

Department of  
Infrastructure

Public Estates  
and Housing



# First Time Buyer Reporting and Allocations Policy

Policy date: September 2022

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## **1.0 PURPOSE, SCOPE AND OBJECTIVES**

### **1.1 Purpose**

This policy aims to;

- ensure the Department regularly publishes statistics relating to levels of demand and activity under the First Home Fixed Scheme and the First Home Choice Scheme, and
- provide a fair and transparent methodology for the allocation of approved dwellings and buy back dwellings made available for purchase under the First Home Fixed Scheme.

### **1.2 Scope**

This policy applies to the publishing of statistics and reporting about information relating to the First Home Fixed Scheme and the First Home Choice Scheme. It also applies to publishing of historic data since the HPAS came into operation on 13<sup>th</sup> July 1999. It does not apply to any first time buyer assistance that was provided under any other government Scheme predating the HPAS.

The policy also sets out the methodology for the allocation of approved dwellings and buy back dwellings made available to purchase for applicants to the Register of First Time Buyers under the First Home Fixed Scheme.

### **1.3 Objectives**

- To improve reporting of the level of demand for first time buyer housing under the First Home Fixed Scheme,
- To proactively provide more information to the public about activity and assistance provided under the First Home Fixed Scheme and the First Home Choice Scheme,
- To clearly determine the methodology for officers of the Department to shortlist applicants on the Register of First Time Buyers for the allocation of approved dwellings and buy back dwellings, and
- To make public the allocation process for approved dwellings and buy back dwellings and thereby introduce greater transparency for applicants.

## **2.0 ROLES AND RESPONSIBILITIES**

The Affordable Housing Manager ensures that the policy is applied consistently in relation to the publishing of first time buyer statistics online every quarter and to the allocation of every approved dwelling and buy back dwelling available to purchase under the First Home Fixed Scheme. The Affordable Housing Manager is also responsible for training relevant staff on how the policy must be followed.

Officers who deal with applicants to the First Home Fixed Scheme or the First Home Choice Scheme are responsible for ensuring that information held against their applications is maintained up to date at all times to allow for accurate reporting of first time buyer activity on a quarterly basis. Officers are also responsible for shortlisting applicants on the Register of First Time Buyers in line with this policy and for recommending to the Affordable Housing Manager those applicants who should be allocated each available approved dwelling or buy back dwelling to purchase under the First Home Fixed Scheme.

### 3.0 DEFINITIONS

**'AIP'** means Approval in Principle in relation to the First Home Choice Scheme.

**'Approved dwelling'** means a dwelling built to the Department's special and technical standards as part of a new development which is allocated directly by the Department to applicants who are on The Register of First Time Buyers.

**'Assisted person'** means a person who has received financial assistance or more than one person who have together received financial assistance to purchase a dwelling under either the First Home Fixed Scheme or HPAS.

**'Buy back dwelling'** means a dwelling that has been bought back from an assisted person by the Department to allocate for sale by the Department to applicants who are on The Register of First Time Buyers.

**'Equity Loan'** means the loan assistance provided under the First Home Fixed Scheme or the First Home Choice Scheme.

**'First Home Choice Scheme'** means the Shared Equity Purchase Assistance (First Home Choice) Scheme 2014.

**'First Home Fixed Scheme'** means the Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014.

**'HPAS'** means the House Purchase Assistance Schemes that preceded the current First Home Fixed Scheme and the First Home Choice Scheme.

**'Open market dwelling'** means a dwelling other than an approved dwelling or a buy back dwelling and that complies with the minimum standards determined by the Department under the First Home Choice Scheme.

**'Register of First Time Buyers'** means the database on which applicants' details are recorded for consideration by the Department when allocating an approved dwelling or a buy back dwelling for purchase under the First Home Fixed Scheme.

## 4.0 REPORTING ABOUT FIRST TIME BUYERS

### 4.1 Information collected for Scheme administration and reporting

The Register of First Time Buyers is also used to report on the levels of demand for new build approved dwellings in different areas of the Island. Information about the applicant's personal circumstances including their household size, ages and annual income are recorded against their application on the Register of First Time Buyers, which is used to assess eligibility and also to help officers to match properties to the needs of applicants.

In addition, applicants to the Register of First Time Buyers provide the Department with an indication of when they expect to be ready to purchase a dwelling and what areas of the Island they prefer to purchase in. Applicants are asked to indicate the calendar year in which they expect to be ready to purchase and in respect to where they prefer to purchase, they are given a choice of North, South, East or West (see Table below).

<b>Parishes included in areas of preference for Register of First Time Buyers</b>			
<b>North</b>	<b>South</b>	<b>East</b>	<b>West</b>
Andreas Ballaugh Bride Jurby Lezayre Maughold Ramsey	Arbory Castletown Malew Port Erin Port St Mary Rushen Santon	Braddan Douglas Laxey Lonan Onchan	German Marown Michael Patrick Peel

The Department will aim to carry out a review of all applications on the Register of First Time Buyers annually during the second quarter of the financial year to ensure that the data is as current as possible. The first such review of the Register of First Time Buyers will be completed before the end of the 2<sup>nd</sup> quarter of the 2022/23 financial year.

This data will assist officers in shortlisting applicants for available properties based on where the approved dwelling or buy back dwelling is located and when the applicants have indicated they are likely to be ready to purchase. This information is also used for statistical reporting which allows the Department to analyse patterns in the data and also to respond to changing levels of demand.

Information is recorded about the number of applications received and the date on which they are received for each stage of applying for assistance under the First Home Fixed Scheme and the First Home Choice Scheme.

Data about the financial aspects of the Schemes including individual grants, loans and interest both past and present is held on software that automatically calculates interest and manages repayments made by assisted persons.

### 4.2 Statistics published quarterly online

Much of the above information will be of interest to parties with commercial interests in land or development, to politicians and policy makers external to the Department and to members of the public, especially prospective first time buyers. As such, the Department will proactively publish the following statistics within one month after each quarter on its webpage at [www.gov.im/housing/statistics](http://www.gov.im/housing/statistics):

1. Total number of applications on the Register of First Time Buyers on the last day of the quarter,
2. Number of applications on the Register of First Time Buyers on the last day of the quarter that had selected each of North, South, East or West regions of the Island as their preferred choice and these numbers broken down by the calendar year that they have indicated they expect to be ready to purchase,
3. Number of applications to the Register of First Time Buyers, the number of applications for AIP under the First Home Choice Scheme, the number of applications for financial assistance under the First Home Fixed Scheme and the number of applications for financial assistance under the First Home Choice Scheme received during the quarter,
4. Total number of applications that have completed an assisted purchase under each of the First Home Fixed Scheme and the First Home Choice Scheme since the start of the relevant financial year,
5. Total amount of assistance paid under each of the First Home Fixed Scheme and the First Home Choice Scheme since the start of the relevant financial year,
6. Average Equity Loan amount for the relevant financial year,
7. Total number of assisted purchases and the total amount of house purchase assistance that has been paid to date since the HPAS first came into operation, and
8. Total amount of outstanding debt (including accrued interest) owed to the Department and the total amount of repayments made to the Department by assisted persons since the HPAS first came into operation.

The first quarterly reporting will be published in relation to the third quarter of 2022.

## **5.0 BRIEF OVERVIEW OF THE APPLICATION PROCESS**

### **5.1 First Home Fixed**

All applicants to the First Home Fixed Scheme are required first of all to apply to the Register of First Time Buyers which is used by officers of the Department to shortlist and allocate available approved dwellings and buy back dwellings in line with this policy. Only after an applicant has been successfully allocated an approved dwelling or a buy back dwelling are they then able to submit an application for financial assistance towards the purchase of that dwelling if they wish to proceed.

### **5.2 First Home Choice**

Applicants who wish to purchase an open market dwelling with assistance under the First Home Choice Scheme are encouraged to complete an AIP application form before identifying a dwelling that they wish to purchase and prior to submitting a full application for assistance towards that purchase. This allows applicants to that Scheme to have more information about what assistance they would be eligible for (based on information they submit to the Department) and aims to avoid applicants wasting time looking at properties they might not be able to purchase with assistance.

Once applicants looking to purchase an open market dwelling under the First Home Choice Scheme have been provided with information about the assistance they should be eligible for and also have made enquiries with a mortgage provider about how much mortgage they can afford they are better equipped to identify a dwelling they can afford to purchase. With a property purchase identified applicants should then complete the application for the financial assistance under the First Home Choice Scheme.

### **5.3 Application Fees**

The Department only charges application fees at the point at which applicants submit a full application for financial assistance under the First Home Fixed Scheme or the First Home Choice Scheme, so that by that time they will have already had assurance from the Department about their eligibility for assistance towards a property purchase, as long as the information they have provided to the Department up to that point has been correct and complete.

## 6.0 PRIORITISATION OF FIRST HOME FIXED SCHEME APPLICATIONS

### 6.1 Awarding Points to Applications

Points are used to assist with the shortlisting and allocations of approved dwellings and buy back properties to applications on the Register of First Time Buyers. The points are automatically awarded by the database according to the information that is input directly from the applications provided by the applicants. Whilst the number of points that an application is awarded is an important feature that helps to differentiate between applications, it is not the first consideration (see 8.5 below).

In practice, the higher the number of points awarded to an application, the more priority is given to that application compared to another application where both have indicated that they are/will be ready to purchase at the relevant time and their area of preference and household type/size are the same.

Applicants who pay rent are awarded additional points to account for the increased difficulty they may have in saving a deposit to purchase their own home. The oldest applicants, especially those over the age of 40, are given a significant award of points to account for the urgency in assisting those applicants to buy their own home before they will no longer be able to afford a mortgage. Those who have been on the Register for a significant amount of time are also awarded more points than those who have been on the Register for a shorter length of time.

The criteria against which points are awarded to applications on the Register of First Time Buyers is shown in the table below:

<b>Criteria</b>	<b>Points</b>
<b>Accommodation type</b>	
Live with parents or friends	0
Public or private sector tenant	3
<b>Age</b>	
Under 21years	0
21 to 24 years	1
25 to 29 years	2
30 to 34 years	3
35 to 39 years	4
More than 40yrs	10
<b>Time on Register</b>	
Less than 1yr	0
1 year	2
2 years	4
3 years or more	6



## 6.2 Types of information used to prioritise applications

Several types of information about applicants are used by officers of the Department to ensure a fair process of allocation for available approved dwellings and buy back dwellings to purchase under the First Home Fixed Scheme. The types of information that may be looked at when matching applications to available properties include;

- household size and needs
- area of preference to live in
- calendar year in which applicants have indicated they will be ready to purchase
- number of points the application has been given
- time on the Register of First Time Buyers

## 6.3 Prioritisation of different household types

The Department has a duty of care when administering the First Home Fixed Scheme to ensure that housing provided to applicants is suitable to their needs. As such, it is not reasonable for the Department to consider applications with a household that includes 2 or more children for the potential purchase of any dwelling smaller than a three bedroom house. Likewise, applicants with long-term mobility issues or other relevant medical needs could not be considered for allocation of a dwelling with a layout or which contains features that would adversely affect their ability to carry out normal day-to-day activities.

Therefore, of necessity, the Department gives priority for allocation of available approved dwellings and buy back dwellings according to the dwelling type and the household type or housing needs of the applications on the Register of First Time Buyers.

Applications with a household that includes 2 or more children are given priority for three bedroom houses as they cannot be considered for any other dwelling type available under the First Home Fixed Scheme (three bedroom houses are the largest property type available under this Scheme). In the case of two bedroom houses, officers give priority to applications with a household that includes 1 child. Couples without children and single applicants are given priority for two bedroom apartments. Applicants with mobility issues evidenced by medical records are given priority for bungalows and ground floor apartments, especially if the dwelling has been specially adapted to meet certain medical needs.

Where there is a surplus of a particular dwelling type that more than meets the current demand of the household type that would be prioritised for that type of dwelling, officers will then consider other applications on the Register of First Time Buyers.

## 7.0 ALLOCATION PROCESS

### 7.1 Shortlisting process

The Department normally aims to commence shortlisting immediately after beginning the legal conveyance for the Department's purchase of a buy back property or at least six months in advance of the latest programmed completion date in the case of a new housing development which includes approved dwellings (programme completion dates are estimates and it is not unusual for these to be revised by several months forward or back in time).

To produce a shortlist for consideration the following steps are taken by officers of the Department:

1. Select all applications on the Register of First Time Buyers whose area of preference matches the area where the available dwelling(s) to allocate is/are located.
2. Deselect from the shortlist any applications that would not normally be prioritised for the type of dwelling available to allocate (see 6.3 above).
3. Deselect from the shortlist any applications that have indicated they will be ready to purchase in a calendar year that is more than one year later than the target completion date of the approved dwellings or more than one year later than the current calendar year if the available dwelling is a buy back property.
4. Of the remaining applications on the shortlist, order these according to the number of points that each application has and then where more than one application has a matching number of points, order these by the date on which their application was received to the Register of First Time Buyers.

After the shortlist has been produced, officers work their way down the shortlist contacting applicants to ask if;

- there have been any significant changes to their circumstances or if their circumstances are about to change in a significant way (this may potentially affect their eligibility for assistance or their position on the shortlist),
- they would be interested in being considered for the available dwelling(s),
- they will have the required minimum 5% deposit by the time the dwelling is available for purchase, and
- they are able to evidence that they can obtain approval in principle for a mortgage.

Comprehensive Review Forms are sent to those applicants who confirm they are ready to purchase and interested in being considered. Officers continue to contact applicants until they have at least twice as many review forms sent as there are dwellings available. Officers may need to contact more applicants on the shortlist if there are not enough applications that successfully make it through the comprehensive review process (see 7.2).

If the initial shortlist has been exhausted and more applications are required, the Department will then produce a new shortlist as above but at step 2 will instead deselect any applications that would normally be prioritised for the type of dwelling available to allocate. If after exhausting the second shortlist more applications are still required, the Department may produce a final shortlist that includes all other applications not included in the first or second shortlist.

## 7.2 Comprehensive Review

The Department carries out a comprehensive review of applications that are being considered before allocating any approved dwellings to ensure that applicants meet the eligibility criteria of the First Home Fixed Scheme and are able to afford a suitable mortgage before being offered a dwelling to purchase.

The review forms request confirmation of approval in principle for a mortgage from a mortgage provider, recent bank statements for all current and savings accounts, recent payslips (or tax assessments for self-employed persons) and signed consent from the applicants for the Department to contact Income Tax and their employers (where applicable).

The review process can take several weeks for an individual application depending on how quickly information requested by the Department is provided. Applicants should also be made aware that the Department has to allow reasonable opportunity for other applications to complete the process before the Department will allocate the available dwellings.

Officers should allow reasonable opportunity for applicants to return their completed review forms and all documentation they have been asked for and should help applicants to chase up their employers for late information that has been requested of them by the Department.

After reasonable time has been allowed and reasonable efforts have been made to help applicants to provide the required information. The Department will allocate properties to applicants that have made it through the review process successfully (see 7.3 below).

## 7.3 Allocating properties and making nominations

Once the Department has a batch of applications that have successfully made it through the review process, properties will be allocated to applications according to the order of priority as had been determined during the shortlisting process.

A formal offer is sent in writing to each successful applicant. The letter is clearly marked to indicate that the offer is without prejudice and subject to contract. Information about terms of the offer are contained in the letter and an acceptance slip is included for the applicant(s) to complete and return if they wish to proceed with buying the dwelling. If the applicant(s) reject the offer, the Department will allocate the dwelling to the next application in order of priority which has not already had an offer.

An application form is also included with the offer letter for the applicant(s) to complete and return to formally apply for the financial assistance towards the dwelling purchase under the First Home Fixed Scheme. The Department carries out final checks on the application before approving the required assistance. Once approved, the Department will write to the applicant(s) and their mortgage provider and will provide instructions to the Department's legal representation as appropriate.

Where the dwelling is an approved dwelling being built by a private developer, the Department will also formally nominate the successful applicant(s) for the purchase of the dwelling by informing the developer of the name, current address and telephone number of the successful applicant(s). The developer **may** require the successful applicant to make a nominal deposit payment to secure the nomination (typically £500) which will be deducted from the purchase price.

## **8.0 APPROVAL AND REVIEW**

Approved on 14<sup>th</sup> September 2022. Updated on 10<sup>th</sup> June 2024 to correct the web address where the statistics are published to.

Due for review during the 3<sup>rd</sup> quarter of 2026/27 financial year