

**[FIRST HOMES LOGO ]**  
**INSTRUCTIONS TO CONVEYANCERS**  
**FOR INITIAL NEW BUILD FIRST HOMES SALE ONLY, NOT FOR RESALE PROCESS**

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**CONVEYANCER'S PACK**

**INSTRUCTIONS TO SOLICITORS/LEGAL REPRESENTATIVES**

**[Local authority's] Requirements**

**1. Instructions**

- 1.1. [Local authority] are instructing you to act on its behalf in connection with its First Homes scheme ("Scheme") in accordance with:
- (i) These Instructions to Solicitors/Legal Representatives; and
  - (ii) Part 1 of the UK Finance Mortgage Lenders' Handbook (last modified version 01/07/2017) ("Part 1") so far as this has not been varied or added to in respect of these instructions (together "Our Instructions") and
  - (iii) The eligibility requirements for purchasers (the "Proposed First Homes Owner") buying a First Home property ("Property") set out in the First Homes supplemental section 106 planning obligation [builder and [local authority] date ] ("Planning Obligation") and confirmed in the Authority to Proceed and Eligibility Approval issued to the purchaser by [local authority]; and
  - (iv) Following exchange of contracts, the Compliance Certificate issued to you by [local authority].
- 1.2. You must ensure that you comply with Our Instructions at all times.

**2. Qualification Requirements**

- 2.1. You must:
- (i) Hold a current practising certificate;
  - (ii) Have professional indemnity insurance that complies with the requirements set out in the SRA Indemnity Insurance Rules 2019 (as amended);
  - (iii) Not be acting as a "freelance solicitor" as described in Regulation 10.2 of the SRA Standards and Regulations 2019; and
  - (iv) Also act for the Mortgage Lender unless [local authority] have consented otherwise.

**3. Retainer**

- 3.1. For the avoidance of doubt a retainer exists between you and [local authority]. By acting on [local authority's] behalf you have agreed to provide [local authority] with a copy of your conveyancing file for audit purposes. [Local authority] reserves the right to request a copy of your conveyancing file at any time:
- (i) during the first six years after legal completion; or
  - (ii) (if later) up to the date of the destruction of the conveyancing file in line with your file retentions policy.

**4. Charges and Disbursements**

- 4.1. Your charges and disbursements are the sole responsibility of the Purchaser the "Proposed First Homes Owner" and must be collected from the Purchaser on or before completion.
- 4.2. The Purchaser should not incur any legal fees until they have been accepted for the Scheme and are in receipt of an Authority to Proceed.
- 4.3. You must not allow non-payment of fees or disbursements to delay the payment of Stamp Duty Land Tax, the lodging of any Stamp Duty Land Tax return and registration of documents at HM Land Registry.
- 4.4. For solicitors, the Law Society recommends that your costs for acting on our behalf in connection with First Homes Scheme should, in the interest of transparency, be separately identified to the Purchaser.

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**5. Pre-exchange**

- 5.1. Initial Acceptance by you of the Purchaser as a client.
- 5.2. Once the Purchaser has completed an Application Form and been accepted for the Scheme (and you have been instructed by the Purchaser) you will be provided with a copy of an Authority to Proceed and Eligibility Approval from [local authority].
- 5.3. The Authority to Proceed and Eligibility Approval is valid for 3 months from the date of issue. Subject to you being able to comply with Our Instructions contracts must be exchanged within this period.

**6. Your Obligations**

7. Once you are in receipt of the First Homes Authority to Proceed and Eligibility Approval you must:
  - 7.1. Check the information set out within the First Homes Authority to Proceed and Eligibility Approval is consistent with the information you have been provided by the Purchaser, the proposed First Homes Owner and report any discrepancy immediately to the [local authority].
  - 7.2. Ensure that the Full Price ("Market Value") and discounted market price ("the First Homes Purchase Price) are consistent with the Authority to Proceed and the discount percentage confirmed in the Authority to Proceed and Eligibility Approval .
  - 7.3. Ensure that the Purchaser will be obtaining a mortgage from a Lender which is a minimum of 50% of the First Homes Purchase Price.
  - 7.4. Check that the amount being lent by the Purchaser's lender does not exceed the maximum borrowing i.e. the Purchaser's deposit and mortgage should not exceed the First Homes Purchase Price.
  - 7.5. Comply with the UK Finance Mortgage Lenders' Handbook and/or any other instructions of the Purchaser's lender.
  - 7.6. Prior to your submission of Solicitors Form 1 Undertaking to the [local authority], send the Mortgage Lender a copy of the Guidance Note for Mortgage Lenders set out within Schedule 11.
  - 7.7. Immediately notify the [local authority] if, for whatever reason, the Purchaser will either not be obtaining a first charge mortgage from a First Charge Lender for at least 50% of the First Homes Purchase Price or if at any time on or before the Completion Date the First Charge Lender has withdrawn.

**8. First Time Buyer and First Homes Declaration**

- 8.1. Populate and provide each Purchaser, the proposed First Homes Owner with the First Time Buyer and First Homes Declaration and advise each Purchaser of the contents of this and the consequences of making a false declaration.
- 8.2. Obtain a signed First Time Buyer and First Homes Declaration for each Purchaser and hold this on your file pending your submission of Solicitors Form 1 Undertaking to the [local authority].

**9. Advice to the Purchaser**

- 9.1. Advise each Purchaser, the proposed First Homes Owner on the contents (and consequences) of the following documents:
  - (i) The First Time Buyer and First Homes eligibility declaration;
  - (ii) The First Homes Authority to Proceed and Eligibility Approval;
  - (iii) The obligations contained in the Planning Obligation restricting the Property to a First Home Property in perpetuity which will affect the future resale of the Property only to another eligible First Homes purchaser at a 30% discount to the Market Value, advising

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each Purchaser on their obligations and restrictions arising out of it (including but not limited to):

- 9.1.iii.1. The resale requirements
  - 9.1.iii.2. The main residence requirement
  - 9.1.iii.3. The subletting restrictions.
- 9.2. Advise each Purchaser of the requirement to register a restriction on title in favour of [the local authority] against the title to the Property and the effect of that restriction on future sales.
- 9.3. Advise each Purchaser of:
- (i) The consequences of making a false statement;
  - (ii) the role of the [local authority] and their role in administering the First Homes future resale;
  - (iii) Prior to exchange of contracts, the content of the Compliance Certificate issued to you by [local authority]
- 9.4. Building Warranty  
Ensure that the Property will have the benefit of a Building Warranty that complies with Part 1.
- 9.5. Planning Permission  
Part 1 and be satisfied that the Property has complied with all pre-commencement and pre-occupation planning conditions set out within any planning permission decision notice or planning agreement affecting the Property.
- 9.6. Building Regulations  
Ensure that the Property complies with Part 1 and:
- (i) the Building Regulations standards for the Property either prescribed by the relevant Local Planning Authority or set out within the Building Regulations Approved Inspector's Initial Notice; and
  - (ii) (Unless the Property is an Exempt Flat) The 2013 energy efficiency requirements of Building Regulations (Part L).
- 9.7. EPC
- (i) You must obtain the latest version of an Energy Performance Certificate (EPC) from the Builder.
  - (ii) You must also check the EPC whether this evidences compliance with the 2013 energy efficiency requirements of Building Regulations (Part L).
10. Leasehold Houses  
Ensure that any Property that is a house will be transferred on freehold terms only and immediately report to the [local authority] if this is not the case.
11. Ground Rent  
(Where the Property is leasehold and not prohibited as a leasehold house) ensure that any ground rent charged by the Builder does not exceed a peppercorn.
12. Estate Rent Charge Enforcement  
Where the Property is subject to an estate rent charge you must ensure that the Property transfer deed contains a covenant on the part of the Builder (or such other third party who has the benefit of the estate rent charge):

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- 12.1. Not to enforce its powers under Section 121 Law of Property Act 1925 or prescribe any such other express terms of enforcement within the transfer deed enabling re-entry, the granting of a lease or repossession of the Property; and
- 12.2. Not to assign/sell or transfer the estate rent charge unless such assignee or transferee has entered into a deed of covenant with the Purchaser to comply with the above covenant.
13. First Homes Builder plot sale contract
- 13.1. Ensure that the Builder's plot sale contract contains the First Homes Contract Plot Sale Provisions and does not contain any provisions which conflict with or vary the First Homes Contract Plot Sale Provisions.
- 13.2. If the First Homes Contract Plot Sale Provisions are not included within the Builder's plot sale contract (or have been varied or conflicted) you must immediately notify the [local authority] and must not exchange contracts unless:
- (i) the First Homes Contract Plot Sale Provisions are included within the Builder's sale contract; and
  - (ii) you are in receipt of a valid Authority to Exchange.
14. Incentives
- Same as Part 1 UK Finance Handbook. Additionally, the completed UK Finance Disclosure of Incentives Form must be sent to the [local authority]. You are also required to detail any Incentives within your Solicitors' Form 1 Undertaking, which you are required to send to the [local authority]. If you have any concern as to whether or not any Incentives should be reported, you should contact the [local authority]. Additionally, Incentives offered under the following circumstances are not acceptable:
- 14.1. Any Incentives that distort the Market Value so that if they were not offered the market value of the Property would be affected;
- 14.2. The total value of the incentives being offered exceed 5% of the First Homes Purchase Price;
15. Valuation
- Same as Part 1. Section 4.1 Part 1 UK Finance Handbook is deleted and replaced as follows: A separate valuation report will not be provided by us for the First Home purchase and instead we will rely upon the Mortgage Lender's Valuation Report. You MUST:
- 15.1. Obtain a copy of the Mortgage Lender's Valuation Report from the Mortgage Lender;
- 15.2. Provide a copy of the Mortgage Lender's Valuation Report to the [local authority] prior to exchange of contracts;
- 15.3. Check the content of that the Mortgage Lender's Valuation Report matches the information set out within the Property Information Form.
- 15.4. Check that the Mortgage Lender's Valuation Report values the Property (subject to any final inspection) at not less than the Market Value before the discount is applied.
- 15.5. In the event that the Mortgage Lender will not give its approval to release a copy of Mortgage Lender's Valuation Report to the [local authority], then you may not proceed to exchange contracts unless:
- (i) You have provided a copy of the Mortgage Lender's mortgage offer to the [local authority];
  - (ii) You have ensured that the purchase price stated in the Mortgage Lender's mortgage offer reflects the First Homes Purchase Price; and

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- (iii) You have confirmed in writing to the [local authority] that the Mortgage Lender's mortgage offer states that the Property has been valued at not less than the Market Value. If the figure stated within either the Mortgage Lender's Valuation or the Lender's mortgage offer is less than the Market Value you should not proceed to exchange contracts unless the [local authority] has confirmed in writing that the figure is satisfactory.

You must take reasonable steps to verify that there are no discrepancies between the description of the Property as valued and the title and other documents which a reasonably competent conveyancer should obtain and if, there are, you must inform the Mortgage Lender and the [local authority] immediately.

**16. New Build**

Ensure that the Property is a new build property and has not been previously occupied.

**17. Reporting Matters**

- 17.1. Report all matters to the [local authority] which fail to comply with Our Instructions. After reporting a matter you should not complete the First Homes purchase until you have received from the [local authority] our further written instructions. We recommend that you report such matters and receive our written instructions before exchange of contracts because we may have to withdraw or change the First Homes Authority to Proceed/Exchange and/or the Compliance Certificate.

- 17.2. You must not proceed or issue Solicitor's Undertaking until the [local authority] has confirmed that you may proceed.

**18. Solicitors Undertaking**

- 18.1. In order to obtain the Authority to Exchange and Compliance Certificate you must provide the [local authority] with a signed and dated Solicitor's Undertaking no later than five working days prior to exchange of contracts. Your Solicitors Undertaking must be signed on your firm's letterhead by a Partner/Member/Executive Director registered at Companies House at your relevant office for and on behalf of your firm. Where such person is not legally qualified this must be countersigned by a Solicitor, Licenced Conveyancer or Chartered Legal Executive (FCILEX). No amendments to the Solicitors Undertaking will be agreed without the express written authority of the [local authority].

- 18.2. Together with your Solicitors Undertaking you must provide the [local authority] with:

- (i) First Time Buyer and First Homes Declaration signed and dated by each Purchaser.
- (ii) UK Finance Disclosure of Incentives Form fully completed by the Builder in the latest version approved by UK Finance. Before submitting the form to the [local authority] you must check that this has been fully completed by the Builder and is reflective of the Incentives agreed with the Purchaser.
- (iii) A certified copy of the Mortgage Lender's valuation report of the Property.

Or

- 18.3. If the Mortgage Lender has not provided you with a copy of its valuation report, you are required to provide a certified copy of the Purchaser's mortgage offer as evidence of valuation.

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- 18.4. Confirmation that the transfer will include the First Homes Contract Plot Sale Provisions.
- 18.5. You are required to comply with the obligations set out above for prior to exchange of contracts.

**19. Authority to Exchange**

- 19.1. Once a satisfactory Solicitor's Undertaking has been provided and has been approved by the [local authority], you will be issued with the Compliance Certificate and First Homes Authority to Exchange. Contracts must be exchanged within 3 months from the date on which the Authority to Proceed and Eligibility Approval[] was first issued. Should you fail to exchange contracts within the 3 months from the date of the issue of the original Authority to Proceed and Eligibility Approval, you are not authorised to exchange contracts unless:
  - (i) the [local authority] has confirmed in writing that the currently issued Authority to Proceed and Eligibility Approval can be extended; or
  - (ii) the Purchasers have resubmitted their application and the Purchasers have obtained a revised Authority to Proceed and Eligibility Approval.
- 19.2. If you become aware of any matter prior to exchange of contracts which would not comply with the terms of the Scheme or prejudice our position, you are required to immediately notify the [local authority] and refrain from exchanging contracts without further authority.
- 19.3. [Local authority] reserves the right to withdraw the Authority to Exchange at any time prior to exchange if it becomes aware that the Purchaser no longer meet(s) the First Homes eligibility criteria or the Property no longer meets the Planning Obligations in the agreement between Builder and [local authority].

**20. Exchange of contracts**

For the avoidance of doubt, you are not permitted to exchange contracts:

- 20.1. Unless the Authority to Exchange and Compliance Certificate has been issued by the [local authority]; and
- 20.2. Unless exchange takes place within three months of the issue of the Authority to Proceed, unless the Authority to Proceed has been extended by the [local authority].
- 20.3. where the deposit is more than 5% of the First Homes Purchase Price. You must satisfy yourself that the balance of the Purchaser's Cash Contribution (if any) will be available on or before completion.
- 20.4. Unless the transfer contains the First Homes Contract Plot Sale Provisions.

**21. Confirmation of Exchange**

Within two working days of exchange, you must:

- 21.1. Send the Confirmation of Exchange Form to the [local authority], confirming that exchange has taken place;
- 21.2. Confirm to the [local authority], the proposed completion date and that completion will not be longer than six months following the date of exchange;
- 21.3. Confirm to the [local authority] that the terms of the purchase of the Property accord with the Solicitor's Undertaking.

**22. Pre-completion Certificate of Title**

No later than five working days prior to the anticipated completion date you must provide the [local authority] with a Certificate of Title which must be unqualified and signed by a

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Partner/Member/Executive Director registered at Companies House at your relevant office for and on behalf of your firm. Where such person is not legally qualified this must be countersigned by a Solicitor, Licensed Conveyancer or Chartered Legal Executive (FCILEx).

23. Buildings Insurance  
You must ensure that buildings insurance will be in place which conforms with the requirements of Part 1.
24. Consent of mortgage lender to restriction  
You are required to obtain the consent of the mortgage lender to the registration of the restriction on title in favour of [local authority].
25. Executed Transfer / Lease  
You must be satisfied before completing the purchase that the Builders Solicitors are holding the executed transfer/lease to the Property on file.
26. **Completion and post-completion**
- 26.1. You must ensure that the Builder's Solicitors completion statement states the Market Value and First Homes Purchase Price and these are consistent with the Authority to Proceed and the discount confirmed in the Compliance Certificate.
- 26.2. You must ensure that the transfer contains a covenant by the Purchaser to comply with the First Homes Contract Plot Sale Provisions.
- 26.3. HM Revenue and Customs (HMRC) has advised [local authority] that Stamp Duty Land Tax (SDLT) is payable by the Purchaser on the First Home Purchase Price]. A land transaction return (LTR) must be delivered to HMRC and any tax paid in full within 14 days of completion. You must not complete the purchase of the Property unless you hold sufficient funds to complete the purchase and pay all SDLT (if you do not have them you accept responsibility to pay them yourself).
- 26.4. Within 5 working days of the later of the Completion Date or the date you receive the signed lease/transfer from the Builder, you must apply to register the lease/transfer of the First Homes Property at the Land registry and at the same time you must also register the First Homes restriction on the proprietorship register of the property, the restriction being:  
"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"
- 26.5. You must ensure that the restriction above is registered against every part of the Property.
- 26.6. Within 10 working days of receipt from HM Land Registry, you must provide the [local authority] with a certified copy of the Official Copy Entries of the Register and



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Title Plan relating to the Property and showing the registration of the restriction above registered on the proprietorship register of the Property.

**27. Representations**

- 27.1. Neither you nor the Purchaser may rely on any representation made by any person (including the Builder, their sales team(s), solicitor(s) or any other person) as to the Purchaser's rights or obligations regarding the First Homes restriction save as:
- (i) set out in the First Homes purchase documents by [local authority]; or
  - (ii) confirmed in writing by the [local authority]

**28. Conflict**

If any matter comes to your attention which you should reasonably expect [local authority] to consider important in deciding whether or not permit Purchaser to buy the First Home (such as whether the Purchaser has given misleading information to [local authority] or the information which you might reasonably expect to have been given to the same is no longer true) and you are unable to disclose that information to [local authority] because of a conflict of interest, you must cease to act for [local authority] and return the instructions stating that you consider a conflict of interest has arisen.

**29. Your duty to notify [local authority]:**

If you become aware of any of the following facts:

- 29.1. The Purchaser will not be occupying the Property as their main residence;
- 29.2. The Purchaser (or any one of them) is not a first time Purchaser as defined within the First Time Buyer Declaration;
- 29.3. The Purchaser does not meet the local eligibility requirements as set out in the Planning Obligation;
- 29.4. The Purchaser will not be obtaining a mortgage from the Lender under the terms stated within your Solicitor's Undertaking;
- 29.5. The first charge mortgage with the Mortgage Lender is for more than specified in the Authority to Proceed;
- 29.6. The first mortgage with and the Purchaser's contribution are less than the First Homes Purchase price specified in the Authority to Proceed;
- 29.7. There will not be a Lender providing the mortgage or the Lender has withdrawn;
- 29.8. The Incentives total more than 5% of the First Homes Purchase price;
- 29.9. The Builder is providing Incentives to the Purchaser that are not disclosed on the completed copy of the UK Finance Disclosure of Incentives Form provided to you by the conveyancer acting on behalf of the Builder;
- 29.10. Any cashback received by the Purchaser has been treated as part of the Purchaser's Cash Contribution towards the purchase;
- 29.11. The Purchaser is related to or otherwise connected with the Builder or anyone with a connection with the Builder;
- 29.12. You are unable to comply with any part of Our Instructions;
- 29.13. you must report them to the [local authority]. If any fact above comes to your attention and you are unable to disclose that information to the [local authority] because of a conflict of interest, you must cease to act for [local authority] and return the instructions stating that you consider a conflict of interest has arisen.

**30. Enquiries**

Any enquiries concerning these instructions should be raised with the [local authority].

[Note: Full contact details of local authority to be inserted]

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SCHEDULE 1 [Local authority] First Homes Authority to Proceed and Eligibility Approval

<b>Date:</b>	[ ]
<b>To:</b>	[Buyer's conveyancer ]
	[Builder's conveyancer]
	[Buyer's mortgage advisor]
	[First Home buyer(s)]
	[Homes England]
<b>First Homes Buyer(s) name(s) the proposed First Homes Owner(s):</b>	[ ]
<b>First Home property to be purchased:</b>	[ plot & address ]
<b>Copied to:</b>	[First Homes Buyer(s) current address before purchase] [First Homes house builder ]

1. **The proposed First Homes Owner(s)) First Homes application has been approved** by [local authority] subject to the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ] and confirmed in this Authority to Proceed and Eligibility Approval issued to the proposed First Homes Owner by [local authority] as follows:

<b>First Homes Buyer(s) name(s) the proposed First Homes Owner(s)</b>	[ Full Names ]
<b>Builder (current First Homes Owner)</b>	[Builder ]
<b>First Home property to be purchased:</b>	[ plot & address ]
<b>First Home forecast purchaser legal completion date:</b>	
<b>Market value (100% of value)</b>	[£ ]
<b>First Homes discount %</b>	[30%]
<b>First Homes Purchase Price (price to be paid by the proposed First Homes Owner applying the First Homes discount to the Market value)</b>	[£ ]
<b>Proposed First Homes Owner deposit cash contribution to be paid at exchange of contracts and no less than 5% of the First Homes Purchase Price.</b>	[£ ] and [%age ]
<b>Proposed First Homes Owner mortgage</b>	[£ ] and [%age ]  Mortgage cannot be less than 50%. Deposit and mortgage must equal the First Homes Purchase Price
<b>Proposed First Homes Owner mortgage lender</b>	[bank building society ]

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<b>Total incentives (as applicable)</b> As set out in the UK Finance Disclosure of Incentives Form and not to exceed 5% of the First Homes Purchase Price. These must include all financial and non-financial incentives provided by the builder	
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2. **Authority to Proceed**
3. This Authority to Proceed is issued by the [local authority] confirming that a Dwelling is being disposed of to a First Home purchaser(s) specified in this Authority to Proceed meeting the:
  - 3.1. **Eligibility Criteria (National)**
    - 3.1.1. First Time Buyer;
    - 3.1.2. Having Household income no more than £80,000 per annum
  - 3.2. **and if applicable the Eligibility Criteria (Local)** for purchasers applying/reserving within the first three months of marketing as specified in the Planning Obligations:
    - 3.2.1. Lives or works in [local authority] district for a minimum of [X] years or as specified in the Planning Obligations; **or**
    - 3.3. A Key worker/essential worker defined by [local authority]; **or**
    - 3.4. Member of United Kingdom armed forces. ]
4. The national and local criteria set out in full in the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ], the Planning Obligations.
5. For avoidance of doubt, purchasers applying within the first three months of marketing must always:
  - 5.1. meet the Local Criteria **and** the National Criteria (be First Time Buyers and Household income no more than £80,000 per annum) **or**
  - 5.2. be a Keyworker/essential worker/ Armed Forces and also meeting the National Criteria.
6. Purchasers applying **after** the first three months of marketing must meet the National Criteria only.
7. Unless [local authority] otherwise confirm in writing this First Homes Authority to Proceed is:
  - 7.1. valid for 3 months from the date of issue. Contracts for the sale of the Property must be exchanged within those 3 months; and
  - 7.2. given on the condition that a mortgage valuation of the Property is no less than the Market Value.
8. **WARNING:** This First Homes Authority to Proceed may be withdrawn at any time if the homebuyer does not comply with, or satisfy, [local authority's] eligibility criteria).

Yours sincerely

<b>Name:</b>	
<b>Signed:</b>	
<b>For and on behalf of</b>	<b>[local authority]</b>
<b>Dated:</b>	
<b>Enclosed:</b>	Next steps and guidance for the First Homes homebuyer.

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**9. Next steps in progressing your First Homes purchase**

- 9.1. Your First Homes Authority to Proceed (ATP) and Eligibility Approval has been given based on the information you provided in the reservation/application form. It is valid for 3 months from the date of issue.
- 9.2. If you wish to proceed with your home purchase using First Homes on the terms set out in the ATP, you can now submit a mortgage application to a mortgage lender.
- 9.3. The mortgage offer you get must be for the same amount as the First Homes mortgage amount in this ATP. Interest only mortgages will not be approved for First Homes purchases.
- 9.4. Consider seeking independent financial advice. An independent financial adviser can help you to understand what you can afford to borrow and what may be suitable for you.
- 9.5. The homebuyers' guide to First Homes explains the next steps in progressing your purchase. Your conveyancer will receive legal guidance and forms to complete. These must be returned to [local authority] by certain deadlines to progress your purchase. Your conveyancer is responsible for explaining the legal information in these forms to you.

**Your home may be repossessed if you do not keep up repayments on your mortgage or other loans secured against it. Consider seeking independent financial advice on whether the First Homes scheme is right for you.**

**10. Important information:**

- 10.1. Your application will be treated as withdrawn if contracts are not exchanged within 3 months of the date of issue of the Authority to Proceed. If you are unsure of how to proceed, please contact [local authority] at [contact address/telephone number].
- 10.2. Before you proceed, make sure you are familiar with the Homebuyers' guide to First Homes which explains how it works. If you are unsure on how to proceed, please contact [local authority] for help.
- 10.3. Remember, you should not enter into a legal agreement (exchange contracts) to buy a First Home until we have given you approval by issuing an Authority to Exchange and Compliance Certificate to your conveyancer.

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**FOR INITIAL NEW BUILD FIRST HOMES SALE ONLY, NOT FOR RESALE PROCESS**

## Schedule 2 FIRST HOMES NOTES FOR BUYERS

### 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.

These notes for potential buyers explain what First Homes are and answer some common questions.

### 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 the First Home forever. 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 never the 100% 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.

#### 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.

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### **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 rules, 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 may be allowed to let out your First Home in some circumstances, but only with the prior approval of the local authority and the consent of your mortgage provider.
- Lodgers are permitted, as long as the home remains your only or main residence.
- 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 and 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 it looks like you could be eligible, the builder will assist you to complete a First Homes application to the local authority.
4. 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.
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



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- 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.
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). 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.

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 within five working days of application receipt.
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 must 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 must pay your deposit (usually 5%) and exchange contracts to buy. At this point you are legally committed to buy.
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. This is usually done by agreeing a short period of notice that they will give you. In any event, the time between exchange and legal completion (when you move in) should 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?**

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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.

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

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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 are a new tenure. The scheme 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 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. This additional local criteria is set by the relevant local authority. Any local criteria falls 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):

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- 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 who are married or in a civil partnership or living together should apply jointly to purchase the First Home. In exceptional circumstances, where the mortgage lender will only lend to one applicant (e.g. because one party has an adverse credit history) the local authority can consider giving approval on a case-by-case basis, but this is still subject to both parties meeting the first-time buyer criteria. Both parties would therefore need to sign the first-time buyer declaration.

### **Are there income caps?**

To be eligible for a First Home, your household's gross income must be no more than £80,000 in England or £90,000 in London. However, local authorities will be able to set lower income caps for the first 3 months after a First Home goes on sale.

### **Is anyone exempt from having to meet the local connection criteria?**

Yes. Members of the Armed Forces and recent veterans (who have left the Armed Forces within the last 5 years) are exempt from needing to meet any local connection or key worker restrictions set by local authorities. These restrictions will also not apply to bereaved spouses and civil partners of service men and women whose deaths have been wholly or partly caused by their service. 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.

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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.<sup>1</sup> If you own a First Home flat, you will own a leasehold on the property.<sup>2</sup> 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 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. The 2-year period is in aggregate, and resets if ownership of the home transfers to someone else.

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 are expected to agree in these circumstances; however, you may also need agreement from your mortgage lender.

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<sup>1</sup> Subject to completing repayments to your mortgage or home purchase plan provider.

<sup>2</sup> For further information, see <https://www.gov.uk/government/publications/how-to-lease/how-to-lease>

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**Can I have a lodger in my First Home?**

Yes, and with no time restriction, provided that the property remains your only residence.

**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.

**Will I have to sell if my circumstances change?**

You will not have to sell your First Home if your income increases above the household income cap. If you have purchased the First Home on the basis of meeting key worker criteria set by the local authority, or on the basis of the Armed Forces criteria, you will not have to sell your home if you no longer meet that criteria (by, for example, changing your job) after completion of your purchase. In addition, if you re-mortgage the home during the period of your ownership, this can be for less than 50% of the purchase price.

However, your First Home should be your only or main residence, and aside from some specific exceptions you 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 you do not comply with these requirements, you may need to sell your home.

If you fail to keep up your mortgage payments this may put your 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 you fall into arrears, your 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 whoever 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 local authority. If they do not abide by these conditions, they will need to sell the First Home.

**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 and ensures the First Home continues to benefit others.

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### **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 must 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.
3. You should then instruct your estate agent and give them the eligibility requirements for their marketing.
4. You must initially attempt to sell your First Home to buyers who meet any local connections criteria set by your local authority. 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.
  - You must also submit at this point 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 Institute of Chartered Surveyors (RICS). You must 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.
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 Institute of Chartered Surveyors (RICS). The surveyor will assess the market value of your home on the basis of comparable

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market value homes, and will then apply the original percentage discount you received when you initially purchased your First Home.

### **What if I can't sell it?**

If you are unable to sell your First Home to an eligible buyer, after six months (or a shorter time period in exceptional circumstances at the discretion of your Local Authority), you may be required to notify your local authority so that it has the opportunity to purchase your home. If the local authority does not 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. However, 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 more than the discounted value of the home. Should this situation arise, please seek advice from your conveyancer.

## About the initial pilot

### **What is the initial pilot?**

The Ministry for Housing, Communities and Local Government are working with Homes England and [local authority] to deliver [X] First Homes in [development]. This small pilot will help us to test the processes and administrative arrangements for First Homes before the programme is rolled out more widely.

### **What happens after the initial pilot?**

Using what is learnt from the initial pilot, the Government will run a larger early delivery scheme of 1,500 homes funded by the Affordable Homes Programme. Large-scale delivery of new First Homes will then occur across England through the Planning system, establishing First Homes as a significant and widespread tenure in the housing market.



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### Schedule 3 First Homes Contract plot sale provisions

- A. The contract must have a copy of the agreed form of transfer which includes the provisions referred to at B below annexed to it.
- B. The form of transfer must be agreed and include:
1. The following definitions:

**"Council"** means [enter name of local planning authority]

**"First Homes Provisions"** means the provisions set out in clause[s] [ ] of the [Supplemental] S106 Agreement.

**"Supplemental S106 Agreement"** means the supplemental agreement made pursuant to Section 106 of the Town and Country Planning Act 1990 dated [ ] made between (1) [ ] [and] (2) [ ] [and] (3) [ ] a copy of which is attached hereto as the Annexure

2. An application in the following terms to register a restriction:

THE Transferor and the Transferee hereby request the Chief Land Registrar to enter a restriction in the proprietorship register of the title to the Property in the following terms:

"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"

3. A clause in the following terms:

The Property is sold subject to and with the benefit of the First Homes Provisions and the Transferee acknowledges that it may not transfer or otherwise dispose of the Property or any part other than in accordance with the First Homes Provisions

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Schedule 4 [Local authority] First time buyer and First Homes 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.

First Homes Owner details	
Full Name:	
Date of Birth:	
National Insurance Number:	
Address of the First Homes Property being acquired:	
First Homes Purchase Price of the First Homes Property, the discount market price to be paid:	
[Local authority]	[Address ]
<b>First Homes dwelling resale restriction</b>	<p>The First Homes Owner will be bound by obligations contained in the First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ] which restrict resale of the dwelling only to eligible First Homes purchasers and at no more than the discount Market Price which is the Market Value discounted by 30%.</p> <p>A restriction on title will be registered on the title of the First Homes Dwelling in the following form:</p> <p style="text-align: center;"><b>"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"</b></p>

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<b>First Homes Eligibility criteria</b>	<p>The First Homes home is being disposed of to a First Home purchaser(s) specified in this Authority to Proceed and Eligibility Approval meeting the:</p> <p>a. Eligibility Criteria (National)</p> <p style="padding-left: 20px;">i. First Time Buyer;</p> <p style="padding-left: 20px;">ii. Having Household income no more than £80,000 per annum; and if applicable</p> <p>b. the Eligibility Criteria (Local)</p> <p style="padding-left: 20px;">i. Lives or works in [local authority] district; or</p> <p style="padding-left: 20px;">ii. A Key worker/essential worker defined by [local authority]; or</p> <p style="padding-left: 20px;">iii. Member of United Kingdom armed forces, meeting the armed forces criteria.</p> <p>The national and local criteria set out in full in the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date   ].</p>
<b>Home Purchase Plan</b>	<p>any home purchase plan in accordance with article 63F(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).</p>

1. I confirm and declare by signing this First Time Buyer and First Homes Declaration that I am either:
- a. resident in the United Kingdom for tax purposes; OR
  - b. not resident in the United Kingdom for tax purposes but either:
  - c. perform duties which, by virtue of section 28 of the Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom; OR
  - d. I am married to, or in a civil partnership with, a person who performs such duties.
2. I have read the "Definition of a First Time Buyer" in the Appendix at the end of this form and have sought professional advice where I am still unsure what constitutes the definition of a First Time Buyer. I have read the First Homes eligibility criteria National and Local set out above and I meet these criteria. I have read the First Homes dwelling resale restriction set out above and understand these apply to me as a First Homes Owner.
3. I do not own, and never have owned or entered into a Home Purchase Plan (or equivalent arrangement) in relation to any interest in residential land, whether in the United Kingdom or elsewhere, which is:
- a. in England or Wales:
    - i. freehold; OR
    - ii. leasehold, where the lease was originally granted for a term certain exceeding 21 years; or commonhold; OR
    - iii. Commonhold; OR
  - b. in Scotland, registered or recorded, or would be capable of being registered or recorded, as a right of absolute ownership in the Land Register of Scotland or General Register of Sasines in Scotland (as applicable); OR
  - c. in Northern Ireland:
    - i. freehold; OR
    - ii. leasehold, where the lease was originally granted for a term certain exceeding 21 years; OR
  - d. an equivalent interest in residential land to the interests in land listed above:
    - i. under the laws of any jurisdiction outside the United Kingdom (i.e. anywhere in the world); AND

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- ii. comprises a building that is used or suitable for use as a dwelling, or is in the process of being constructed or adapted for such use; AND
- iii. I acquired:
  - 1. as a purchaser by way of sole or joint ownership; OR
  - 2. which entitles me to possess or occupy that land.

4.I intend to occupy the First Homes Property as my only or main residence and will, following the acquisition of the Property, occupy the Property as my only or main residence.

5.I am purchasing the First Homes Property as a sole owner or as a joint owner with another individual(s) who is/are also a First Time Buyer(s) and meet the First Homes Eligibility criteria.

6.I am not purchasing the Property by means of a 'buy to let' mortgage.

7.I understand that making a false or misleading statement in this First Time Buyer and First Homes Declaration may:

- a. give rise to personal liability, including criminal liability,
- b. constitute a breach of the First Homes terms; and
- c. result in the withdrawal of [local authority] approval which will make me ineligible for the scheme and the resale of the home to a qualifying First Homes Owner.

8.I declare that the information I have provided is true and complete to the best of my knowledge and belief. I covenant with the [local authority] to the conditions in the [local authority] First Homes planning agreement addendum/supplementary deed between [developer] and [local authority] date [ ] and including the provisions which restrict resale of the dwelling only to eligible persons and at no more than the discount Market Price which is the Market Value discounted by 30%.

<b>Name:</b>	
<b>Signed:</b>	
<b>Dated:</b>	

9.You must provide your signature in wet ink or by providing an electronic copy of this declaration containing your wet ink signature.

**10.PLEASE NOTE THAT WHERE MORE THAN ONE FIRST HOMES OWNER, EACH OWNER SHOULD COMPLETE AND SIGN A SEPARATE DECLARATION.**

**11.APPENDIX: DEFINITION OF A FIRST TIME BUYER**

12.For consistency, the [local authority] has adopted HMRC's definition of a first time buyer and in order to count as a first time buyer, a First Homes purchaser must not, either alone or with others, have previously acquired a major interest in a dwelling or an equivalent interest in land situated anywhere in the world. This includes previous acquisitions by inheritance or gift, or by a financial institution on behalf of a person under an alternative finance scheme.

13.Eligibility for the Scheme is not denied by virtue of a previous acquisition as a trustee unless the purchaser was also a beneficiary of the trust. Relief is also not denied if the purchaser owns or has previously owned non-residential or mixed-use property, as long as that property did not include a dwelling.

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14. This restriction does not apply where the interest acquired was the grant or assignment of a lease with less than 21 years to run e.g. assured shorthold tenancies.
15. If the property is being purchased jointly, all the purchasers must meet these conditions.

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**SCHEDULE 5 Occupier's deed of consent**

<b>First Homes Owner(s) names:</b>	Names
<b>First Homes Dwelling address the property</b>	Address
<b>You the Occupier</b>	Name
<b>The [local authority]</b>	[Local authority]

- 1.The [local authority] has approved the First Homes Owners to purchase the First Homes Dwelling, in accordance with the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ]. By signing this Occupier's Deed of Consent you ("Occupier") confirm to and agree with the [local authority] as follows:
- a. You are, or are about to be, in actual occupation of the Property;
  - b. You will not have an exclusive right to all or any part of the Property
  - c. You will not be a tenant of the Property and have never signed or been given a tenancy of the Property orally or in writing;
  - d. You consent to the [local authority] registering a restriction on the title of the property in accordance with the First Homes scheme;
  - e. You consent to any application the [local authority] may make to HM Land Registry to confirm that you do not have an overriding interest in the Property;
  - f. You are not to assert or rely on any such estate, interest or rights in a manner which may obstruct, delay or hinder the orderly management of the [local authority's] restriction registered over the Property;
  - g. You are not to claim any right of any sort in respect of the Property against the [local authority];
  - h. You have been strongly advised to seek independent legal advice before signing this Occupier's Deed of Consent.
- 2.This Occupier's Deed of Consent is governed by the law of England and Wales.

<b>Signed as a Deed by the Occupier</b>	Signed
<b>Full name</b>	
<b>Date</b>	
<b>The [Council ]</b>	[Local authority]
<b>In the presence of</b>	
<b>Witness signature</b>	signed
<b>Ful Name</b>	
<b>Address</b>	

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<b>Occupation</b>	
<b>Date</b>	

The witness confirms by signing, they are aged 17 years or over and are not: (a) a spouse, civil partner, cohabitee of or otherwise related to the First Homes owner(s) or the occupier; (b) a solicitor or other adviser of the Borrower.

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**SCHEDULE 6 Solicitor's undertaking**

**TO BE PRINTED ON HEADED PAPER AND MUST BE SIGNED ONLY BY EITHER A PARTNER/MEMBER/EXECUTIVE DIRECTOR AND (WHERE THE PARTNER/MEMBER/EXECUTIVE DIRECTOR IS NOT ONE) SEPARATELY BY A SOLICITOR/LICENSED CONVEYANCER/CHARTERED LEGAL EXECUTIVE (FELLOW OF CILEx)**

**Solicitor's Undertaking**

<b>To:</b>	[Local authority]
<b>From:</b>	[legal representative ]
<b>Legal representative reference</b>	Name

<b>Enclosures</b>		
<b>1</b>	The Builder's UK Finance Disclosure of Incentives Form	
<b>2</b>	A copy of the Mortgage Offer in accordance with Paragraph 10.2	
<b>3</b>	First Time Buyers and First Homes Declaration(s) in accordance with Paragraph 14	
<b>4</b>	A copy of the valuation referred to in Paragraph 17 (indicate n/a where there is no valuation)	

Dear Sirs

<b>First Homes purchaser, the proposed First Homes Owner</b>	[Names]
<b>House builder Builder:</b>	[ ]
<b>First Homes property details</b>	[Address ]
<b>Market Value 100% of the value of the property</b>	[ ]
<b>First Homes Discount %</b>	[30%]
<b>First Homes Purchase Price of the First Homes Property, the discount market price to be paid by the proposed First Homes Owner:</b>	[ ]
<b>Anticipated exchange of contracts date</b>	[on [specified date]]/[within the next [specified period]]
<b>Anticipated completion date</b>	[on [specified date]]/[within the next [specified period]]



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**A. We confirm that:**

1. We have been instructed to act on behalf of the Purchaser in connection with their purchase of the Property;
2. We have been instructed to act on behalf of the Purchaser's First Charge Lender; and
3. We are in receipt of [local authority's] Instructions and the First Homes Authority to Proceed and Eligibility Approval dated [     ].

**B. We further confirm that:**

1. We will comply with [local authority's] Instructions;
2. We will ensure that the financial terms of the proposed purchase accord with those set out in the First Homes Authority to Proceed and Eligibility Approval;
3. We have obtained and enclosed a correctly and fully completed copy of the UK Finance Disclosure of Incentives Form from the conveyancer acting on behalf of the Builder and it complies with [local authority's] Instructions and those of the First Charge Lender;
4. We have read [local authority's] Instructions and we are not aware of any Incentives being provided to the Purchaser which we are required to notify to the [local authority]. [Save for .....and/as set out in the Builder's UK Finance Disclosure of Incentives Form]\*;
5. The Purchaser has confirmed that any Purchaser's Cash Contribution in addition to the minimum 5% deposit to be paid at exchange will be available upon completion;
6. We have verified the identity of the Purchaser in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692 and the Proceeds of Crime Act 2002 (as amended or re-enacted).
7. We have reviewed the building warranty and are satisfied that it complies with the requirements outlined within [local authority's] Instructions.
8. The Purchaser has received a Mortgage Offer from a Mortgage Lender; and the amount of the mortgage are as set out below:
  - a. Mortgage Lender: [                     ]
  - b. Prior mortgage (net of fees): [£[                     ]];
  - c. Mortgage fees: [£[                     ]];
  - d. The balance of £[                     ] is to be provided by the Purchaser;
9. We enclose a copy of the Mortgage Offer.
10. The market value 100% of the property is [£[                     ]];
11. The First Homes Discount is % [   30%    ]
12. The Discount Market Price of the property is [                     ]
13. The mortgage, purchaser's deposit and any cash contribution total the Discount Market Price.

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14. It is anticipated that exchange of contracts will take place [on [specified date]]/[within the next [specified period]];
  15. It is anticipated that completion will take place [on [specified date]]/[within the next [specified period]];
  16. We have obtained (and enclose) a First Time Buyer and First Homes Declaration from the Purchaser (and from each Purchaser where there is more than one person).
- C. **We further confirm that** we have received no notice or indication that contradicts the declaration made by the Purchaser in the First Time Buyer and First Homes Declaration and we have also advised them of the implications of providing misleading and fraudulent information in regards to their ownership of property in or outside of the United Kingdom and the implications of providing misleading or incorrect information about their First Homes eligibility and the implications of any incorrect information being provided to us by them in relation to this matter;
- D. **We further confirm that**
1. The purchaser has received copies of:
    - a. The First Homes customer guide
    - b. The Authority to Proceed and Eligibility Approval
  2. The Purchaser received these documents prior to the date of this report and undertaking.
  3. We have also drawn the Purchaser's attention to the role of the [local authority] as highlighted in the First Homes Buyers guide.
  4. In accordance with [local authority's] Instructions we have advised the Purchaser of
    - a. the contents of the documents specified at Paragraph D1 above
    - b. the restriction on the future resale of the Property only to another eligible purchaser at a 30% discount to the Market Value, advising each Purchaser on their obligations and restrictions arising out of it:
      - (i) the Planning Obligations in relation to the Property which the purchaser is required to comply with
      - (ii) The resale requirements
      - (iii) The main residence requirement
      - (iv) The subletting restrictions.
    - c. the restriction on title in favour of the [local authority] to be registered on the title of the Property
- E. **We confirm that** we have notified the Mortgage Lender that the Purchaser is participating in the First Homes Scheme and we have provided the Mortgage Lender with the Guidance Notes for Mortgage Lenders and obtained their consent to the restriction on the Property title.
- F. Subject to the final inspection of the Property by the valuer
  - a. **Where a Valuation Report is available:**  
We enclose a copy of the Valuation Report obtained by the First Charge Lender and confirm that (although we express no opinion on matters of valuation) the Full Price Market Value does not exceed the market value of the Property as stated within the Valuation Report] **OR**

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**b. In the event a Valuation Report is not available but a mortgage offer has been provided and the Full Price Market Value does not exceed the market value of the Property:**

We confirm that (although we express no opinion on matters of valuation) the Market Value 100% does not exceed the market value of the Property as stated in the Mortgage Offer]

- G. No later than five working days prior to the anticipated completion date of the Property we will provide the [local authority] with a signed and dated Certificate of Title in the required form.
- H. Within 2 working days of exchange of contracts we will provide the [local authority] with the Confirmation of Exchange Form.
- I. Upon completion and, within 5 working days of completion, notice of the First Homes Restriction will be provided to the Mortgage Lender (in relation to the Purchaser's participation in the Scheme) in accordance with a method of service of notice as set out in the Land Registration Rules 2003 (as may be varied or amended from time to time).
- J. We confirm that we have investigated the title to the Property and on [local authority's] behalf have carried out all steps required of us to be able to submit our clear and unqualified Certificate of Title to [local authority] in the form set out in the Appendix.
- K. We undertake to:
- a. Ensure that the contract for the purchase of the Property has an agreed form of transfer annexed to it and that the agreed form of transfer includes the First Homes Contract Plot Sale Provisions
  - b. (Prior to the Completion Date) ensure that the signed transfer contains the First Homes Contract Plot Sale Provisions; and
  - c. take all necessary steps to maintain the protection of [local authority's] First Homes Restriction until registration of the Purchaser's title to the Property and to ensure that the [local authority's] First Homes Restriction is correctly registered at HM Land Registry.
  - d. (within five working days of the Completion Date) provide the [local authority] with written confirmation that the Property completed on the Completion Date; make application to HM Land Registry to register the Purchaser as registered proprietor of the Property, make such further necessary application to ensure that HM Land Registry First Homes restriction:

"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"

is registered within the proprietorship register of the title to the Property; and

- e. as soon as reasonably practicable (and in any event no later than 10 working days following receipt from HM Land Registry) to send to the [local authority] a certified

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copy of the Official Copy Entries of the Register and the Title Plan relating to the Property and showing the registration of the First Homes restriction within the proprietorship register of the Property

Yours faithfully

<b>Name of signatory</b>	[
<b>Position:</b>	[[Partner/Member/Director AND [Solicitor/Licensed Conveyancer/Chartered Legal Executive (Fellow of CILEx)]* *Delete as appropriate] ]
<b>Signed</b>	
<b>For and on behalf of</b>	[ ]
<b>Date</b>	
	If the Partner/equitable owner of the Law Firm is not legally qualified the certificate must be countersigned by a Solicitor/Licensed Conveyancer or Chartered Legal Executive (Fellow of CILEx).

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SCHEDULE 7 Guidance notes for mortgage lenders and  
consent to restriction on title

**1. Consent of mortgage lender to First Homes restriction on title**

1.1. Dear Sirs

1.1. I am acting for the First Homes purchaser, the proposed First Homes Owner, set out below. I am required by [local authority] to obtain your consent to the standard First Homes restriction to be registered on the title.

1.2. I confirm

- (i) The proposed First Homes Owner is eligible and has an Authority to Proceed to purchase issued by [local authority];
- (ii) The purchase details are set out below;
- (iii) The wording of the restriction is set out below.

<b>First Homes purchaser, the proposed First Homes Owner</b>	[Names]
<b>House builder</b>	[ ]
<b>First Homes property details</b>	[Address ]
<b>Market Value 100% of the value of the property</b>	[ ]
<b>First Homes Discount %</b>	[30%]
<b>First Homes Purchase Price of the First Homes Property, the discount market price to be paid by the proposed First Homes Owner:</b>	[ ]
<b>Anticipated completion date</b>	[on [specified date]]/[within the next [specified period]]
<b>Restriction to be placed on title:</b>	"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"
<b>Conveyancer</b>	
<b>Name</b>	

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<b>Yours faithfully, signed</b>	

**2. First Homes notes for mortgage lenders**

**3. What are First Homes?**

- d. First Homes are a discounted home ownership product – a form of discount market sale Affordable Homes.
  - i. First Homes must be discounted by a minimum of 30% against the open market price of the home, as assessed by an independent valuer accredited by the Royal Institute of Chartered Surveyors.
  - ii. Local Authorities have discretion to set a deeper minimum discount of either 40% or 50% through local planning policy. (These three levels—30%, 40%, 50%—will be the only rates LAs can choose for the minimum discount, although this will not preclude a developer from offering a deeper discount on a First Home than the one required by local policy.)
  - iii. The homes will be subject to a price cap (applied only to the initial sale of a new-build property, not to future sales in the second-hand market) and to a set of eligibility requirements governing who can buy them (which will apply to the initial sale and to all future sales).
  - iv. The First Homes restrictions, including the discount and the eligibility requirements, are set out as part of the planning obligations entered into by the developer under Section 106 of the Town and Country Planning Act 1990. A restriction on title will be placed on the property to ensure that the relevant obligations continue to be met for future sales.
  - v. The full policy framework and description of First Homes can be found here
  - vi. <https://www.gov.uk/government/consultations/first-homes>
  - vii. <https://www.ownyourhome.gov.uk/scheme/first-homes/>

**4. What type of properties will First Homes be?**

- a. First Homes will be properties suitable for first-time buyers, but will otherwise be the same as any other property. The maximum price of a First Home, after the discount has been applied, will be £420,000 in London and £250,000 in the rest of England. Local Authorities will also be able to set lower price caps as part of local policy.
- b. First Homes should meet the current development standard; they should be of the same type and quality as ordinary Market Sale properties in the same development and should not be visually distinguishable from Market Sale homes.

**5. Who is eligible to buy a First Home?**

- a. The eligibility criteria are described in full in the Government’s response to the First Homes consultation, published in August 2020. There is a set of basic national criteria that will apply to all buyers of First Homes:
  - i. Buyers must be first time buyers, meeting the same definition that applies to the exemption from Stamp Duty Land Tax (as defined by paragraph 6 of Schedule 6ZA to the Finance Act 2003). In a joint purchase, each purchaser must be a first time buyer.
  - ii. Buyers will be subject to a household income cap of £90,000 in London, and £80,000 outside London. These match the current income caps for Shared Ownership properties.

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- iii. In addition, Local Authorities will be able to apply further eligibility criteria as part of local policy, as follows:
  - 1. Local Authorities may set a lower income cap, if they can provide evidence that a lower cap is needed, and that First Homes will still be viable under the lower cap;
  - 2. They may apply a local connection test, based on residency, employment in the local area, or a family connection; and
  - 3. They may prioritise key workers for access to First Homes.
- iv. Serving members of the Armed Services, recent veterans, and their families, will be exempt from local connection tests.

**6. What if an eligible buyer can't be found?**

- a. If the property has been actively marketed for three months and no buyer can be found who meets the criteria set by the Local Authority (local connection, key worker test, and/or local income cap), these criteria will be waived, and the property can then be marketed to any buyer who is eligible according to the basic national criteria.
- b. If no buyer can be found after a further three months of marketing based on the national criteria, the owner may apply to the Local Authority to be released from the First Homes restrictions altogether and to sell the property at the open market value, with the surplus value over and above the discounted price being returned to the Local Authority after completion.
- c. Owners may also apply to the Local Authority to be released from the First Homes obligations and sell the property at full market value in other exceptional circumstances, where they can show that being required to adhere to the First Homes requirements would cause undue hardship: for example, in a position of financial distress where failing to sell the home quickly would be likely to cause the homeowner to default on their mortgage.

**7. How will a buyer's eligibility be confirmed, and how will the restrictions be enforced?**

- a. The obligations set out in the Section 106 agreement between the developer and the local authority will also set out the restrictions that apply to future sales of the property. A restriction on title will be applied to the property and will be included in the Land Registry entry for the First Home, ensuring that no disposition of the property can take place unless the Local Authority or their conveyancer has certified that the relevant provisions have been met. It should therefore not be possible to carry out a disposal of the property and complete the conveyancing process without it becoming clear that the property is a First Home, and that the relevant conditions must be met in order for the sale to proceed. This applies to the initial sale of the new-build home, and to subsequent sales in the second-hand market. The wording of the restriction is as follows:
- b. "No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Local Authority] of [address] or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition"
- c. Local Authorities will be ultimately responsible for the process of certifying eligible buyers.

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**8. What other restrictions apply to First Homes?**

- a. A First Home should be the owner's main residence: First Homes are not intended as second homes or buy-to-let properties. Letting is permitted for up to two years, subject to the property remaining the owner's main residence and the Local Authority being notified in writing. Local Authorities may also grant permission for longer letting periods based on exceptional circumstances. Letting also remains subject to any agreement with the mortgage lender.
- b. First Homes are not designed for cash buyers: at least 50% of the purchase price must be funded by a mortgage or other home purchase plan.
- c. First Homes owners can remortgage and seek further borrowing from lenders without requiring prior approval from Local Authorities. Lenders and First Homes Owners will be mindful of the resale restriction which means that First Homes can only be sold at the specified discount to market value. Owners can only be released from this obligation by exception (see above) and mortgagees in possession can sell unrestricted (see below).

**9. What happens in the event of a default on the mortgage?**

- a. The obligations to sell the home at a discount, to an eligible buyer, do not apply to a mortgagee in possession of a First Home. Following repossession the mortgagee or receiver is therefore free to sell the First Home at the full market value, and needs only to provide written notice to the Local Authority of its intention to do so. There is no requirement on the mortgagee to attempt to sell the property as a First Home. If a mortgagee sells at full market value, there will in almost all cases be a 'surplus' after the mortgage has been paid off, over and above the discounted value of the property had it been sold as a First Home. To ensure that the mortgagor does not receive an unfair gain, the mortgagee or receiver will after the deduction of the outstanding mortgage amount (and any reasonable costs and expenses) be required to pay to the Local Authority any surplus, up to the amount of the difference between the actual sale price and the value as a First Home, with the mortgagor receiving the residual amount, which represents their fair share of the equity in the property.
- b. The First Homes Mortgagee clause is in every First Homes planning agreement and is as follows:
  - i. The obligations in paragraphs [1-6] of this Deed [covering sale only to eligible persons ] in relation to First Homes shall not apply to any Mortgagee or any receiver (including an administrative receiver appointed by such Mortgagee or any other person appointed under any security documentation to enable such Mortgagee to realise its security or any administrator (howsoever appointed (each a Receiver)) of any individual First Home or any persons or bodies deriving title through such Mortgagee or Receiver PROVIDED THAT:
    1. such Mortgagee or Receiver shall first give written notice to the [local authority] of its intention to Dispose of the relevant First Home; and
    2. once notice of intention to Dispose of the relevant First Home has been given by the Mortgagee or Receiver to the Council the Mortgagee or Receiver shall be free to sell that First Home at its full Market Value and subject only to paragraph[3 ] below
    3. following the Disposal of the relevant First Home the Mortgagee or Receiver shall following the deduction of the amount due and outstanding under the relevant security documentation



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including all accrued principal monies, interest and reasonable costs and expenses pay to the Council the Additional First Homes Contribution.

4. following receipt of notification of the Disposal of the relevant First Home the Council shall:
  - a. forthwith issue a completed application to the purchaser of that Dwelling to enable the removal of the restriction on the title set out in paragraph[of the deed] {and set out above in the notes to lenders}; and
  - b. apply all such monies received towards the provision of Affordable Housing.

10.The full text of First Homes standard form S106 planning agreement is here [ link ].

11.If a mortgage lender deems it is preferable for a distressed borrower to be able to sell their home themselves, rather than the lender repossessing the home. As noted above (see ‘What if an eligible buyer can’t be found?’), owners of First Homes are also able to apply to the Local Authority to be able to sell their home without restrictions, where they can show that to do otherwise would cause undue hardship. A situation where the owner was at risk of default, and local market conditions made a timely sale as a First Home to an eligible buyer unlikely, would constitute good grounds for the Local Authority exercising this discretion and allowing the owner to sell at full value rather than forcing them into default.

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SCHEDULE 8 Form of Authority to Exchange and COMPLIANCE  
 CERTIFICATE

<b>Authority to exchange</b>	
<b>Date</b>	[ ]
<b>To purchaser's conveyancer:</b>	[ name & address ]
<b>First Homes purchaser, the proposed First Homes Owner</b>	[Name]
<b>First Homes property details</b>	[ address ]
<b>House builder</b>	[ name ]
<b>Anticipated exchange of contracts date</b>	[on [specified date]]/[within the next [specified period]]
<b>CC House builder conveyancer</b>	[name & address]

1. [Local authority] confirms receipt of your Solicitor's Undertaking for the purchase of the Property, by First Homes purchaser, the proposed First Homes Owner.
2. This Authority to Exchange and COMPLIANCE CERTIFICATE is provided by the [local authority]. It allows you to proceed to exchange contracts for the First Homes Property on, or before, the [insert date] .
3. The Confirmation of Exchange (provided in the Conveyancer's Pack) must be completed and returned to the [local authority] within 2 working days of exchange of contracts in accordance with your Solicitor's Undertaking.
4. The purchase is subject always to:
  - a. your compliance with the provisions of your Solicitor's Undertaking and the instructions supplied; and
  - b. the Authority to Proceed and Eligibility Approval issued in respect of the Property being valid and the terms of the purchase according with the terms of such Authority to Proceed and Eligibility Approval.
5. Please note that this Authority to Exchange is only valid if it meets [local authority's] procedural requirements for the sale of properties under First Homes programme.
6. This in no way replaces or affects your obligation to comply with the terms of instructions received from [local authority], the Solicitors Regulation Authority, [local authority] for Licensed Conveyancers (as applicable) and UK Finance requirements in relation to the conveyancing process.

<b>Signed</b>	
<b>[Local authority]</b>	[ ]

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**FIRST HOMES COMPLIANCE CERTIFICATE**

<b>Date:</b>	[ ]
<b>To:</b>	[Buyer's conveyancer ]
	[Builder's conveyancer]
	[Buyer's mortgage advisor]
	[First Home buyer(s)]
<b>First Homes Buyer(s) name(s) the proposed First Homes Owner(s):</b>	[ ]
<b>First Home property to be purchased:</b>	[ plot & address ]
<b>Copied to:</b>	[First Homes Buyer(s) current address before purchase] [First Homes house builder ]

1. The homebuyer(s) (the proposed First Homes Owner(s)) First Homes application has been approved by [local authority] name] subject to the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ] and confirmed in this Authority Exchange and this Compliance Certificate issued to the proposed First Homes Owner and their conveyancer by [local authority] as follows:

<b>First Homes Buyer(s) name(s) the proposed First Homes Owner(s)</b>	[ Full Names ]
<b>Builder (current First Homes Owner)</b>	[Builder ]
<b>First Home property to be purchased:</b>	[ plot & address ]
<b>First Home forecast purchaser legal completion date:</b>	
<b>Market value (100% of value)</b>	[£ ]
<b>First Homes discount %</b>	[30%]
<b>First Homes Purchase Price (price to be paid by the proposed First Homes Owner applying the First Homes discount to the Market value)</b>	[£ ]
<b>Date of exchange of contracts</b>	
<b>Date of completion</b>	

**2.COMPLIANCE CERTIFICATE**

3. This Authority to Exchange and COMPLIANCE CERTIFICATE is issued by the [local authority] confirming that a Dwelling is being disposed of to a First Home purchaser(s) specified in this Authority to Exchange meeting the:

- a. Eligibility Criteria (National)
  - i. First Time Buyer;
  - ii. Having Household income no more than £80,000 per annum [; and if applicable
- b. the Eligibility Criteria (Local)

**[FIRST HOMES LOGO ]**  
**INSTRUCTIONS TO CONVEYANCERS**  
**FOR INITIAL NEW BUILD FIRST HOMES SALE ONLY, NOT FOR RESALE PROCESS**

- i. Lives or works in [local authority] district; or
- ii. A Key worker/essential worker defined by [local authority]; or
- iii. Member of United Kingdom armed forces. ]

4.The national and local criteria set out in full in the [local authority] First Homes planning agreement addendum/supplementary deed between [builder and [local authority] date ], the Planning Obligations.

5.And the First Homes Purchaser, the new First Homes Owner has provided all the necessary First Homes confirmations and declarations of eligibility required by [local authority] and will comply with the covenant in the transfer to comply with the Planning Obligations in relation to the Property.

6.WARNING: This First Homes Authority to Exchange and COMPLIANCE CERTIFICATE may be withdrawn at any time if the homebuyer does not comply with, or satisfy, [local authority's] eligibility criteria).

Yours sincerely

<b>Name:</b>	
<b>Signed:</b>	
<b>For and on behalf of</b>	<b>[Local authority]</b>
<b>Dated:</b>	

**[FIRST HOMES LOGO ]**  
**INSTRUCTIONS TO CONVEYANCERS**  
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**SCHEDULE 9 Confirmation of exchange**

<b>Date</b>	[            ]
<b>From purchaser's conveyancer:</b>	[ name & address    ]
<b>To [local authority]</b>	[Local authority]
<b>Confirmation of exchange for First Homes Property</b>	[Address]
<b>First Homes property details</b>	[ address    ]
<b>First Homes purchaser, the proposed First Homes Owner</b>	[ names ]
<b>House builder</b>	[ name ]

1. In accordance with our Solicitor's Undertaking dated [    ] we confirm that the Purchaser exchanged contracts on their purchase of the Property on [    ] to complete [on notice]/[Enter completion date].

<b>Yours faithfully</b>	[ purchaser's conveyancer
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**[FIRST HOMES LOGO ]**  
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SCHEDULE 10 Form of certificate of title (based on law society and council of mortgage lenders approved certificate of title - short form)

As an alternative to printing the Certificate of Title for each transaction, it is acceptable to use this short form.

<b>To:</b>	[Local authority]
<b>First Homes purchaser the First Homes owner:</b>	[names]
<b>Title number:</b>	[ ]
<b>Discount Market Price (price to be paid by the proposed First Homes Owner applying the First Homes Discount to the Market value) the price stated in transfer/lease:</b>	[ £ ]
<b>Certificate of Title</b>	The approved certificate of title in long form approved by the Law Society and the Council of Mortgage Lenders (now UK Finance) and published by the Law Society.
<b>Completion date:</b>	[ ]
<b>Purchaser's conveyancer:</b>	[ name & address ]
<b>Conveyancer reference</b>	[ ]
<b>Date of instructions</b>	[ date ]

1. WE THE CONVEYANCERS NAMED ABOVE, give the Certificate of Title published by the Law Society as if the same were set out in full subject to:
- a. the limitations contained in the Certificate of Title; and
  - b. where the confirmations or undertakings within the Certificate of Title are inconsistent with the those within our Solicitors Undertaking dated [ ], our Solicitors Undertaking shall have precedence.

<b>Name of signatory</b>	[ ]
<b>Position:</b>	[[Partner/Member/Director AND [Solicitor/Licensed Conveyancer/Chartered Legal Executive (Fellow of CILEx)]* *Delete as appropriate] ]
<b>Signed</b>	
<b>For and on behalf of</b>	[ ]

**[FIRST HOMES LOGO ]**  
**INSTRUCTIONS TO CONVEYANCERS**  
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<b>Date</b>	
	If the Partner/equitable owner of the Law Firm is not legally qualified the certificate must be countersigned by a Solicitor/Licensed Conveyancer or Chartered Legal Executive (Fellow of CILEx).

**[FIRST HOMES LOGO ]**  
**INSTRUCTIONS TO CONVEYANCERS**  
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SCHEDULE 11 Local planning agreement (including the  
Planning Obligations and purchaser eligibility criteria)

1. See annex

1. [Local authority] local eligibility criteria
  - a. Confirmed by [local authority] [date] and only for use at [name of development].
  - b. **Local connection criteria to be (for purchasers in first 3 month of marketing):**
    - i. XYZ
  - c. **Keyworker/essential worker criteria**
    - i. XYZ
  - d. We also note that for Armed forces, there is a broadening of eligibility (National criteria) 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..
  - e. **Noting that purchasers in either of the above local/essential worker/Armed Forces criteria must also satisfy the First Time Buyer requirement and household income cap <=£80,000 pa.**