



JT Consultancy Ltd.

Rent To Buy Initiative: KEY FACTS

A generation of young people and young families are being locked out of the housing market without a hope of ever sharing in the asset wealth of the generation before them. We've started our Rent To Buy scheme to set people free from a lifetime of renting. In the past two decades property prices have risen by 173%, but average pay for the next generation of homeowners has only risen by 19%.

Getting together the deposit to buy a property, and earning enough to qualify for a mortgage, are the major obstacles which prevent people from owning their own home. Our Rent To Buy initiative overcomes the major obstacles.

- Our Rent To Buy contract is over 3 years
- Buyers can choose to exercise the option to buy after year 2
- The sale price is fixed at the start of the contract, which provides certainty for the buyer and insulates against the effect of house price inflation in a rising market
- Rental payments will be equivalent to between 15%-25% of the sale price, equally split over 36 months. The monthly rent paid is not wasted money, it's saved to become the deposit when the Right To Buy is exercised after 3 years (2 years if that option is taken)
- All the rent paid at the end of 3 years (or 2 years if that option is taken) will become available as deposit money when the Right To Buy is exercised. This means that the rent paid is being put to good use, and not just disappearing into a landlord's pocket
- The amount the buyer will need to borrow will be considerably less as the amount they paid in rent for the last 3 years will go towards the cost of the property in the form of a deposit
- After 3 years there is the possibility for the tenant to extend the period and still purchase under the Rent To Buy initiative, beyond the 3 year period. Each request to extend will be dealt with on a case by case basis.
- The value of the property will potentially increase over the 3 year period, but, very importantly, the sale price is fixed at the start of the 3 year period
- Purchasers will benefit from a minimum 99 year lease at the end of the Rent To Buy contract (only applicable on apartments and leasehold dwellings)
- Purchasers will fully own the property, as opposed to shared ownership schemes where the purchaser only owns part of the property
- It is our vision to make our properties affordable

Contact Details

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Comparison Between Our Rent to Buy Initiative The Government's Scheme and the Traditional Mortgage Route

| | Our Rent To Buy Initiative | Government's Rent To Buy Scheme | Traditional Mortgage Route |
|---|---|---|---|
| Period before you can buy | 3 Years | 5 Years | Average 10 Years Renting |
| Price you buy at | Purchase price is set at the year you start to rent | Purchase price is set in the year you buy | Purchase price is set in the year you buy |
| Rent accumulating for deposit to buy | Accumulates to provide your deposit when you buy the property | Potentially insufficient accumulation for the deposit when you buy the property | Average starting deposit 10% (£200K mortgage £20K deposit required) |
| Ownership on buying | Fully own the property | Usually shared ownership | Fully own the property |

A generation of young people face the prospect of never owning their own home. And their parents face subsidising them long after they were expected to fly the nest. Let's make a difference together.



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