



## Help to Buy: Equity Loan

Consumer advice and guidance | Apr 2019

With a Help to Buy: Equity Loan the Government lends you up to 20% (40% in London) of the cost of a newly built home with a price tag of up to £600,000. This allows you to buy a home with just a 5% cash deposit and a 75% mortgage to make up the rest.

## Things to consider when buying a new home

Buying a new build home is an exciting time, but it can be a bit daunting too. It's important to seek expert help and advice, here are a few key things to consider.

### 01

#### New build warranty

When you buy a Help to Buy: Equity Loan, the builder must provide a NHBC or similar building warranty. The builder must also comply with good practice principles in the Consumer Code for Home Builders.

The building warranty requires the builder to fix issues with the construction of your home. This includes structural defects like leaking windows, faulty pipes, and problems with floors, walls and ceilings.

Check the warranty carefully to know exactly what it covers and how to make a claim. If you spot a problem covered by the warranty, contact the builder. The builder is responsible for putting it right.

You will still need to purchase home insurance to protect you from accidents and natural disasters like a storm, fire or flood.

For peace of mind, consider using a snagging survey to pick up quality issues before you move in.

### 02

#### Leaseholds terms

Almost all flats are leasehold. A lease is a private legal agreement between you and your landlord or freeholder. It sets out the rights and responsibilities of both parties.

The terms of leases can vary widely, so you must take independent legal advice. Be sure to find out about the ground rent, service charges, maintenance and buildings insurance.

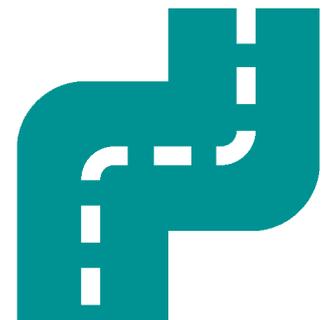
It's important to fully understand the terms of your lease before you sign on the dotted line. Your solicitor should explain the lease terms to you before you exchange contracts.



### 03

#### Unadopted roads

An unadopted road is a private road not maintained by a local highway authority. You may be legally responsible for the road maintenance, repair and insurance. It's important to get advice and factor in any potential costs for repairs and maintenance.



# Get expert help and advice

Buying a new home can feel overwhelming, so it's important to seek expert advice. While Homes England is your Help to Buy: Equity Loan provider, we do not offer financial or legal advice or builder mediation services. But we can point you in the right direction. There are many organisations able to provide free and impartial advice and point you in the right direction.

## Finance Matters

The Money Advice Service is an independent organisation set up by the Government. It has a range of free and unbiased tools and advice for first time buyers, including how much you can afford to borrow, taking out a mortgage, and a money timeline.

## Buying a leasehold property

The Leasehold Advisory Service (LEASE) is funded by Government to provide free advice on the law affecting residential leasehold property.

Tel: 020 7832 2500

[www.lease-advice.org](http://www.lease-advice.org)



## Stamp duty

For information on Stamp Duty and the latest rates look at: [www.gov.uk/stamp-duty-land-tax-rates](http://www.gov.uk/stamp-duty-land-tax-rates)

## Arranging a survey

Visit the Royal Institution of Chartered Surveyors (RICS) website. To find a surveyor in your area visit:

[www.ricsfirms.com](http://www.ricsfirms.com)

[www.rics.org/usefulguides](http://www.rics.org/usefulguides)



## Legal Matters

For your local Citizens Advice Bureau visit:

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

For help in finding a solicitor, contact The Law Society

Tel: 020 7320 5650

[www.lawsociety.org.uk/ndasolicitor](http://www.lawsociety.org.uk/ndasolicitor)



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[www.helptobuy.org.uk](http://www.helptobuy.org.uk)

[www.myfirsthome.org.uk](http://www.myfirsthome.org.uk)



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