

Help to Buy scheme extended

Thousands of families can still benefit from the current Help to Buy scheme despite delays in building their new homes due to coronavirus, the government announced today (31 July 2020).

The deadline for the homes to have been finished in order to comply with the equity loan scheme has been extended to ensure customers do not miss out if there has been a delay in construction due to the pandemic.

Under the current scheme, new homes would needed to have been finished being built by the end of December – the extension will mean the deadline will now move to 28 February 2021, helping thousands of customers to get the keys to their new home. The deadline for the legal completion of the sale will remain the same – 31 March 2021.

The government is also announcing an extra measure to protect existing customers who have experienced severe delays as a result of coronavirus.

Homes England, the government's housing accelerator, will work with those who had a reservation in place before 30 June to assess their situation and look to provide an extension where necessary. In which case, they will have until 31 May 2021 to legally complete.

Separately, the government's new Help to Buy scheme, which will replace the current scheme, will come into place from 1 April 2021 and run until March 2023 as planned and there are no plans for further extensions. The new scheme introduces property price caps and is restricted to first-time buyers only, supporting people onto the housing ladder.

Building the homes the country needs is a priority for the government to ensure everyone can access a decent, secure place to call home, and to support our recovery from the impact of coronavirus.

That's why we're supporting smaller developers with an extra £450 million through the Home Building Fund, providing £400 million to build new homes on brownfield land and have introduced new laws to speed up delivery. The government continues to listen to Help to Buy customers and the property industry to understand the challenges and opportunities they face.

Housing Minister Rt Hon Christopher Pincher MP said:

This government is committed to helping a new generation to realise their dream of home ownership, and since 2010 we've helped more than 640,000 families into home ownership through our support including Help to Buy and Right to Buy.

Today's announcement will help provide certainty and assurance for Help to Buy customers whose new homes have been delayed due to coronavirus and affirms the government's commitment to helping more

people to own their own home.

The Help to Buy equity loan scheme has helped more than a quarter of a million people to buy a home. Since the start of the scheme on 1 April 2013, 272,852 property sales have been completed.

Help to Buy equity loans provide a low-interest loan towards your deposit. Customers need a 5% deposit, and the government lends up to 20% of the value of the home (up to 40% of the value if you are purchasing in London).

This announcement applies to the scheme in England, which is administered by the UK Government, and not to similar schemes in Northern Ireland, Scotland or Wales.