Appendix - First Time Buyers Savings Scheme - Note

- This scheme is broadly based on the Help to Buy ISA scheme in the UK with a series of changes made to the level of top up money available to savers. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/413899/Help_to_Buy_ISA_Guidance.pdf

- According to PQ 38771/15 some 10,000 first time buyers per annum are projected by the Department of Finance. As per PQ reply "*Initial projections indicated that approximately 30,000 first time buyers could be eligible to benefit over the duration of the scheme*". Of these according to an ERSI profile of First Time Buyers 65% will be joint buyers, creating 16,500 eligible account holders per annum. This forms the basis of the scheme projections.

- Accounts are based per person rather than per home so joint purchasers are eligible for two separate savings accounts. Government tops up savings by 25% to a maximum of €5,000.

- Savers can lodge €2,000 initially into their account and can exercise one additional €2,000 lodgement every year subject to the €5,000 top up cap.

- Monthly savings are capped at €400, which combined with the €2,000 lodgement is a maximum first year cost of €1,700 per account. The exchequer cost based on 16,500 annual accounts would be €28.05m per annum.

- This would increase to €56.1m in Year 2 and €84.15m in Year 3.

- There is no limit on how long an account can be opened but the financial projections assume maximum drawdown of the top up leading to the first 16,500 reaching their top up cap of €5,000 before the end of the year 3.

Table 1. Costs

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Savers	16,500	33,000	49,500	49,500	49,500
Cost	€28.05m	€56.1m	€84.15m	€84.15m	€84.15m
Annualised Additional Cost	€28.05	€28.05	€28.05m	-	-