



BARRATT
DEVELOPMENTS PLC

NEW HITACHI FUND TO MAKE £50,000 LOANS TO PARENTS FOR BARRATT HOME DEPOSIT

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PARENTS looking to put down a deposit to help their children buy a new home from Barratt will now be able to apply for an unsecured personal loan of up to £50,000 from Hitachi Capital (UK) PLC, it was announced today.

The tie-up between the UK financial services arm of the multi-national Japanese conglomerate and Britain's biggest housebuilder means that for the first time parents can borrow the money to help their children onto the property ladder without either having to re-mortgage or put a second charge on their own homes.

The product is the only one of its kind currently on the market and is specifically designed to address current mortgage restrictions. Significant numbers of creditworthy first-time buyers are largely dependent on parental support because they do not have the 20 or 25 per cent deposit which lenders now require.

But many parents – who regard home ownership for their children as a sensible medium-term investment – are often reluctant to fund a deposit if any loan has to be secured against the principal family property.

Under the Hitachi Capital loan scheme, the typical buyer will only need to raise a deposit of five per cent. An 80 per cent mortgage is available from a number of High St lenders. And the remaining 15 per cent of the purchase price can be met through an unsecured loan from Hitachi Capital (UK) PLC to the buyer's parents or legal guardian.

Hitachi Capital (UK) PLC is offering unsecured loans of up to £50,000 for a period of 12 years at a fixed rate of 5.4 per cent. There are no early repayment charges and unlimited overpayments are allowed at any time during the agreement without penalty.

"We are genuinely excited about this tie-up with Hitachi Capital because it gives parents a low-risk way to reduce the size of the deposit which their children have to raise in order to buy a home of their own," said Mark Clare, Chief Executive of Barratt Developments PLC.

“This product is ideal for parents who have sufficient income to service a loan but no available capital. Or people who have capital which is tied-up and which they do not want to access in the short-term.”

“We know that there is enormous demand for home ownership amongst people under the age of 40 who are currently renting and this product will make it easier for them to take that all-important first step on the ladder.”

Parents or former guardians who wish to assist their children with a home purchase from any of the three Barratt Developments PLC brands – Barratt Homes, David Wilson Homes and Ward Homes - will be eligible for the loans. Applicants must be UK residents, homeowners and have a good credit history.

Gerald Grimes, Managing Director of Hitachi Capital (UK) PLC, said: “For 28 years we have been funding purchases on the high street and it is fantastic to be able to take our experience to partner with Barratt to drive the UK housing market and provide a solution for buyers.”

“Ten years ago first-time buyers had to raise around £10,000 for a deposit. Today that figure is closer to £30,000 and in some parts of the country £50,000, and therefore it is no great surprise that this vital aspect of the housing market is currently so weak. This innovative Barratt loan gives parents an affordable option to support families getting on the housing ladder without dipping into hard earned savings.”

Nearly a third of parents (32 per cent) said that they were both willing and able to help their children financially onto the property ladder, according to research from a leading bank last year. But 38 per cent were unaware of any mortgage products available specifically designed to help children into home ownership. The average age of an unassisted First Time Buyer is now 37.

NOTES TO EDITORS:

- 1) For further information please contact Dan Bridgett, Head of External Affairs at Barratt Developments PLC, on +44 207 299 4873 or +44 7721 395501 or dan.bridgett@barrattpc.co.uk
- 2) Barratt Group sold 11,377 homes in the last financial year, making it the biggest housebuilder by volume in Britain.
- 3) Barratt Group was named Housebuilder of the Year at the Daily Telegraph British Homes Awards 2010.
- 4) Barratt Group was the only major housebuilder to be given a maximum five star rating – its highest ever score – in 2010's HBF Customer Satisfaction Survey.
- 5) In 2010 site managers working for Barratt Group won the highest number of NHBC Pride in the Job Quality Awards for a record sixth consecutive year.
- 6) Barratt Group is the only housebuilder to guarantee the fixtures and fittings in place at the time of purchase of its new homes for five years.
- 7) Barratt Group is also one of Britain's foremost sustainable housebuilders. It has now started on site at the Hanham Hall

development near Bristol which will be the first Code for Sustainable Homes Level 6 community in the UK when it is completed in 2011.

- 8) Images of a selection of developments are available to the media at <http://www.barrattdevelopments.co.uk/media/photographs/barrattgroup/>

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