

“Help to Buy” scheme for Seniors

For several years in throughout the UK first time buyers have been given a “leg up” into the property market through various subsidised loan schemes. There are different schemes in Scotland all under the banner of “[LIFT](#)” – meaning Low Cost Initiative for First Time Buyers.

Considering the name of the scheme you could be forgiven for thinking it benefited only first time buyers - and you would be right. Well you would have been right until the recent announcement extending this scheme to Non First time buyers aged over 60. Surprised? Well we were!

So what is the thinking behind this new scheme, who can benefit and what is the benefit?

Well taking the last of these questions first – the benefit is basically an interest free loan for part of the price of the property. The loan is from the Government but administered through the Link housing association. These loans need only be repaid on future sale of the property. Taking the second question second, over 60’s wanting to move house can qualify – but they have to show a housing “need”. There are three types of need. “Under occupation” – meaning the applicant is living in a house which is too big for them. “Unsuitability” - meaning the house is not longer suitable for the applicant – perhaps it is two storeys when the applicant has mobility issues. Finally “support” – meaning the applicant needs to move to be nearer relatives who could provide them with necessary support as they age.

The nature of these housing needs answers the first of our questions. The Government believe many older folk are trapped in an unsuitable property – and providing them with help to move might get them into more suitable property and at the same time release their own property on to the market.

Will this scheme prove as popular with the over 60’s as the First Time Buyers schemes? David Borrowman of Solicitors for Older People Scotland comments “We welcome any initiative which helps older people and might also stimulate the housing market. Whilst I like the idea I fear in practice there may only be modest take up. Older people wanting to sell for the reasons mentioned will probably be moving to a smaller property at a lesser price. You can only access a loan if you cannot buy the new house with the sale proceeds of the old one, so that will disqualify a lot of older folk moving from getting these loans. Where I think it will work is when an older couple for example want to move to a new hi spec retiral property, which may be more expensive than the bigger older property they own. To that extent I feel this will be a niche product suitable for small numbers of people. Still we welcome it and it will certainly help some people. For higher numbers of take up in the future though, I think the rules would need to be relaxed somewhat - perhaps allowing movers to keep just a portion of their sale price but still allowing a loan application.”

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