



# Guide

to

Ensure You're  
Getting A Good  
Deal With The  
Help-To-Buy Scheme

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If you plan to benefit from the government's new Help to Buy equity loan scheme, consider these 5 things before you commit.

The new Help to Buy will only be available to first-time buyers and it only enable the purchase of new-build properties.

The new scheme will end in 2023.

The UK government launched its first Help to Buy initiative in 2013 in a bid to help more people get on the housing ladder. Since its launch, the scheme has helped more than 270,000 people purchase a property.

Help to Buy offers buyers in England who have a 5% deposit a government equity loan of up to 20% of the property value, or up to 40% in London, that is interest-free for the first five years borrowers will have to pay a management fee of £1 a month for the life of the loan.

Buyers can then apply for a Help to Buy mortgage for the remaining 75% value of their homes from a participating mortgage lender.

## DETERMINE THE PRICE YOU'RE PAYING

Check out online house price tools to compare prices of homes to determine if what you are paying is fair.

## DETERMINE WHAT YOU CAN AND CAN'T DO IN THE PROPERTY

The home is yours but the government retains an equity share which means you might need their permission to conduct any renovations. This doesn't mean you won't be able to do anything, but you might just need to get pre approval.



## DETERMINE THE TERMS OF YOUR LEASE

Around a quarter of all Help to Buy properties in England are leasehold and almost all Help To Buy properties in London are leasehold. This means homeowners need permission from the freeholder to renovate and probably need to pay an annual rent. .

## DETERMINE HOW MUCH YOU CAN SPEND IN YOUR AREA

From 1 April 2021 prices are capped at 1.5 times the average first-time buyer property price in their region.



# THE AMOUNT YOU MAY HAVE TO REPAY FOLLOWS PROPERTY PRICES



The amount you owe on the equity loan goes up if your property value increases which is why it would receive that value when you come to sell.

Buyers who haven't already sold their Help to Buy home, will have to repay the loan after 25 years.

# Contact Us

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