



Department for Levelling Up,
Housing & Communities

Rt Hon Lucy Frazer KC MP

Minister of State for Housing and Planning

**Department for Levelling up, Housing and
Communities**

Fry Building
2 Marsham Street
London
SW1P 4DF

Stewart Baseley
Home Builders Federation
27 Broadwall,
London,
SE1 9PL

26 January 2023

Dear Stewart,

I am writing to you, following my letter on 1 December 2022 in relation to the contractual deadlines for the Help to Buy: Equity Loan scheme. When I wrote to you in December, I outlined the importance of the deadlines set out in the Help to Buy: Funding Administration Agreement (FAA) that all developers agreed to when they signed up to the scheme. However, I agreed that it was important to avoid customer detriment as a result of unforeseen circumstances resulting in the delayed completion of a small number of properties. For this reason, I agreed to delay enforcement of the practical completion deadline to 31 January 2023 and asked you to work with your members to ensure that this deadline and the 31 March deadline for legal completion were met.

Over the past month, I have received a number of letters from developers, customers and MPs requesting further forbearance in relation to the practical completion deadline. As I stated in my previous letter to you, we have been consistent with the long stop dates since the scheme was launched and Homes England have undertaken regular engagement with the sector where they have stressed that developers should only accept orders that will meet all of the deadlines. As such it is disappointing to understand some developers are now asking for additional forbearance.

I understand from Homes England that a number of these developments are delayed by longstanding issues which are unlikely to be resolved in advance of the legal completion deadline of 31 March. In these cases, it is crucial that developers, in compliance with their contractual obligations, refund customer reservation fees as soon as possible. However, after taking advice from my officials I am prepared to offer a further six weeks forbearance to 17 March with respect to the enforcement of the practical completion deadline to support the few remaining transactions over the line. Beyond this, there will be no further forbearance on the practical completion deadline as I believe this will put customers at risk of not being able to legally complete before 31 March.

If developers wish to make use of this forbearance, they will need to provide Homes England with details of the plots they require the forbearance for, the reasons for the delay as well as the date they expect the plot to complete by. Homes England will contact developers directly in relation to this process.

I was very clear in my original letter and want to reiterate that there is no leniency on the final legal completion deadline of 31 March 2023. The scheme end date is non-negotiable and there will be no funds available from HM Treasury to support transactions beyond this financial year. For this reason, homes that do not legally complete by 31 March 2023 will not be able to access the Help to Buy equity loan and I ask for your continued support in communicating this to your members.

Yours sincerely,

A handwritten signature in black ink that reads "Lucy Frazer". The signature is written in a cursive, flowing style.

RT HON LUCY FRAZER KC MP