

Assisted Home Ownership Schemes

Eligibility criteria



1. Introduction

1.1. The Government of Jersey supports home ownership and wants this opportunity to be within the reach of as many people as possible. To support home ownership, the Government makes available assisted ownership schemes. These schemes support households who cannot afford to purchase a property suitable for their needs in the open market, but who are able to do so with some form of assistance.

1.2. The products made available through assisted ownership schemes include:

- the sale of designated properties for first-time buyers only;
- financial assistance towards the cost of purchasing a property¹.

1.3. A person must satisfy the following criteria to be eligible to purchase a property through an assisted ownership scheme.

2. Eligibility criteria

2.1. A person is eligible to purchase a property through an assisted ownership scheme if they:

- (a) are over 18 years old;
- (b) are residentially qualified to live in Jersey (they must have 'Entitled' residential status);
- (c) have been resident in Jersey for more than six months prior to the date of application;
- (d) do not own another property in Jersey or elsewhere in the world;
- (e) are unable to afford to purchase a property suitable for their needs in the open market;
- (f) are able to meet the long-term financial commitment of purchasing a property; and
- (g) are going to live in the property as their principal place of residence.

2.2. More information about the eligibility criteria is set out below.

3. Financial assessment

¹There are a number of properties sold in the open market that are designated for first-time buyers only. These properties are sold through estate agents and do not require a person to register with the Affordable Housing Gateway. However, there is no financial assistance provided to applicants who purchase open market first-time buyer properties.

- 3.1. Assisted ownership schemes support households who cannot afford to purchase a property for their needs in the open market, but who are able to do so with some form of assistance.
- 3.2. When a person applies for an assisted ownership scheme, their application will be considered against the following income limits to determine whether they require assistance to purchase a property suitable for their needs.

Property size	Maximum household income
One-bedroom flat	£45,000
Two-bedroom flat	£65,000
Two-bedroom house	£75,000
Three-bedroom flat	£85,000
Three-bedroom house	£85,000
Four-bedroom house	£90,000

The Minister for Housing and Communities (“The Minister”) will review annually, RPI and the Minister must give a reason not for increasing them.

- 3.3. The maximum household income includes the income of any member of the household involved in the purchase of a property. If, for example, a person is purchasing a property with a partner or other member of their household, the household income will include their combined salaries and any other income they receive even if one of the parties is not a joint-owner of the property.
- 3.4. The maximum income levels are used as guidance and reflect, in general, the level of income at which a person would be deemed able to purchase an equivalent-size property in the open market, inclusive of mortgage borrowing, without assistance from a scheme.
- 3.5. If an applicant has savings, they will be expected to use the savings as a deposit. The level of financial support they receive from an assisted ownership scheme will reduce accordingly. An applicant must also be able to cover the costs of purchasing a property, including a bank survey, potential mortgage arrangement fees, legal fees, stamp duty, insurance fees etc.
- 3.6. If an applicant has disposed of capital in last five years, which could have been used towards purchasing a property (for example, by gifting the capital to relative), they will not be eligible for assistance through a scheme.
- 3.7. No two applicants are the same. It is recognised that a person’s ability to purchase a property suitable for their needs will depend on factors such as:

- The savings and assets they have that could be used as a deposit along with household income.
- Any current debts such as loans, credit card payments and other credit commitments they may have. These may be deducted from an applicant’s gross household income to create a net mortgage income.
- The applicant’s age and the age of their partner if applicable).

- The applicant's personal circumstances (e.g. commitment to childcare costs).
- The property the person wishes to purchase (new-build properties will, in most cases, have higher sale prices).

3.8. The key point is that, in order to be eligible for assistance, an applicant must be able to fund the purchase price of a property through a combination of mortgage repayments, a deposit, and the support they receive from an assisted ownership scheme. This must be at an affordable level that does not cause them hardship.

3.9. It is recognised that from time-to-time a person's circumstances may not meet this eligibility criteria, but they may still demonstrate a need to purchase a property with the assistance of a scheme. If an officer believes that there are reasonable circumstances that warrant a person being deemed eligible for assistance, their application may continue outside of these rules, subject to appropriate sign-off from a senior official. To ensure all applications are treated fairly, these cases are kept to a minimum.

4. Property size

4.1. The size of property that a person wishes to purchase must reflect the needs of the household at the time of application.

4.2. For three-bedroom properties, a person must have at least one child living with them at their principal place of residence. For four-bedroom (or more) properties, they must have at least two children living with them at their principal place of residence.

4.3. Larger accommodation than specified above may be considered in exceptional circumstances on the recommendation of a professional (e.g. if a person requires an additional bedroom for specialist medical equipment or to accommodate a dependent relative or carer).

5. Property ownership (first-time buyer eligibility)

5.1. A person must be a first-time buyer or be a homeowner in a similar position to a typical first-time buyer and cannot afford to purchase a property suitable for their needs without support from an assisted ownership scheme.

5.2. A person cannot own any other property in Jersey or anywhere else in the world at the time they purchase a property through an assisted ownership scheme, including when their name is on any mortgage or title deeds. A person may be considered if they have previously owned a property with a partner but have had to sell the property due to a relationship breakdown or divorce.

5.3. If a person already owns a property (either in full or a share of the property) when they apply for an assisted ownership scheme, they will be required to provide information to determine their eligibility for assistance, including:

(a) confirmation of the property's estimated current sale value – such as a valuation from an estate agent that was carried out no more than six months before their application; and

(b) an estimate of the financial capital that they would receive if the property were to be sold (i.e. the sales price less outstanding mortgage repayments, legal fees etc.).

5.4. "Property" includes where a person owns land that does not include residential property such as agricultural land. It also includes property that has been inherited or gifted in full or jointly with other persons.

5.5. The first-time buyer rules only apply to property used as a home and does not include commercial property that is used for the purpose of carrying out business such as a shop, restaurant or salon and which has no living space attached to it.

5.6. Where a person is considered eligible to receive assistance despite owning a property already, they will be requested to provide written confirmation of their intention to sell that property before they are able to purchase through an assisted ownership scheme.

6. Bank lending criteria

6.1. Assisted ownership products do not include mortgage borrowing so, as well as satisfying this eligibility criteria, an applicant must satisfy the criteria of their lender and secure a mortgage before they can purchase a property through an assisted ownership scheme.

6.2. All applicants must submit a Mortgage Approval in Principle on an annual basis to determine their ability to afford to purchase a property. An applicant may be asked to submit an up-to-date AIP if the vendor requests it, such as when a new assisted ownership scheme is launched. If an applicant does not submit an up-to-date AIP upon request, the vendor reserves the right not to consider an application if an applicant does not submit an up-to-date AIP.

6.3. Participating lenders may have slightly different lending criteria and applicants may not be eligible for a mortgage with all scheme providers.

7. Correct information

7.1. Applicants must keep their applications up-to-date and provide information on any material changes to their circumstances that may affect their ability to purchase a property.

7.2. Applicants who knowingly provide false, inaccurate or misleading information will have their application cancelled.

7.3. Applicants may be contacted from time-to-time to ensure their application is up-to-date and new information may be requested from them as required. It is the applicant's responsibility, however, to ensure their application is kept up-to-date.

8. Cancellation

8.1. A person's application may be cancelled for the following reasons:

- (a) If they ask for their application to be cancelled.
- (b) If they purchase a property in Jersey or elsewhere.
- (c) If they accept an offer to purchase a property through an assisted ownership scheme.
- (d) If they accept an offer to purchase a property through an assisted ownership scheme and later refuse or fail to purchase the property that they are entitled to.

- (e) If their circumstances change and they are no longer eligible to purchase a property through an assisted ownership scheme.
- (f) If they fail to respond to an application review within the specified time limit.
- (g) If they are found to have made a false, inaccurate or misleading statement on their application.
- (h) If they fail to provide an up-to-date Mortgage AIP from a mortgage lender within the specified time limit.

8.2. Applicants will be notified in writing if their application has been removed from the waiting list and will be given valid reasons for their removal.

8.3. If a person's application is cancelled because they fail to respond to an application review, but they have a valid reason for not responding to a request for information (e.g. family bereavement), as long as they make contact within 28 days of the date on which their application was cancelled, then the person's application will be reinstated on the waiting list.

8.4. If a person's application is cancelled and they do not make contact within 28 days of the date on which their application was cancelled, then their application will not be reinstated on the waiting list. They may submit a new application, which will be assessed against the eligibility criteria and a new priority date given.

9. Allocation of assisted ownership products

9.1. In general, the properties and financial products made available through assisted ownership schemes are allocated to applicants who have been registered the longest on the waiting list from the date of their application. The following factors will also be taken into consideration when allocating assisted ownership products:

- (a) The size of property that an applicant wishes to purchase. They will only be marketed and offered properties that are the right size for their needs.
- (b) The type of property that an applicant wishes to purchase. If a property is designed for a specific type of household, e.g. it is adapted for a disabled or older person.
- (c) The applicant is in a financial position to purchase a property and has provided up-to-date information such as a Mortgage Approval in Principle to confirm this.
- (d) Any specific eligibility criteria that might be included as part of an assisted ownership scheme. These may include:
 - where a scheme is restricted to persons over the age of 55; or
 - where specific income criteria are included as part of the scheme; or
 - where a parish is developing a scheme and includes a condition that only persons with a link to that parish are eligible.

9.2. Any specific criteria that is linked to an assisted ownership scheme will be publicised when the scheme is first made available.

10. Appeals

10.1. Applicants have the right to ask for a review of any decision made under this eligibility criteria with which they do not agree. Requests for a review must be made in writing to Andium Homes in line with its Complaints and Appeals policy. More information can be found at: <https://www.andiumhomes.je/aboutus/our-policies/>

11. Review of criteria

11.1. The Minister reserves the right to expand, change or modify any element of this eligibility criteria, as and when required, to ensure that it continues to reflect housing need, capacity and resources.

12. Further information

12.1. Enquiries about assisted ownership schemes can be made to:

Andium Homes Limited
33-35 Don Street
St. Helier
Jersey
JE2 4TQ

Telephone: (01534) 500700
<https://www.andiumhomes.je/contactus/>