

Help to buy Wales leads the way in tackling leasehold abuse

Rebecca Evans said:

“In March this year I changed the rules on the Help to Buy – Wales shared equity loan scheme, to restrict the use of leasehold unless absolutely necessary.

“We were able to do this by working with the major home builders. Taylor Wimpey, Bellway, Barratts, Redrow and Persimmon also made the commitment to no longer offer houses for sale on a leasehold unless absolutely necessary.

“Help to Buy – Wales is available to support the purchase of all new homes up to £300,000 bought through a registered builder. This means the impact of reducing the unnecessary use of leasehold in Help to Buy – Wales has been much wider. Feedback from housebuilders is that developers are ensuring homes they market meet Help to Buy – Wales criteria, whether or not they are sold through the scheme.

“New figures out today show that we have virtually eradicated the sale of houses on a leasehold basis through Help to Buy – Wales. I’m proud to say we have worked with builders and made positive change for homebuyers in less than a year, without the need for legislation.

“I want everyone in Wales who buys a new leasehold home to do so on fair lease terms, terms which provide security and confidence. To take this further we are working with UK Finance to see how the lead taken by Help to Buy – Wales could spark positive changes on a wider review of leasehold and give real and lasting protection for buyers.

“Everyone involved in the home buying process has a responsibility to protect the consumer and reinstate confidence into the market. The actions I have taken with Help to Buy – Wales and the commitment from the major home builders demonstrate it can be done simply and quickly. I look forward to working with UK Finance as we continue to make improvements for people who want to buy a home.”

John Marr, Principal, Developed Government and Social Housing, UK Finance, said:

“UK Finance and lenders continue to engage with the UK Government and the Welsh Government in relation to leasehold reform. Today’s

figures from Help to Buy Wales show the potential for change and we expect policy makers to consider this when deciding how best to ensure a fair deal for leaseholders across England and Wales. Lender requirements in relation to leasehold reflect firms' individual positions and these will continue to be framed against the backdrop of any legal restrictions on lease terms."