have fully completed this First Homes application and obtained and enclosed (as applicable) copies of all the supporting evidence, having also seen the original versions of each. We confirm it is a complete application and the homebuyer(s) meet all the eligibility requirements of Hertsmere Borough Council and the First Homes scheme. We are recommending it to Hertsmere Borough Council to issue its First Homes Authority to Proceed.</p>	
<p>Marketing confirmation: the house builder [Developer] confirms that as applicable if the Home buyer is proceeding on the NATIONAL criteria only, the First Home was marketed for three months from date [] to date [] according to the LOCAL criteria (in addition to the NATIONAL criteria) and no proceedable enquiry could be progressed as a result of this.</p>	
<p>[Developer] - name and position of representative</p>	
<p>Developer company name</p>	
<p>Mortgage advisor - name and position of representative</p>	
<p>Mortgage advisor company name</p>	
<p>Date application submitted</p>	

17. Enclosures

Please list enclosures and Section to which they relate

18. First Homes Customer Guide

Introduction

'First Homes' is a new government scheme to help more people onto the property ladder. First Homes are just like normal, open market homes, but they are offered for sale at a significant discount of at least 30% on the market value. The scheme is open to first-time buyers whose household income does not exceed £80,000 (or £90,000 in London), with priority given to local people and key workers.

This guide explains what First Homes are for potential buyers and answers some common questions.

You should take legal and financial advice before entering a contractual commitment to buy a home, and the same applies to First Homes to ensure it is right for you.

First Homes at a glance:

What are First Homes?

- First Homes are newly built properties for first-time buyers.
- They are offered at a discount of at least 30% compared to prices of equivalent properties on the open market. Local authorities can choose to set deeper discounts of 40% or 50%.
- The discount will apply to all future sales of the First Home. This means the same percentage discount as applied to the original sale will be passed on to the new buyer every time the property is sold and the seller of the First Home will only receive the discounted amount, not the full market value

What type of properties are First Homes?

- First Homes are properties suitable for first-time buyers.
- First Homes are of the same type and quality, and meet the same standards, as other properties in the same development. First Homes will look exactly the same as homes sold normally on the open market.
- The maximum price of a First Home, after the discount has been applied, will be £250,000 (£420,000 in London). Local authorities are able to set lower price caps as part of local policy. In subsequent sales the price will reflect the market value minus the percentage discount.

Who can buy First Homes?

- All purchasers must be first-time buyers.
- Purchasers will need to comply with any local connections restrictions, or key worker restrictions, set by the local authority. These criteria are designed to prioritise local people or people with particular priority occupations. Some buyers may be exempt (details below).
- Any local connections or key worker criteria will apply for the first 3 months once the First Home is offered for sale. After the first 3 months have come to an end, the local connections or key worker restrictions will fall away and the property will be available to first-time buyers nationwide.
- To be eligible for a First Home, your household's income must be no more than £80,000 in England or £90,000 in London. For the first 3 months of marketing, local authorities will be able to set lower income caps. If the home is not sold within those 3 months, the local caps fall away and the national caps will apply.
- Buyers will need a mortgage covering at least 50% of the price of the First Home (after the discount is applied).
- These criteria apply to all future sales of each First Home.

How can I use my First Home?

- Your First Home belongs to you. You can decorate and update your First Home as you wish, in keeping with planning and building regulations, any leasehold restrictions that apply, and the terms of your mortgage.
- Your First Home must be your only or main residential property for the duration of your First Home ownership. You are allowed to let out the First Home for up to 2 years in total, and in some exceptional circumstances, the local authority may approve an extension to this period. Approval from your mortgage lender is needed to let out the First Home for any period of time.
- Lodgers are permitted, as long as the home remains your only or main residence.

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

- Should you wish to move home, you can sell your First Home to another eligible buyer. The percentage discount that applied when you bought the First Home would also apply on the sale price. The percentage discount is fixed and cannot change, even if you have made improvements to your home.

Buying a First Home

Introduction

Buying a First Home is similar to buying a normal market home. The main difference is that the buyer's eligibility has to be confirmed by the local authority near the start of the purchase process. If approved, the local authority will in turn notify the customer, their solicitor/conveyancer, the home seller and the mortgage company that the sale can proceed. At a later stage, once the conveyancer has confirmed that the purchase is fully compliant, the local authority will issue the formal approval to let purchasers exchange contracts.

The other important difference is that a First Home restriction on its future resale will be registered on the title of the property by your conveyancer. This means you can only sell in the future to another qualifying First Homes buyer at the same discount to the market value, ensuring the First Home continues to benefit others when you have moved on.

Process for buying a First Home

In summary, the following steps would be taken to purchase a new build First Home from a house builder:

1. Visit the house builder selling First Homes to see what is available to purchase.
2. If there is a First Home that you would like to buy, the house builder, and probably a mortgage advisor, will initially check your eligibility to buy against the local and national criteria.
3. If you have not already done so, it is strongly recommended that you seek financial advice about mortgage availability from a mortgage advisor. You should also have a solicitor/conveyancer to advise you on the purchase. The builder may suggest some names for you to try but you are free to choose your own advisors.
4. If it looks like you could be eligible, and you wish to purchase the First Home, the builder will assist you to complete a First Homes application to the local authority.
5. The builder and mortgage advisor will need information and evidence from you to:
 - a. check local and national eligibility;
 - b. check household income; and
 - c. determine whether you are likely to be able to obtain a mortgage, through for example a "decision in principle" from a mortgage bank or building society.

You are advised to first check the privacy notice of the builder and the mortgage adviser, and only to proceed if you are happy with how they will use your personal data.

6. Once the application information has been completed you will then:
 - a. sign the legal declarations on the application form, including confirmation that you and anyone you are purchasing with are first time buyers; and
 - b. reserve the home from the builder and pay a reservation fee to the builder (maximum of £500 permissible). This is refundable if you are found not to be eligible.

It is very important that all buyers make this reservation commitment with their application. Applications cannot be considered by local authorities if you have not reserved your First Home, or if any required information is missing.

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR REALES**

7. The completed application is then sent by the builder to the local authority for their consideration.
8. The local authority will check your application. If you meet all the requirements it will issue a First Homes 'Authority to Proceed' and Eligibility Certificate to you, the builder, mortgage advisor and your conveyancer. Your conveyancer will also receive instructions from the local authority. You can usually expect a local authority to issue their Authority to Proceed in approximately five working days of application receipt. It is very important that your application is completed in full before submitted to the Local Authority because they will not be able to consider partial applications, and this will cause delay.
9. You can now apply for your mortgage. It is very important that you do not submit your full mortgage application until you have the Authority to Proceed. Securing a 'decision in principle' can be done before this, but submitting a full mortgage application will incur cost and you should not do this until you know you are approved to buy.
10. Your conveyancer will work on your purchase and follow the local authority's instructions. You will have to make a further legal declaration that you are eligible and understand the terms of the First Homes scheme and that you can only resell the home in the future to another eligible First Homes buyer.
11. Once your mortgage offer is made and the contract agreed with the builder, your conveyancer will request approval to exchange contracts from the local authority.
12. The local authority will check the conveyancer's request and, if it is a compliant sale, will issue an 'Authority to Exchange' and Compliance Certificate to your conveyancer. It is very important that you keep the Compliance Certificate. This shows you are eligible and entitled to be a First Homes owner.
13. With the Authority to Exchange, you should now pay your deposit and exchange contracts to buy. At this point, you are legally committed to buy. **PLEASE TAKE GREAT CARE WHEN IT COMES TO PAYING YOUR DEPOSIT TO YOUR CONVEYANCER. Fraudsters can impersonate conveyancers and request payment. Follow your conveyancer's instructions very carefully when you reach this stage. You are recommended to use the "Take 5" advice to avoid fraud.** <https://takefive-stopfraud.org.uk/advice/general-advice/>
14. At the point of exchange, your builder will have confirmed how long it will take to complete your home so that you can move in (Legal Completion). This is usually done by agreeing a short period of notice that they will give you. The time between exchange and legal completion (when you move in) is usually expected to be no more than six months.
15. Once the builder has given notice of legal completion, your conveyancer will get your mortgage money from your lender to pay the builder. On the date of legal completion, you will get the keys and can move into your First Home.

Who is paying for the discount?

For the main rollout of the First Homes scheme, the discounts will be funded by contributions from developers. Developers are usually asked to contribute a number of affordable homes as part of their planning agreement with the local authority; First Homes are a type of affordable housing, and form part of this contribution.

To help launch First Homes as a new tenure, the Government is also supporting some early delivery programmes in which it is funding the discounts directly.

How is the discount secured?

The First Homes programme is designed to make sure that discounted homes are available in perpetuity so that, in addition to the initial buyer, future generations of first-time buyers can continue to benefit from access to an affordable way to own their home. When an existing First Homes owner decides to sell their property, it is essential that they pass on the same percentage discount they received to the next buyer of the home.

FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER. NOT FOR REALES

For this reason, the discount on a First Home is secured by a legal agreement between the developer and the local authority, which is noted on the title deed of the property (as a 'restriction on title') at the Land Registry. The legal agreement specifies the percentage discount that was applied on the initial sale, which then needs to be applied for all future sales. It also notes the local authority that is responsible for setting any additional local criteria concerning income thresholds, local connection or key worker criteria; these criteria only apply for the first 3 months of any resale (see the eligibility section below for further details). The restriction on title ensures that the discount is passed on as a condition of future sale.

Are there price caps on First Homes?

First Homes will be subject to a price cap to ensure that they are available to people who need them. The cap, *after* the discount has been applied, is £250,000 across England and £420,000 in London. Local authorities will be able to set lower price caps to ensure that First Homes are right for the local market. These price caps apply for the initial sale only.

Do I have to get a mortgage or home purchase plan to buy a First Home?

Yes. The First Homes scheme is intended to help people who would otherwise find it difficult to get onto the property ladder. For this reason, buyers must get a mortgage or home purchase plan that covers at least 50% of the cost of the First Home, after the discount has been applied.

How much stamp duty land tax will I need to pay?

The stamp duty calculation for a First Home is based on the amount of money that is actually paid for the home, after the discount has been applied.

Can I use a Help to Buy ISA or a Lifetime ISA to purchase a First Home?

Yes, as long as the purchase also complies with the rules of the Help to Buy ISA and Lifetime ISA schemes. The ISA schemes have price caps, which are currently:

- Help to Buy ISA: £250,000 (£450,000 in London)
- Lifetime ISA: £450,000

For a First Home purchase, these caps would apply to the price of the home after the discount has been applied.

Can I use a Help to Buy: Equity Loan to purchase a First Home?

No. First Homes is intended as an additional option for affordable home ownership, and the Help to Buy: Equity Loan cannot therefore be used for a First Homes purchase.

How do First Homes compare to other affordable home ownership products offered by the Government, such as the Help to Buy: Equity Loan and Shared Ownership?

First Homes is a new scheme. It offers homes with a significant discount compared to the market price, lowering deposit and mortgage repayment costs, thereby making home ownership accessible to many more people. The discounted portion is funded by developer contributions or government grant. By comparison:

- The Help to Buy: Equity Loan scheme offers a government loan of between 5% and 20% (40% in London) of the value of a new build home to first-time buyers, with purchase prices subject to regional caps. The loan is interest free for 5 years and repayable in full when you sell the property. *The First Homes discount is not a loan, and therefore the discounted portion doesn't ever have to be repaid.*
- The Shared Ownership scheme enables customers to buy a share of a home and to increase their share of ownership over time, while paying rent on the portion they do not own. *In the First*

FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER. NOT FOR REALES

Homes scheme, the discounted portion isn't owned by another party, meaning no rent needs to be paid on it.

Are First Homes the same as Starter Homes?

No. Starter Homes was a home ownership scheme led by a previous Government which is not being taken forward. The First Homes programme offers significant benefits over Starter Homes, including that the discount on the property is available in perpetuity, allowing future generations of buyers to benefit from access to affordable home ownership.

Eligibility

Introduction

First Homes are intended to help first-time buyers onto the property ladder. A set of national criteria has been put in place to help ensure that First Homes go to those who would otherwise struggle to buy a home. In some areas, priority may be given to people who work in certain occupations, or who already have a connection to the area. These additional local criteria are set by the relevant local authority. Any local criteria fall away if the First Home has been on the market for more than 3 months.

To purchase a First Home, do I have to be a first-time buyer?

Yes. This means you have not (either alone or with others):

- previously acquired via purchase, gift, trust or inheritance a major interest in a dwelling or an equivalent interest in residential land situated anywhere in the world; and/or
- benefited from any form of sharia mortgage finance.

The full 'first-time buyer' definition is set out in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief. To buy a first home, you will need to sign a declaration confirming that you are a first-time buyer.

If I'm buying with a partner, do they also have to be first-time buyers?

Yes. If the First Home is being bought by more than one individual all purchasers must be first-time buyers, in keeping with the definition described above.

Can one member of a couple buy the home on their own, and would this mean the other does not have to be a first-time buyer?

Couples looking to buy a First Home should always take legal and financial advice on the implications of purchasing jointly or by just one party, the same as any other home purchase. Your conveyancer will be able to advise on this.

To ensure First Homes only benefit those that are eligible, and for the future good order and administration of the scheme, it is reasonably expected that couples will purchase a First Home together. This means that each party always meets the first-time buyer requirement, the household income threshold and at least one purchaser meets the (as applicable) local eligibility criteria.

It is recognised however that sometimes couples cannot buy jointly e.g. because their mortgage lender may only wish to lend to one party.

In this the scenario, the couple can still buy a First Home even if the purchase is only in the name of one person. But to do this both parties must still meet the first-time buyer criteria, meaning both need to sign the first-time buyer declaration at the application stage and later make the same declarations to their conveyancer. They must also jointly fall within the relevant household income threshold and be able to provide evidence of this to the local authority. Any local connection, key worker/local essential worker or Armed Forces criteria will still need to be satisfied by at least one of the purchasers.

Are there income caps?

To be eligible for a First Home in Hertsmere, your household's gross income must be no more than £80,000. However, local authorities will be able to set lower income caps for the first 3 months after a First Home goes on sale.

Can those connected to the Armed Forces buy First Homes?

Yes. Members of the Armed Forces, the divorced or separated spouse or civil partner of a member of the Armed Forces, the spouse or civil partner of a deceased member of the Armed Forces (if their death was caused wholly or partly by their service) or veterans within five years of leaving the Armed Forces can purchase First Homes without having to satisfy any local connection or key worker restrictions set by local authorities. In such cases, all other eligibility criteria, including first-time buyer status and the household income caps, would still have to be met.

Owning a First Home

Introduction

In most respects, owning a First Home carries the same rights and responsibilities as owning a normal market home. You will not pay rent, and you can decorate and update the home just as any home owner can, in keeping with planning rules, any lease restrictions and the terms of your mortgage. Insurance and maintenance of the home rests solely with the owners, as would be the case with any market sale home.

There are however some restrictions: as First Homes are intended to help people onto the property ladder, it should be the only or main residence of the buyer. Some restrictions are also in place for lettings.

Will I only own part of my First Home?

No. If your First Home is a house, you will own the freehold on the property. This means that you own all of the home.² If you own a First Home flat, you will own a leasehold on the property.³ You will not be required to repay the discount and there will be no rent owing on the discounted portion of the property.

It is recommended you seek independent financial advice before you purchase so you are clear on how First Homes works.

Can I make improvements/extend my First Home?

If your First Home is a house, you can make any improvements you wish to your home subject to planning regulations and your mortgage agreement. However, you should bear in mind that you may not recoup your investment when you decide to sell your First Home as the original percentage discount you received at purchase must be passed on to the next buyer.

If you own a First Home flat, you will be able to make improvements subject to the conditions of your lease, planning regulations and your mortgage agreement.

All First Homes owners should remember that, irrespective of any improvement that they make to the home, the restriction on the title means it can only ever be sold at the specified percentage discount to the market value.

Can I let my First Home?

You can let your First Home for a period of up to 2 years provided you notify the relevant local authority, and subject to the terms of your mortgage agreement. This is allowed to offer owners the ability to respond to changes in their circumstances, such as unexpected life events. The 2-year period is in aggregate; it does not have to be continuous, and does not have to be to the same tenant. The 2-year

² Subject to completing repayments to your mortgage or home purchase plan provider.

³ For further information, see <https://www.gov.uk/government/publications/how-to-lease/how-to-lease>

FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER. NOT FOR RESALES

period is allowed for each span of ownership: if the First Home is resold, or inherited, the 2-year period resets. There is no restriction on how much rent is charged.

You may be able to let out your First Home for longer than 2 years in exceptional circumstances, including:

- For a short job posting elsewhere
- For deployment elsewhere (Armed Forces)
- In relationship breakdown
- Fleeing domestic violence
- Redundancy
- Caring for a relative or friend.

You will need to get permission from your local authority to rent out for longer than 2 years. Local authorities should not unreasonably withhold consent in the situations listed above, and can consider other situations on a case-by-case basis. You may, however, also need agreement from your mortgage lender.

Can I have a lodger in my First Home?

Yes, and with no time restriction, provided that the property remains your only residence. This is subject to the terms of your mortgage agreement.

Should I pay buildings insurance in relation to the discounted price of the home, or the full price?

Buildings insurance should be paid in relation to the full market price of the home.

Can I remortgage the property or use equity release schemes?

Yes, however this will be in relation to the discounted value of the home.

What happens if a First Homes owner's circumstances change so that they no longer meet the eligibility criteria?

If owners have purchased the First Home on the basis of meeting key worker/local essential worker criteria set by the local authority, or on the basis of the Armed Forces criteria, they do not have to continue meeting that criteria after completion of the purchase (meaning they can, for example, change their job whilst still being a First Homes owner). Also, their income does not have to stay within the household income cap. In addition, if a First Homes owner re-mortgages the home during the period of their ownership, this can be for less than 50% of the purchase price.

However, the First Home should be the owner's only or main residence, and aside from some specific exceptions they will not be able to let the First Home for more than 2 years (further details are set out under the section 'Can I let my First Home'). If an owner does not comply with these requirements, they will be in breach of the legal obligations related to their First Home.

If a First Homes owner fails to keep up their mortgage payments this may put the home at risk, as is the case for any homeowner with a mortgage. Owning a First Home does not prevent a mortgage lender following its own policies and procedures; for example, if the owner falls into arrears, the home may be repossessed.

Can I leave my First Home to friends/family in my will?

Yes. Subject to any outstanding mortgage or home purchase plan payments, you own the First Home and you can leave your property to whomever you wish. They would, however, have to abide by the conditions of owning a First Home, meaning it would need to be their only or main residence and they would not be able to let out the home for more than 2 years in aggregate without permission from the

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

local authority. If they do not abide by these conditions, they will be in breach of the legal obligations related to the First Home which will carry serious consequences.

Do First Home owners pay less council tax?

No. Council tax rates will be the same as for an equivalent open market home.

Selling a First Home

Introduction

A First Home restriction on its future resale will be registered on the title of the property by your conveyancer. **This means you can only sell in the future to another qualifying First Homes buyer at the same percentage discount from which you benefitted when you bought the property**, and ensures the First Home continues to benefit others.

The local land charges search will also indicate that a S106 Agreement is linked to the original planning permission and will need to be checked by any prospective purchaser.

How do I sell my First Home?

The process for selling First Homes is broadly similar to the process for selling properties on the open market. However, there are some differences:

1. You should first notify the local authority that you wish to sell your First Home.
2. The local authority will issue you with instructions for marketing and confirming the eligibility requirements. These must be used by your estate agent to ensure they can market to eligible purchasers. **Please note that it is the local authority's eligibility requirements at the time of sale that would apply – these may differ from the requirements that existed when you bought your First Home.**
3. You should then instruct your estate agent and give them the eligibility requirements for their marketing. Owing to the additional legal requirements involved in selling a First Home, it is not advisable to attempt a private sale.
4. You must initially attempt to sell your First Home to buyers who meet any local connection and/or key worker/local essential worker criteria set by your local authority as well as the national criteria. If, after 3 months of active marketing through an estate agent, you are unable to sell your First Home, you must then attempt for a further 3 months to sell your property through an estate agent to buyers who meet the national criteria for purchasing First Homes.
5. Your estate agent will check potential purchasers and complete an application pack (like the one you completed when you bought the First Home) for the new purchaser:
 - The purchaser would need to meet all the eligibility criteria; be able to make an offer (subject to their eligibility); and be, in the estate agent's professional judgement and advice to you, the most proceedable purchaser.
 - At this point, you will also need to submit to the local authority a valuation demonstrating the sale is at a discount to the prevailing Market Value. The valuation must be from a valuer who is qualified by the Royal Institution of Chartered Surveyors (RICS). You will need to pay for this. The RICS surveyor will value the home's 100% market value before the First Homes discount percentage is applied.
6. The price of your First Home cannot be negotiated upwards from the discounted value set confirmed by your valuation. You can reduce the price, for example if you wish to secure a quick sale, but the price may not be increased even if there are a number of potential buyers.
7. The local authority will consider your purchaser's application and your valuation. If eligible, the local authority will approve the purchaser and issue instructions to their conveyancer, very similar to the process followed when you purchased the First Home. Your purchaser's conveyancer will then follow the local authority's instructions and the sale will proceed in the same way.

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

8. To ensure that other people can benefit from the discounted home, the same percentage reduction must be applied when you sell your First Home as was applied when you made your purchase. For example, if you purchased your home at a 30% discount compared to the open market price, you must also sell it for a 30% discount compared to its open market value at the time of sale.

Valuations

You must have your First Home valued by a valuer accredited by the Royal Institution of Chartered Surveyors (RICS). The surveyor will assess the market value of your home on the basis of comparable market value homes, and will then apply the original percentage discount you received when you initially purchased your First Home.

What happens if the value of my First Home changes since I first bought it?

As with any privately owned home, the value of your First Home may increase or decrease over time. The same percentage discount must, however, always be applied on future sales. This means you will only gain or lose equity in relation to the value of the First Home *after* the percentage discount has been deducted. For example:

Open market value at time of original purchase	Percentage discount	First Homes price at time of original purchase	Change in home value over time	Price that you can sell your First Home for (subject to RICS valuation)
£100,000	30%	£70,000	+ 10%	£77,000
£100,000	30%	£70,000	- 10%	£63,000

What if I can't sell my First Home?

If you are unable to sell your First Home to an eligible buyer, after six months, you should notify Hertsmere Borough Council so that it has the opportunity to purchase your home. If the local authority is happy that you have made every effort to sell to an eligible purchaser (if not they may also require you to actively market the property for up to a further 6 months) and does not itself wish to buy your home, you will then be able to sell it on the open market at the open market price; the discounted portion of the sales receipts would then be returned to the local authority.

In this situation, a further stamp duty return to HMRC may be required dating back to your original purchase. This is because the repayment to the local authority becomes in effect a part of the original sale price for stamp duty purposes. However, the repayment to the local authority is net of any additional stamp duty incurred. In other words, any additional stamp duty payable would be deducted from the amount that you are asked to return to the local authority, meaning you would not have to pay back any more than the discounted value of the home. Should this situation arise, please seek advice from your conveyancer.

What if I can't sell my First Home quickly and this is likely to cause me hardship?

If having to market the First Home for 6 months is likely to cause you hardship, such as bankruptcy, you can ask the local authority to switch the property to an open market home. Decisions in this regard are left to the discretion of the relevant local authority. In such cases, the discounted portion of the sales receipts would need to be returned to the local authority, net of any stamp duty, as described above.

19. Hertsmere Borough Council eligibility criteria

Includes [Consistent with supplemental planning agreement for First Homes]

“Eligibility Criteria (National)”

means criteria which are met in respect of a purchase of a First Home if:

- (a) the purchaser is a First Time Buyer (and in the case of a joint purchase each joint purchaser is a First Time Buyer); and
- (b) the purchaser's annual gross income (or in the case of a joint purchase, the joint purchasers' joint annual gross income) does not exceed the Income Cap (National).

“Eligibility Criteria (Local)”

means criteria (if any) published by the Council at the date of the relevant disposal of a First Home which are met in respect of a disposal of a First Home if:

- (a) the purchaser's annual gross income (or in the case of a joint purchase, the joint purchasers' joint annual gross income) does not exceed the Income Cap (Local) (if any); and
- (b) any or all of criteria (i) (ii) and (iii) below are met:
 - (i) the purchaser meets the Local Connection Criteria (or in the case of a joint purchase at least one of the joint purchasers meets the Local Connection Criteria); and/or
 - (ii) the purchaser is (or in the case of a joint purchase at least one of the joint purchasers is) an Armed Services Member and/or
 - (iii) the purchaser is (or in the case of a joint purchase at least one of the joint purchasers is) a Key Worker/Local Essential Worker

it being acknowledged that at the date of this agreement the Council has not prescribed any Eligibility Criteria (Local) in respect of the disposal of a First Home.⁴

“Local Connection Criteria”

means such local connection criteria as may be designated and published by the Council from time to time as its “First Homes Local Connection Criteria” and which is in operation at the time of the relevant disposal of the First Home and for the avoidance of doubt any such criteria or replacement criteria in operation at the time of the relevant disposal of the First Home shall be the “Local Connection Criteria” which shall apply to that disposal it being acknowledged that at the date of this agreement the Council has not designated any criteria as Local Connection Criteria.⁵

“Key Worker”

means such categories of employment as may be designated and published by the Council from time to time as the “First Homes Key Worker criteria” and

⁴ Hertsmere Borough Council has designated (on 19 July 2023) and published. Local Eligibility Criteria. These criteria comprise the local eligibility criteria, any or all of which need to be met during the first three months of marketing a First Home unless and until Hertsmere Borough Council designates and publishes any replacement local eligibility criteria.

⁵ Hertsmere Borough Council has designated (on 19 July 2023) and published Local Connection Criteria, as set out in section 9 of this Application pack

**FIRST HOMES RESERVATION AND APPLICATION TO BECOME A FIRST HOMES OWNER.
NOT FOR RESALES**

is in operation at the time of the relevant disposal of the First Home and for the avoidance of doubt any such replacement criteria in operation at the time of the relevant disposal of the First Home shall be the “Key Worker” criteria which shall apply to that disposal it being acknowledged that at the date of this agreement the Council has not designated any categories of employment as Key Worker⁶

“Armed Services Member” means a member of the Royal Navy the Royal Marines the British Army or the Royal Air Force or a former member who was a member within the five (5) years prior to the purchase of the First Home, a divorced or separated spouse or civil partner of a member or a spouse or civil partner of a deceased member or former member whose death was caused wholly or partly by their service

Noting that: purchasers in either of the above local/Key essential worker/Armed Forces criteria must also satisfy the NATIONAL First Time Buyer requirement and household income cap <=£80,000 pa.

⁶ Hertsmere Borough Council has designated (on 19 July 2023) and published Key Worker/Local Essential Worker eligibility criteria, as set out in section 10 of this Application pack