



MACTAGGART
& MICKEL

The Benefits of Help to Buy (Scotland) Affordable New Build Scheme



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- Whether you're a first-time buyer, second stepper or downsizer, Help to Buy (Scotland) Affordable New Build Scheme could provide the perfect solution for you
- With Help to Buy (Scotland), only a minimum 5% deposit is required to purchase a new build home, by taking up an equity loan of up to 15%
- Help to Buy is available on selected Mactaggart & Mickel developments on all our properties up to the value of £200,000, for purchases with legal completion by the end of March 2021

Example below of how Help to Buy (Scotland) Affordable New Build Scheme can be applied to a home priced at £200,000

	£	%
Purchase price of new home	£200,000	100%
Mortgage obtained by buyer	£160,000	80%
Buyers deposit	£10,000	5%
Total contribution from buyer	£170,000	85%
Scottish Government assistance - 15% equity stake	£30,000	15%

What is the Help to Buy (Scotland) Scheme?

The Help to Buy (Scotland) scheme aims to help credit-worthy buyers to buy a new-build home where this is sustainable for them. Under the scheme, the Scottish Government will help you to buy a new-build home so you do not have to fund all of it.

The homes that are provided under the scheme are new-build homes from homebuilders which have been approved by the Scottish Government to participate in the scheme. Mactaggart & Mickel are approved and registered to participate.

Who is the scheme aimed at?

The Help to Buy (Scotland) scheme is open to all buyers seeking to buy a new-build home from a participating home builder. The home must be your only residence and you must not own another home. If you do own another home, you are expected to sell this before you purchase a home under the scheme.

You cannot rent out your own home and purchase a new home under the scheme.

How does the scheme work? *

You will be required to fund at least 85% of the purchase price of a home, which for most homebuyers will be through a combination of mortgage and deposit, and you will be able to obtain assistance from the Scottish Government of up to 15% of the purchase price (subject to the maximum threshold price of £200,000). The Scottish Government will hold the equity stake in a legal Shared Equity agreement that it will enter into with you.



Does it matter how much the new home is to cost?

The maximum new property price for Help to Buy is £200,000; this applies to home purchases which will have their legal completion before 31st March 2021. Any homes sold for a price above this maximum threshold will not be eligible for assistance under the scheme.

How much deposit do I need?

If you are funding your home purchase with a mortgage, your mortgage lender is likely to require you to contribute a deposit of at least 5% of the full purchase price and your mortgage and deposit must cover a combined minimum 85% of the total purchase price. Your mortgage from a qualifying lender must be a repayment mortgage and you are not permitted to buy a Help to Buy (Scotland) scheme property with an interest-only first mortgage.

I have a property I'd like to exchange; can I take advantage of the scheme?

The scheme will not be available for part-exchange or for buy-to-let. The scheme will be open to help all homebuyers to purchase a new home; this means that if you are an existing homeowner you can participate in the scheme as long as you sell your existing home first.

Do I apply for a mortgage in the usual way or do I require a special mortgage?

We as the home builder will receive the sale price for purchased homes through a combination of your mortgage finance (applied for in the usual way) and the assistance provided by the Scottish Government to you. The Scottish Government's contribution will be made available to your solicitor at legal completion of the purchase, to be sent on to us, the home builder.

Who will deal with the application for Help to Buy (Scotland)?

Financial Advisors Mortgage Advice Bureau will complete the application form with you, and sign it with you. Mortgage Advice Bureau will then forward the form to the Administering Agent (Link Housing Association), who will manage and administer the scheme. Administering Agents will assess applications to the scheme from prospective buyers to determine whether they meet certain criteria, and will then inform prospective buyers if their application has been successful. They will also notify the house builders or the developer.

Will the property be covered by NHBC?

All properties will be covered by an NHBC Buildmark warranty and home builders are also expected to have adopted the Consumer Code for Home Builders (<http://www.consumercodeforhomebuilders.com/>) Mactaggart & Mickel have been compliant with the Consumer Code since 2010.

The property I am interested in is an ex-rental property; can I take advantage of the scheme to buy this?

No, homes which have been previously occupied either by an owner-occupier or a tenant before sale may not be purchased with assistance under the scheme.

Do I have to use Mortgage Advice Bureau?

Mortgage Advice Bureau are available to assist you with the application process however you can seek independent financial advice from any other source. You should be aware that if you choose another advisor that is not familiar with the scheme this may delay the application process. NB. Regardless of who provides financial advice, all our clients will be referred to Mortgage Advice Bureau to be qualified to ensure they meet the Help to Buy criteria prior to them reserving a new home.

Do I require a mortgage or can it be a cash sale? *

It is a requirement of the scheme for you to take out and maintain a mortgage for a minimum of 25% of the purchase price, with a qualifying lender. The sale price of a home sold under the scheme must match the main mortgage lender's independent valuation.

Example below of how Help to Buy (Scotland) Affordable New Build Scheme can be applied to a home priced at £134,995

	£	%
Purchase price of new home	£134,995	100%
Mortgage obtained by buyer	£107,996	80%
Buyers deposit	£6,750	5%
Total contribution from buyer	£114,746	85%
Scottish Government assistance - 15% equity stake	£20,249	15%

Will I have to pay Land and Buildings Transaction Tax (LBTT)?

LBTT rules and procedures will apply to all purchases made under the scheme. You are required to pay LBTT on the full purchase price of the home. That is, on the amount paid by you plus the value of any assistance you receive from the Scottish Government under the scheme.



What if I sell the house purchased under the scheme?

If you decide to sell your property purchased with Help to Buy, and for example you have an 85 per cent equity stake in your property, you will receive 85% of the selling price when it is sold. The Scottish Government will receive the remaining 15%.

Can I pay back the equity to the Government while I am still living in the house?

You may choose to 'tranche up' and purchase additional equity in your home in any one year. The minimum amount you would be expected to 'tranche up' by, if you choose to do this, is 5%.

What happens if my house is worth less when I sell it than when I bought it?

The Scottish Government recognises that the value of homes can also fall. It is intended that the Scottish Government will accept any depreciation as long as the owner has complied with the terms of the mortgage and the Shared Equity agreement; the Scottish Government will not pursue the owner for payment if there is a shortfall.

Who is responsible for the repairs and on-going maintenance to my home?

You have sole responsibility to repair and maintain your home. It is not the responsibility of the Scottish Government or the home builder that you buy your home from. Your new home will come with a Mactaggart & Mickel warranty

for two years to cover remedial items (snagging), and an NHBC warranty. Please check with your solicitor what this warranty covers.

What costs should be considered in the buying process?

It is advisable that you should ensure that you have funds to pay for the following:-

- A reservation fee - £500 on all Mactaggart & Mickel's properties
- A deposit of 5% of full purchase price of the property
- Any other relevant fees that you will need to pay such as LBTT, legal fees, registration fees, etc.

What else do I need to know?

You should ensure that your solicitor advises you on the terms of all documentation and that you are satisfied with those terms before agreeing to enter into any legal commitments.

The Shared Equity arrangements will include the granting of a mortgage (or 'standard security' as it is known in Scotland) to secure the rights of the Scottish Government.

- For clients over 60, who meet specific criteria, there is no requirement to take out a mortgage or if you do take out a mortgage it doesn't have to be for at least 25% of the purchase price. For full information and to check eligibility please log onto www.mygov.scot or alternatively we will be pleased to schedule an appointment for you to discuss with Mortgage Advice Bureau.



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Please visit website for full details

macmic.co.uk



Help to Buy (Scotland) Affordable New Build Scheme is not available in conjunction with any other offer. The value of the Government's 15% share on sale of the property will be based on the value of the property at that time. Typical example, if you sell your property for £200,000 then 15% (£30,000) is payable to the Scottish Government. Alternatively, if you sell your property for £300,000 then 15% (£45,000) is payable to the Scottish Government. Terms and Conditions apply. Also subject to mortgage lenders' criteria. Your home may be repossessed if you do not keep up repayments on your mortgage. Participation in this offer to purchase a Mactaggart & Mickel property is at the sole discretion of Mactaggart & Mickel.