



NEW BUILD MORTGAGES – BACK TO THE FUTURE?

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HOMES FOR SCOTLAND: FIRM FOUNDATIONS – 10 YEARS ON
1ST NOVEMBER 2017

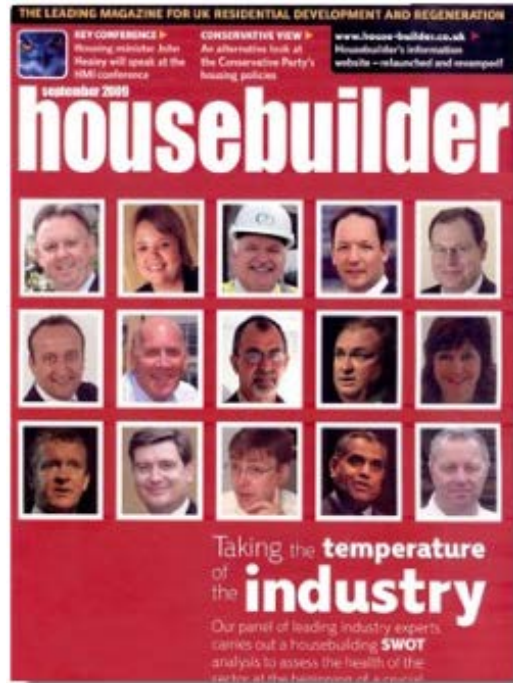


Topics:

- **What does the current picture look like**
- **Mortgage availability**
- **What are the challenges and opportunities for mortgage lenders?**

How far have we come?

2009



Weaknesses:



- No.1 – Downvaluations (24%)
- No.2 – Tight Mortgage Market (22%)

2017



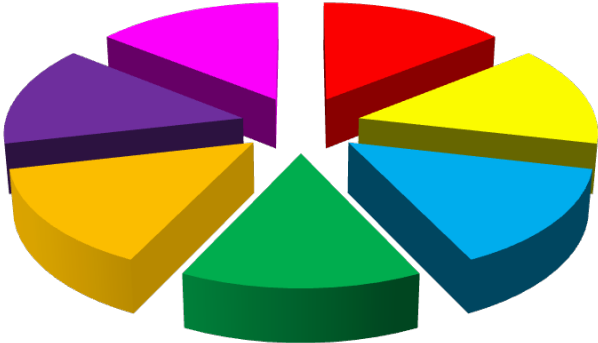
Strengths:



- ✓ No.4 – Low Mortgage Rates (16%)

Consumer Choice – Lender Risk

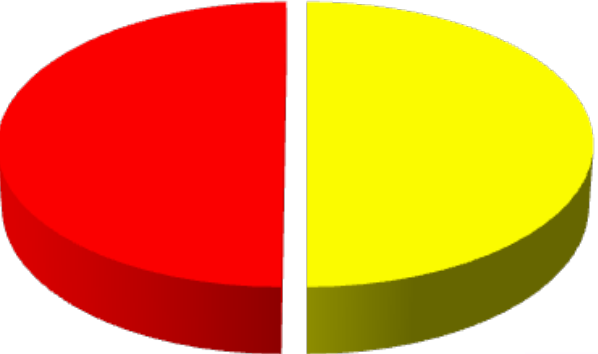
Number of Lenders supporting HtB (Scotland) Affordable New Build Scheme:



Number of Lenders supporting resale covenant schemes (e.g. Golden Share):



Number of Lenders supporting 'standard' New Build buyers with a 5% deposit:



Quality - We are in this together.....



“From April buyers of newly built homes will have greater certainty that their home will be satisfactorily complete before they move in. Up until now this has not always been the case, leading to a catalogue of problems ranging from missing doors to uninstalled lifts. The end result can be months of misery for homebuyers as they endeavour to negotiate with builders to correct (and sometimes dangerous) defects.”

CML - APRIL 2003!!!

Quality – Skills / Labour / Materials



All Party Parliamentary Group for Excellence in the Built Environment


 appg

HOUSE OF COMMONS
LONDON SW1A 0AA

More homes, fewer complaints

Report from the Commission of Inquiry into the
quality and workmanship of new housing in England

July 2016

 UK FINANCE

UK Finance Disclosure of Incentives Form Version 2.1
(use from 12 March 2012)

This form must be completed by the seller(s) of any property that is to be occupied or purchased for the first time, or for the first time in its current form, i.e. a new build, renovated or converted property. The completed form must be supplied to the solicitor/conveyancer acting on behalf of the lender providing the mortgage finance for the property. The form must be supplied to the valuer acting on behalf of the lender upon request. This form is designed to ensure full disclosure of the financial aspects of the sale. It is not meant to be used to provide a valuation.

1. BUYER DETAILS
Name(s) of buyer(s)

2. NEW PROPERTY DETAILS
Plot Number Dwelling type
(bungalow, flat, maisonette etc)
Development Name and Address
Property Postal Address Postcode
(if allocated) (if allocated)

3. ASSISTED PURCHASE DETAILS
Please provide full details of any assisted purchase scheme utilised in this transaction
(e.g. shared equity, shared ownership, loan from seller or other indemnity/guarantee scheme)

IF SHARED EQUITY
Total of any 'equity loan(s)' held by seller, provided by government or by other third party % (percent)
(usually in the legal form of a second charge)

Name of party or parties retaining/providing an equity loan
Name of scheme


IF SHARED OWNERSHIP
Ownership share purchased by the buyer % (percent)
Ownership share retained by seller or purchased by third party % (percent)

Name of party or parties retaining/purchasing an ownership share

LOAN FROM SELLER
Provide details of the loan including any interest and repayment terms, whether secured or unsecured


IF OTHER SCHEME
(e.g. benefit of 1st time home)
Name of scheme

Please provide details of any resale restrictions included in the title

 CONSUMER CODE FOR HOME BUILDERS

Consumer Code for Home Builders

This document contains the mandatory Consumer Code requirements that Home Builders are required to follow

 CLEAR ENGLISH NATIONWIDE

Third Edition – April 2013

Are Modern Methods of Construction (MMC) part of the solution?



Charles II (1666)

“..that no man whatsoever shall presume to erect any house or building, great or small, but of brick or stone; and if any man shall do the contrary, the next magistrate shall forthwith cause it to be pulled down,..”



**✓ Timber Frame:
9% - v – 81%**

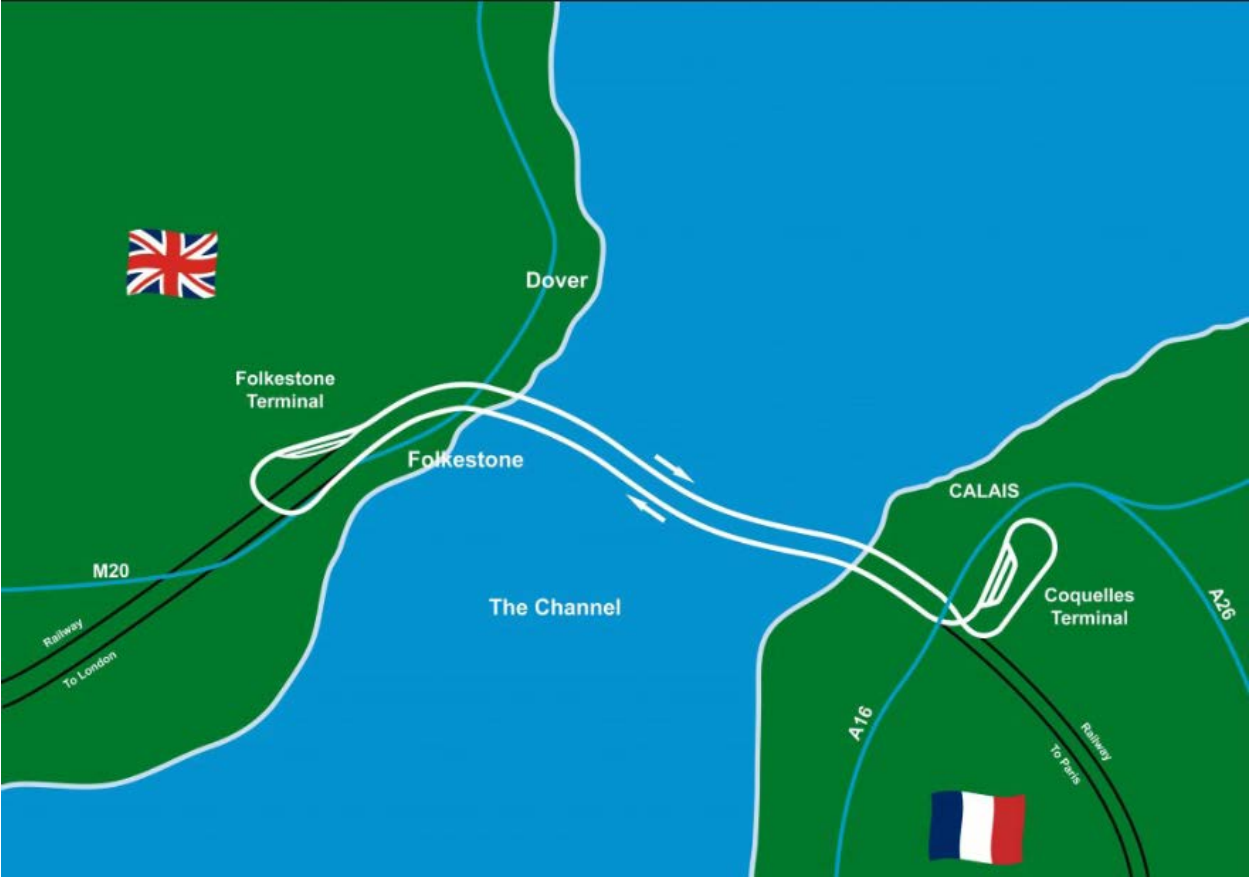
Source: NHBC



Housing Defects act 1984 (etc)



Lessons from the past



LLOYDS BANKING GROUP



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