



## Help to Build Equity Loan scheme launched

After the recent government announcement of further help being offered to first-time buyers as they try to get onto the property ladder, we thought it would be a good time to breakdown what the Help to Build Equity Loan scheme is and how it may be able to help you. The scheme aims to offer those who have not been able to buy their first home the opportunity to build it, with 5% deposits made available and backed by £150 million of government funding.

### What does Help to Build include?

Help to Build is a government equity loan, available to those in England who want to custom build, self-build or shell build a home. With custom build - you work with a small or large developer to design the build, specifications and layout of the home to meet your needs now and in the future whereas with self builds - you create an individual home to suit your needs and handle every stage of the building project. With a shell home - you buy the outside shell of a watertight home, with walls, a roof, and windows, but it's unfinished inside. It allows you to tailor the internal layout to suit your needs, including where to build internal walls.

On June 27th, 2022, the Help to Build Equity Loan scheme went live as the government works to help younger people get their hands on their first homes. As part of the 'Levelling Up' initiative - the new scheme will allow 5% deposits on land and building costs on new Help-to-Build mortgages. With £150 million of government backing behind the scheme, first time buyers will now be able to access self and custom designed homes with a much more affordable initial deposit – with the previous average for deposits on these mortgages around 25%. The change will mean that first-time buyers will no longer be priced out of building their first homes. The scheme will help to "level up communities" by

supporting young people and families into homeownership in the areas they wish to live.

In response to Richard Bacon MP's independent review of scaling up custom and self-housebuilding, the government have set out how the new scheme could deliver 30,000 – 40,000 new homes a year.

Speaking on the government's response to his report, Richard Bacon MP said:

"I am very pleased by the government's warm response to my review. The government recognises the crucial role which custom and self-build housing can play in addressing the nation's housing challenges, including delivering more affordable housing.

Making it easier for people to build or commission their own homes helps to promote a more diverse housing market with more real choice and control for consumers.



**If you'd like to discuss the options available to you, contact your adviser today.**

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