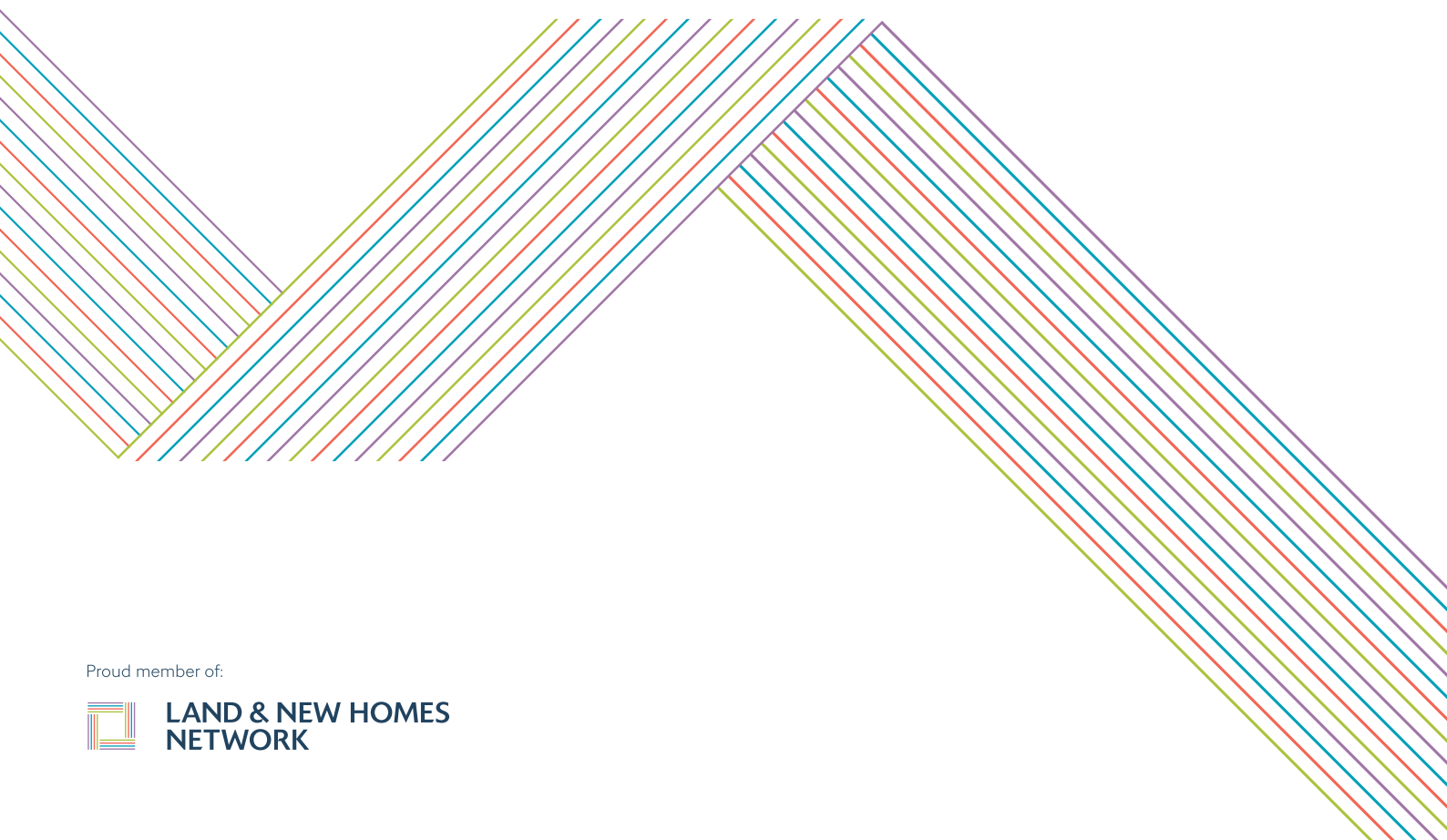


webbers



A guide on Help to Buy



Proud member of:



**LAND & NEW HOMES
NETWORK**

The government has created the Help to Buy schemes including Help to Buy: Shared Ownership and Help to Buy: Equity Loan to help people to take steps to buy their own home.

How does it work?

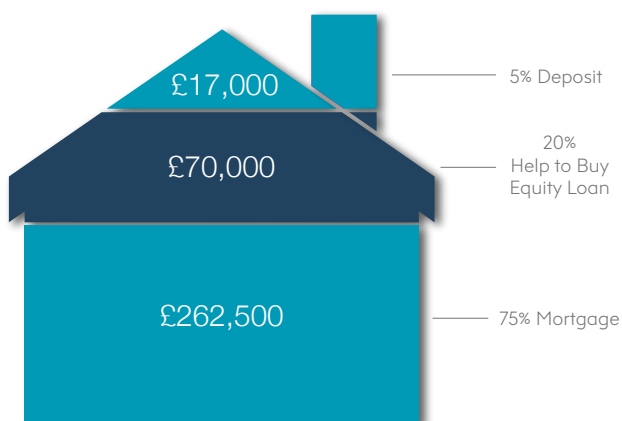


With a Help to Buy: Equity Loan the government lends you up to 20% of the cost of your newly built home, so you'll only need a 5% cash deposit and a 75% loan to make up the rest.

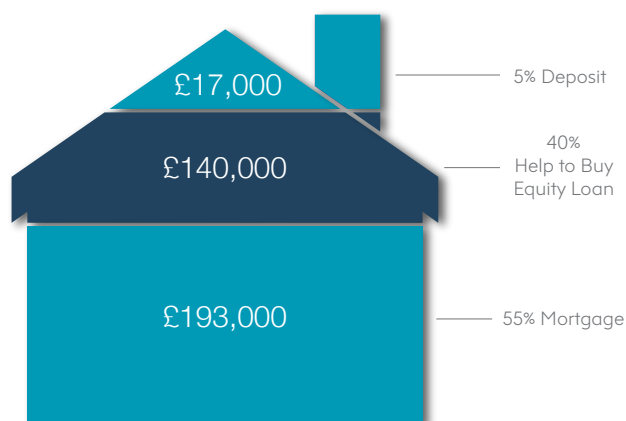
In addition there is London Help to Buy: Equity Loan which applies to newly built properties within London Boroughs – in this instance the equity loan is upto 40%.

Below are two examples based on both schemes, ie 20% HTB Equity Loan and the 40% London HTB Equity Loan.

20% Typical Help To Buy
Example: £350,000



40% Typical Help To Buy
Example: £350,000



- You will need at least 5% of the purchase price of your new build flat or house as a deposit.
- The Government lends you either 20% or 40% of the purchase price depending on whether the property purchase falls in a London Borough or outside.
- You would then borrow the rest (upto 75%) from a mortgage lender, on a repayment basis.

Who is Eligible?



Equity loans are available to first time buyers as well as homeowners looking to move. The home you want to buy must be newly built with a price tag up to £600,000.

You won't be able to sublet this home or enter a part exchange deal on your old home. You must not own any other property at the time you buy your new home with a Help to Buy: Equity Loan.

How to Apply?



The Help to Buy: Equity Loan scheme is run by Government-appointed Help to Buy agents. Our Webbers Help to Buy specialist will be pleased to guide you through your purchase, from providing general information about the scheme to dealing with your application.

Who can't apply for the scheme?



- You can't use the above schemes to buy a second home or a property to rent out.
- If you use Help to Buy, you can only take out a repayment mortgage.
- You can't buy a property for more than the set price limits (see below).

Interest rates for paying back your loan?



- Years 1-5: no fees
- Year 6: 1.75% of the loan
- Year 7 onwards: 1.75% + RPI + 1%
- These fees do not go towards paying off the government loan.
- When you sell your home, or the mortgage is paid off, you have to repay the equity loan plus a share of any increase in the value. It works like this:

What happens when you sell?



Home bought for £350,000, sold for £437,500

Increase in value	25%
Equity loan repayment	£175,000 (£140,000 + 25% Profit)
Mortgage	£193,000 (less capital repayments)
Your share	at least £69,500

webbers



For further information contact:

☎ 01271 379 797

✉ newhomes@webbers.co.uk

🌐 webbers.co.uk

Proud member of:



Copyright Land & New Homes Network – 01672 556310