

Appendix 2 – Cost comparison of First Homes and Shared Ownership

Comparison of First Homes and shared Ownership based on a property price of £300,000			
	First Homes	Shared Ownership	
Open Market Value	£300,000		
Percentage of property purchased / owned	100%	25%	75%
Purchase price	£210,000 (30% FMV)	£75,000	£225,000
Tenure	Freehold	Leasehold	Leasehold
Deposit (5%)	£10,500	£3,750	£11,250
Rent (per month)*	£0	£516	172
Mortgage payment (per month)*²	£986	£362	£1,056
Total payments (per month)	£986	£878	£1,228
Staircasing possible	N/A	Yes – additional shared can be purchased based on OMV at the time	
Future sales	Restricted to local people at the same discount as purchased	Shared Owners can staircase to 100% ownership and then property is lost to the market. Staircasing receipts to the registered provider must be recycled to fund affordable housing.	

*1 Rent based on 2.75% per annum of value of unsold equity.

*2 2 year fixed rate at 3.5% interest (Halifax Mortgage Calculator)