

Peter Denton  
Chief Executive  
Homes England

11 November 2022

Dear Peter

### Help to Buy First Longstop

I'm writing regarding the forthcoming First Longstop for Help to Buy completions for 2022/23.

With the Help to Buy scheme now in its final months I understand the importance to Homes England of an orderly closure of the initiative. It is important, too, for the home building industry that the scheme winds down in a sensible way. In a long line of home ownership interventions, Help to Buy has been the most successful and will likely be looked back on in the future in greater regard than the way it is currently portrayed by some.

You may be aware that a number of our members have expressed some concern that the 31 December deadline for practical completion may put at risk a small proportion of Help to Buy transactions that are currently planned for this final year of the scheme.

Of course, no one in the industry can claim to have been unaware of the deadline, but the construction of new homes has been especially challenging over the recent period with materials constraints and labour force shortages in places. Activity in the sub-contract space has also presented difficulties for some firms and disrupted build programmes.

The challenges being experienced are not considered to be fundamental or systemic and only marginal flexibility is required for a relatively small number of affected plots, and in some cases the build programmes may currently look deliverable by 31 December but with very little or no leeway available should issues with weather or the availability of materials or labour arise. I would also stress that **no issues relating to the important second and final Longstop for legal completions have been relayed to HBF** and all members who have raised the issue with us have expressed a firm view that legal completions will take place well in advance of the Second Longstop date.

Because of the rapid changes in Bank of England Base Rate and the shifts seen in the mortgage market over recent weeks and months, I am concerned that homebuyers having their Help to Buy mortgage offers withdrawn because of doubts over First Longstop deliverability may struggle to obtain suitable and affordable mortgage finance in the current circumstances meaning that the potential for



customer anguish. And because of the importance of the transaction and the time of year, home builders will need to communicate any concerns to buyers in the coming weeks.

I would be most grateful for your thoughts on this matter and would be very keen to discuss the issues with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stewart Baseley', with a horizontal flourish underneath.

**Stewart Baseley**  
**Executive Chairman**

Copy to:

Rt Hon Lucy Frazer KC MP, Housing Minister  
Peter Freeman, Chairman, Homes England