



Department for
Communities and
Local Government

Help to Buy (Equity Loan scheme) and Help to Buy: NewBuy statistics: Data to 31 December 2016, England

- Over the period since the launch of the **Help to Buy: Equity Loan scheme** (1 April 2013 to 31 December 2016), **112,338 properties** were bought with an equity loan.
- The total value of these equity loans was **£5.34 billion**, with the value of the properties sold under the scheme totalling **£26.22 billion**.
- Most of the home purchases in the Help to Buy: Equity Loan scheme were made by **First Time Buyers**, **accounting for 90,724 (81 per cent)** of total purchases.
- The mean purchase price of a property bought under the scheme was **£233,403**, compared with a mean equity loan of **£47,549**.
- In **London**, the maximum equity loan was increased from 20% to 40% from February 2016, and since then to December 2016, there were 2,381 completions in London, of which 1,556 were made with an equity loan higher than 20%.
- For the **Help to Buy: NewBuy scheme**, **5,695** house purchases were made since the launch of the scheme in March 2012. There were no new transactions in Q4 2016 due to the **scheme closing** to new mortgage offers on 8 March 2015.

Housing Market *Statistical Release*

30 March 2017

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Introduction

This Statistical Release presents Official Statistics on the number of home purchases and the value of equity loans under the Government's Help to Buy: Equity Loan scheme, as well as the number of purchases under the Government's Help to Buy: NewBuy scheme (formerly known only as 'NewBuy'). **It includes a new section on tenure (page 10).**

Further policy information on the Help to Buy: Equity Loan scheme can be found on the Department's website:

<http://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-equity-loans>

Further policy information on the Help to Buy: NewBuy Guarantee scheme can be found at:

<http://www.gov.uk/government/policies/increasing-the-number-of-available-homes/supporting-pages/newbuy-guarantee-scheme>

This release does not cover statistics regarding the Help to Buy: Mortgage Guarantee scheme.

More information on Help to Buy: Mortgage Guarantee can be found here:

<http://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-mortgage-guarantees>.

The quarterly release of Official Statistics on the scheme can be found at

<http://www.gov.uk/government/collections/help-to-buy-mortgage-guarantee-scheme-quarterly-statistics>. The next release will be published on 22 June 2017.

This is the fourteenth statistical release concerning Help to Buy: Equity Loan statistics. The figures presented in this release cover the period from the launch of the scheme on 1 April 2013 to 31 December 2016. This release also covers the Help to Buy: NewBuy scheme from its launch on 12 March 2012 to 31 December 2016.

Help to Buy: Equity Loan scheme

Quarterly figures

Statistics for Help to Buy: Equity Loan are based on legal completion dates for transactions in the scheme as operated in England. The quarterly figures presented in Table 1 below cover the period from the launch of the scheme on 1 April 2013 to 31 December 2016 inclusive. Monthly figures are also provided and can be found in the Accompanying Tables section of the release.

The quarterly figures for all completions are presented in Table 1. The cumulative total of the number of completions in the scheme (to 31 December 2016) was 112,338. The corresponding value of these equity loans at point of legal completion was £5.34 billion, with the overall value of properties sold under the scheme totalling £26.22 billion.

Table 1: Number of legal completions, and value of equity loans (£m), England

	Completions ¹	Value of Equity Loans (£m) at completion ²	Total value of properties sold (£m) ³
2013			
Q2	2,103	£78.09	£391.35
Q3	3,944	£156.24	£784.31
Q4	7,976	£331.82	£1,664.70
2014			
Q1	5,581	£235.21	£1,181.89
Q2	8,775	£380.81	£1,913.72
Q3	5,846	£252.67	£1,269.99
Q4	8,174	£357.36	£1,794.82
2015			
Q1	4,929	£215.84	£1,085.28
Q2 (R)	9,332	£428.70	£2,158.37
Q3 (R)	6,871	£318.01	£1,602.24
Q4 (R)	10,619	£502.97	£2,534.54
2016			
Q1 (R)	6,797	£329.80	£1,655.80
Q2 (R)	10,786	£582.11	£2,779.59
Q3 (R)	8,501	£471.86	£2,198.97
Q4	12,104	£700.09	£3,204.46
Total to 31 December 2016	112,338	£5,341.58	£26,220.05

(R) – revised since the last statistical release to reflect more up-to-date information.

1. Completions of legacy FirstBuy transactions that occurred after 1 April 2013 are not included in these statistics. For the reporting period 1 April 2013 to 31 March 2014, there were 957 legacy FirstBuy completions for a total value of Government equity loan of £13m.

2. The value of equity loans are based on the purchase price of the property, up to 20 per cent of the property's value at point of sale (40% in Greater London). The remaining balance of the purchase must be financed by a purchaser deposit and a conventional mortgage. The value is shown in £million and rounded to 2 decimal places.

3. Value of properties sold is equal to the sum of the purchase prices at point of legal completion.

Table 2: Number of legal completions, and value of equity loans (£m) for First Time Buyers, England

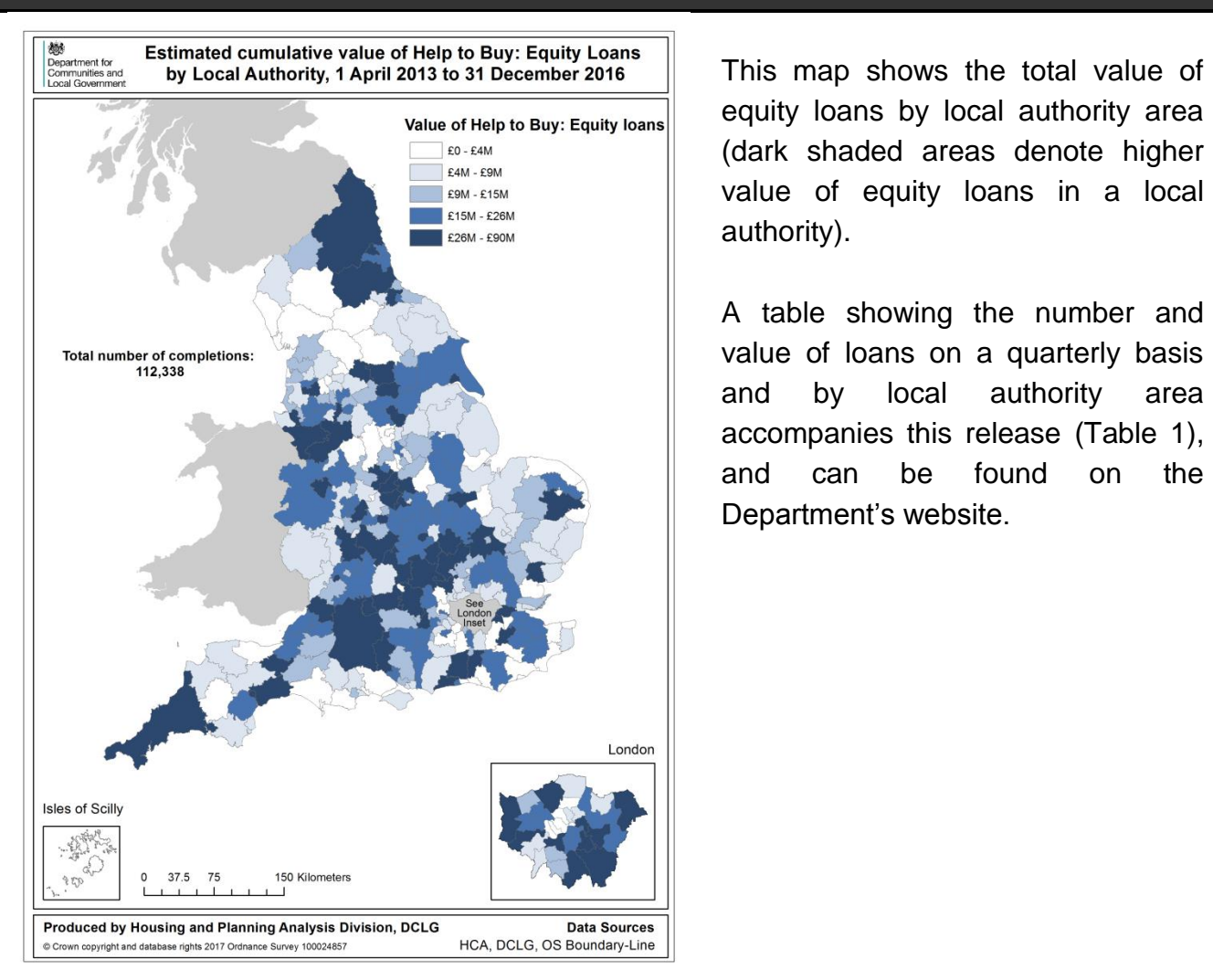
	Completions ¹	Value of Equity Loans (£m) at completion ²	Value of properties sold (£m) ³
2013			
Q2	2,004	£73.17	£366.72
Q3	3,564	£136.69	£685.73
Q4	6,899	£275.40	£1,380.51
2014			
Q1	4,645	£185.69	£932.95
Q2	6,943	£285.18	£1,431.85
Q3	4,588	£188.69	£947.93
Q4	6,442	£269.08	£1,351.09
2015			
Q1	3,841	£159.07	£800.00
Q2 (R)	7,382	£323.76	£1,628.31
Q3 (R)	5,432	£240.31	£1,209.78
Q4 (R)	8,405	£381.37	£1,920.76
2016			
Q1 (R)	5,330	£246.81	£1,236.98
Q2 (R)	8,580	£452.99	£2,130.40
Q3 (R)	6,772	£368.81	£1,686.91
Q4	9,897	£566.68	£2,539.98
Total to 31 December 2016	90,724	£4,153.71	£20,249.89

See notes under Table 1

Table 2 presents quarterly figures for First Time Buyers. The cumulative total of the number of First Time Buyer completions during the scheme was 90,724, accounting for 81 per cent of total purchases. The corresponding value of these equity loans at point of legal completion was £4.15 billion (78 per cent of the total value of equity loans), with the overall value of properties sold to First Time Buyers under the scheme totalling £20.25 billion (77 per cent of the total value of properties sold).

Sub-national trends

Map 1: Total Value of Equity Loans and completions, by local authority area



This map shows the total value of equity loans by local authority area (dark shaded areas denote higher value of equity loans in a local authority).

A table showing the number and value of loans on a quarterly basis and by local authority area accompanies this release (Table 1), and can be found on the Department's website.

Help to Buy: Equity Loan in London

Over the period since the launch of the Help to Buy: Equity Loan scheme (1 April 2013 to 31 December 2016), 6,608 properties in London were bought with an equity loan. Since 1 February 2016 Help to Buy applicants were able to claim an equity loan up to 40% of purchase price for properties in Greater London. Between 1 February 2016 and 31 December 2016 there were 2,381 completions in London (in 31 boroughs), of which 2,302 were made by First time Buyers. 60 completions were made with an equity loan of less than 20% of the purchase price, 765 with an

equity loan of 20%, 233 with an equity loan of between 20% and 40%, and 1,323 with an equity loan of 40%. Of the 1,556 completions (in 30 boroughs) made with an equity loan higher than 20%, the mean purchase price was £456,200 and 1,279 were made by First time Buyers with an equity loan of 40% of the value of the property.

Purchase price

The Help to Buy: Equity Loan scheme can be used to purchase a new build property up to the value of £600,000, with a maximum equity loan of £120,000 (20 per cent). In Greater London, the maximum equity loan is £240,000 (40 per cent).

Table 3 shows the numbers of homes purchased in the scheme to 31 December 2016 by purchase price. Most completions (28 per cent) were in the £150,001 - £200,000 range, followed by 21 per cent in both the £250,001 - £350,000 and £200,001 - £250,000 ranges.

The £150,001 - £200,000 range also accounted for the greatest proportion of homes purchased by First Time Buyers (30 per cent). In contrast, the £250,001 - £350,000 range contained the greatest proportion of homes purchased through the scheme by non-First Time Buyers. The percentage of homes purchased by First Time Buyers in each of the three lowest price ranges was considerably greater than the corresponding percentage for non-First Time Buyers (see Live Table 3 for 'non-First Time Buyers').

Table 3: Cumulative number of legal completions to 31 December 2016, by purchase price, England

Purchase Price ¹	Cumulative completions (First Time Buyers)	Percentage of completions (First Time Buyers)	Cumulative completions (all)	Percentage of completions (all)
£0 – £125,000	8,573	9%	8,992	8%
£125,001 - £150,000	11,266	12%	12,112	11%
£150,001 - £200,000	27,182	30%	31,244	28%
£200,001 - £250,000	18,366	20%	23,326	21%
£250,001 - £350,000	16,654	18%	23,720	21%
£350,001 - £500,000	6,824	8%	10,460	9%
£500,001 - £600,000	1,859	2%	2,484	2%
All properties	90,724		112,338	

1. Purchases under Help to Buy: Equity Loan scheme are subject to Stamp Duty Land Tax on the same basis as other residential dwellings. The Help to Buy: Equity Loan scheme has a property price cap of £600,000.

The quarterly average purchase prices of homes bought under the scheme are shown in Table 4. To 31 December 2016, the median purchase price was £199,750 for First Time Buyers, £259,995 for non-First Time Buyers and £209,995 when all completions are combined. The mean purchase price was £223,203 for First Time Buyers, £276,217 for non-First Time Buyers and £233,403 when considering all completions. Each of the mean purchase prices is higher than the corresponding median purchase price, reflecting the fewer sales in the higher price ranges. Also, the quarterly mean and median purchase prices are both higher for non-First Time Buyers than for First Time

Buyers. When considering all completions, the mean and median are both closer to the corresponding average for First Time Buyers than that for non-First Time Buyers, which can be attributed to the high proportion of completions made by First Time Buyers.

In London, the median purchase price was £350,000 for First Time Buyers, £414,995 for non-First Time Buyers and £352,495 when all completions are combined. The mean purchase price was £367,182 for First Time Buyers, £410,150 for non-First Time Buyers and £368,997 when considering all completions. Figures for quarterly average purchase prices for London and England excluding London can be found in the tables accompanying the release.

Table 4: Average purchase price of property sold under the Help to Buy: Equity Loan scheme, by quarter, to 31 December 2016, England

	Mean purchase price			Median purchase price		
	First Time Buyers	Non-First Time Buyers	All	First Time Buyers	Non-First Time Buyers	All
2013						
Q2	£182,994	£248,834	£186,093	£169,995	£234,995	£170,000
Q3	£192,404	£259,437	£198,863	£175,000	£242,000	£179,995
Q4	£200,102	£263,878	£208,714	£180,995	£247,950	£189,950
2014						
Q1	£200,851	£265,963	£211,771	£180,500	£245,000	£190,000
Q2	£206,229	£263,029	£218,087	£185,000	£244,995	£196,000
Q3	£206,611	£256,005	£217,240	£185,950	£239,995	£195,000
Q4	£209,732	£256,195	£219,577	£189,950	£239,995	£199,950
2015						
Q1	£208,279	£262,203	£220,182	£189,950	£247,500	£199,950
Q2 (R)	£220,579	£271,822	£231,287	£197,995	£257,298	£210,000
Q3 (R)	£222,714	£272,731	£233,189	£199,995	£259,995	£211,500
Q4 (R)	£228,526	£277,230	£238,680	£205,995	£262,000	£219,950
2016						
Q1 (R)	£232,078	£285,497	£243,608	£209,950	£270,000	£224,950
Q2 (R)	£248,299	£294,283	£257,703	£219,973	£279,995	£234,995
Q3 (R)	£249,100	£296,164	£258,672	£220,000	£281,000	£234,950
Q4	£256,641	£301,082	£264,744	£230,000	£287,950	£240,000
Average to 31 December 2016	£223,203	£276,217	£233,403	£199,750	£259,995	£209,995

In England, the median equity loan was £39,590 for First Time Buyers, £51,199 for non-First Time Buyers and £41,990 across all completions. The mean equity loans were slightly higher at £45,784 for First Time Buyers, £54,959 for non-First Time Buyers and £47,549 for all completions. Each of these mean equity loans are around 20 per cent of the value of the corresponding mean purchase price, reflecting the fact that the majority of completions in the scheme used the full 20 per cent equity loan available to them.

Property type

Table 5 shows the number of completions by property type. The property type most frequently sold under the scheme was semi-detached houses, representing 31 per cent of total completions, followed closely by detached properties at 29 per cent. Terraced properties and flats made up 25 per cent and 15 per cent of completions respectively.

When comparing the types of property purchased by First Time Buyers and non-First Time Buyers, there are notable differences. A much higher proportion of non-First Time Buyers (53 per cent) than First Time Buyers (24 per cent) purchased detached houses, and a considerably lower proportion of non-First Time Buyers than First Time Buyers bought any of the other three main property types through the scheme (5 per cent compared to 17 per cent for flats, 25 per cent compared to 32 per cent for semi-detached houses and 18 per cent compared to 27 per cent for terraced houses).

Table 5: Cumulative number of legal completions to 31 December 2016, by property type, England

Property Type	Cumulative completions (First Time Buyers)	Percentage of completions (First Time Buyers)	Cumulative completions (all)	Percentage of completions (all)
Flat	15,546	17%	16,655	15%
Terraced	24,498	27%	28,346	25%
Semi-detached	28,987	32%	34,287	31%
Detached	21,652	24%	33,006	29%
All properties¹	90,724		112,338	

1. Includes 28 completions (25 for First Time Buyers) for which the property type was not recorded and 16 Studio apartments (all for First Time Buyers).

Purchaser deposits

Most completions under the Help to Buy: Equity Loan scheme were made by purchasers with a deposit of up to 5 per cent, accounting for 64 per cent of completions for First Time Buyers, 46 per cent of completions for non-First Time Buyers, and 60 per cent of all completions. There was also a marked difference between the proportion of First Time Buyers (9 per cent) and non-First Time Buyers (23 per cent) that used a deposit of 15.1 per cent or more.

Table 6: Cumulative number of legal completions to 31 December 2016, by purchaser deposit level and type of purchaser, England

Deposit band ¹	Cumulative completions (First Time Buyers)	Cumulative completions (non-First Time Buyers)	Cumulative completions (total)	Percentage of completions (all)
Up to 5%	58,031	9,932	67,963	60%
5.1% to 10%	18,510	4,337	22,847	20%
10.1% to 15%	6,204	2,435	8,639	8%
15.1% or more	7,979	4,910	12,889	11%
All properties	90,724	21,614	112,338	

1. The deposit level for each transaction is calculated by expressing the amount of purchaser deposit as a percentage of the purchase price, and rounding to one decimal place.

Applicant household incomes

The household income of purchasers of properties under the Help to Buy: Equity Loan scheme is recorded for each individual completion in the scheme. 'Total applicant household income' reported below refers to the total income for the household, regardless of how many members of that household are making the purchase.

Table 7 shows the breakdown of homes purchased by total household income. The greatest number of homes purchased on the scheme was by purchasers with a household income between £30,001 and £40,000 a year, representing 23 per cent of all completions. 15 per cent of completions had applicants with a registered household income of between £20,001 and £30,000 a year, with 2 per cent of completions with applicant household incomes lower than this. 77 per cent of completions had household incomes of £60,000 or less, whilst 4 per cent of completions had applicants with a registered household income in excess of £100,000 a year.

For First Time Buyers, the greatest proportion (25 per cent) of purchases made on the scheme was by households with a total income between £30,001 and £40,000 a year, followed by households with income between £40,001 and £50,000 (22 per cent). 44 per cent of all First Time Buyers had household incomes of £40,000 or less. In contrast, the greatest proportion (22 per cent) of homes purchased by non-First Time Buyers on the scheme was made by households with total income between £40,001 and £50,000, closely followed by households with income between £60,001 and £80,000 (22 per cent). 24 per cent of non-First Time Buyers had household incomes of £40,000 or less.

Table 7: Cumulative number of legal completions to 31 December 2016, by total applicant household income, England

Total applicant household Income ¹	Cumulative completions (First Time Buyers)	Percentage of completions (First Time Buyers)	Cumulative completions (all)	Percentage of completions (all)
£0 – £20,000	2,447	3%	2,671	2%
£20,001 - £30,000	15,166	17%	16,665	15%
£30,001 - £40,000	22,617	25%	26,177	23%
£40,001 - £50,000	19,540	22%	24,311	22%
£50,001 - £60,000	12,417	14%	16,551	15%
£60,001 - £80,000	11,207	12%	15,908	14%
£80,001 - £100,000	4,353	5%	6,103	5%
Greater than £100,000	2,977	3%	3,952	4%
All applicant households	90,724		112,338	

1. Total applicant household income as registered on the Help to Buy Property Information Form completed at the point of reservation. Income brackets presented here reflect total applicant household income, which does not discriminate between single person applications and joint applications under the scheme. Purchasers must have proof of income in order to be eligible for a Help to Buy: Equity Loan. The scheme allows for property purchases up to £600,000 with a maximum equity loan of 20 per cent and 40 per cent in Greater London. After accounting for the purchaser deposit and equity loan, the remaining balance must be financed through a mortgage which is not in excess of 4.5 times the applicant's household income e.g. a £600,000 property, with a 5 per cent purchaser deposit (£30,000) and a 20 per cent equity loan (£120,000) must fund the remainder of the purchase through a mortgage (£450,000). In this instance, the total applicant household income must be at least £100,000 per annum.

The quarterly averages of total applicant household income can be seen in Table 8. To 31 December 2016, the median total household income was £42,500 for First Time Buyers, £51,774 for non-First Time Buyers and £44,250 for all completions. The mean total household income was £47,539 for First Time Buyers, £55,903 for non-First Time Buyers and £49,148 for all completions.

In London, the median total household income was £63,000 for First Time Buyers, £71,250 for non-First Time Buyers and £63,100 for all completions. The mean total household income was £69,070 for First Time Buyers, £72,717 for non-First Time Buyers and £69,224 for all completions. Figures for quarterly average total household incomes for London and England excluding London can be found in the tables accompanying the release.

Table 8: Average total applicant household income under the Help to Buy: Equity Loan scheme, by quarter, to 31 December 2016, England

	Mean total applicant household income			Median total applicant household income		
	First Time Buyers	Non-First Time Buyers	All	First Time Buyers	Non-First Time Buyers	All
2013						
Q2	£40,601	£54,600	£41,260	£36,469	£50,372	£37,000
Q3	£43,055	£55,783	£44,282	£38,276	£52,203	£39,500
Q4	£44,567	£56,105	£46,125	£39,600	£51,996	£40,914
2014						
Q1	£44,895	£57,509	£47,010	£40,000	£52,421	£42,000
Q2	£45,524	£55,659	£47,640	£40,424	£50,641	£42,433
Q3	£45,659	£54,201	£47,497	£40,522	£50,000	£42,257
Q4	£45,844	£53,669	£47,502	£40,997	£50,045	£42,500
2015						
Q1	£45,878	£55,280	£47,953	£41,350	£50,400	£43,200
Q2 (R)	£47,930	£55,710	£49,555	£43,000	£51,216	£44,766
Q3 (R)	£48,133	£55,094	£49,591	£43,349	£51,218	£45,000
Q4 (R)	£48,520	£55,442	£49,963	£43,300	£51,000	£44,969
2016						
Q1 (R)	£49,169	£56,111	£50,667	£44,018	£53,042	£45,697
Q2 (R)	£50,834	£56,706	£52,035	£45,349	£52,539	£47,025
Q3 (R)	£50,242	£57,822	£51,784	£45,244	£53,332	£47,000
Q4	£50,866	£57,149	£52,012	£45,999	£53,748	£47,363
Average to 31 December 2016	£47,539	£55,903	£49,148	£42,500	£51,774	£44,250

Property tenure (freehold/leasehold)

Table 9: Cumulative number of legal completions to 31 December 2016, by property type and tenure, England¹

Property Type	Cumulative completions (total):	of which freehold;	of which leasehold;	Percentage freehold	Percentage leasehold
Flat	16,655	1,688	14,967	10.1%	89.9%
Houses:	95,639	85,247	10,385	89.1%	10.9%
Terraced;	28,346	25,860	2,485	91.2%	8.8%
Semi-detached;	34,287	30,311	3,975	88.4%	11.6%
Detached;	33,006	29,076	3,925	88.1%	11.9%
All properties^{2,3}	112,338	86,954	25,377	77.4%	22.6%

1. 1,688 flats have been recorded as freehold on the Homes and Community Agency's Investment Management System. This is based on information provided by Help to Buy agents in accordance with the monitoring requirements for the payment of the equity loans. In England, flats are typically owned on a leasehold basis and freehold flats are rare. A flat may also be owned as a 'share of freehold', meaning a tenant will have a lease for their flat as well as a share in the freehold of the whole building, but technically the flat will still be a leasehold. It is most likely that these flats recorded as freehold, are 'share of freehold'.

2. Includes 28 completions for which the property type was not recorded (18 freehold, 10 leasehold) and 16 Studio apartments (1 freehold, 15 leasehold).

3. Includes 7 properties (5 detached, 1 semi-detached and 1 terraced) for which the tenure type was not recorded.

Table 9 shows the number of completions by property type and tenure. Of the 112,338 completions in the scheme, 16,655 were flats, and 95,639 were houses.

Of the 16,655 flats, 14,967, or 89.9%, were recorded as leasehold tenure and 1,688, or 10.1% were recorded as freehold tenure (but it is most likely that these are 'share of freehold', which is technically still a leasehold flat, see table footnote for explanation).

Of the 95,639 houses, 85,247, or 89.1%, were recorded as freehold tenure and 10,385, or 10.9% were recorded as leasehold tenure.

The proportion of houses sold under the scheme on a leasehold basis has generally increased over time. Table 9a (which can be found in the tables accompanying the release) shows at the start of the scheme, in 2013 Q2, 5.7% of houses were sold on a leasehold basis, whereas in 2016 Q4, it was 15.1%. Houses sold under the scheme on a leasehold basis are particularly prevalent in the North West (HCA Operating Area) as detailed in the Local Authority Table 9b (which can be found in the tables accompanying the release).

Help to Buy: NewBuy Scheme

Quarterly figures

The quarterly figures for the NewBuy Guarantee scheme are based on legal completion dates for transactions in the scheme as reported by participating mortgage lenders. This covers England only and shows data from the launch of the scheme on 12 March 2012 to 31 December 2016.

Table 10: Number of legal completions, Government liability (£m), and cost to Government (£m) under the Help to Buy: NewBuy Guarantee scheme, England

	Completions	Government Liability (maximum possible cost) £m ¹	Successful claims against Government Guarantee, £m ²
2012			
Q2	252	2.6	-
Q3	376	3.8	-
Q4	906	9.1	-
2013			
Q1	764	7.7	-
Q2	1,489	15.7	-
Q3	682	7.2	-
Q4 (R)	613	6.6	-
2014			
Q1	198	2.0	-
Q2	192	2.0	-
Q3 (R)	118	1.5	-
Q4 (R)	77	0.8	-
2015			
Q1	14	0.2	-
Q2	12	0.1	-
Q3	2	0.0	-
Q4	0	0.0	-
2016			
Q1	0	0.0	-
Q2	0	0.0	-
Q3	0	0.0	-
Q4	0	0.0	-
Total to Q4 2016	5,695	£59.4m	£0.0m

(R) – Revised since the last statistical release due to the data provider reviewing the data held on past sales.

1. Rounded to one decimal place. Government liability represents the total value of the government guarantees granted in the period. It also represents the maximum possible cost to Government as a result of claims being made against this guarantee. In practice, expected costs to Government as a result of providing the Guarantee are expected to be much smaller than this liability figure. More detail on the guarantee scheme and how it operates can be found in the Definitions section further down in this release.

2. Successful claims against the guarantee represent money Government that has paid out to mortgage lenders as a result of a mortgagee defaulting on their loan covered by the scheme and not being able to pay it back. In previous statistical releases, this was referred to as 'Government's Total Costs'.

There were no completions in the fourth quarter of 2016 due to the scheme closing to new mortgage offers on 8 March 2015. Any final transactions were completed on or before 8 September 2015. The total value of the Government Guarantees ("Government Liability") for these completed sales was £59.4m. To date, there have been no claims made with respect to the guarantees made under the scheme.

Sub-national trends

A table showing the cumulative number of completions for the NewBuy Guarantee scheme by local authority area (Table 2) accompanies this release, and can be found on the Department's website.

Accompanying tables

Accompanying tables are available to download alongside this release:

Table 1	Number and value of Help to Buy: Equity Loans (<u>quarterly</u>), by local authority, England
Table 2	Number and value of Help to Buy: Equity Loans (<u>monthly</u>), England
Table 3	Cumulative number of Help to Buy: NewBuy completions (since March 2012), by local authority, England

These tables can be accessed from

<https://www.gov.uk/government/collections/help-to-buy-equity-loan-and-newbuy-statistics>

The **statistical release Tables 1-10** are also available to download from the link above.

Open Data

These statistics are available in fully open and linkable data formats at Open Data Communities:

<http://opendatacommunities.org/>

Definitions

Help to Buy: Equity Loans

An **equity loan** is Government financial assistance given to eligible applicants to purchase an eligible home through a Government equity mortgage secured on the home. The Government equity mortgage is ranked second in priority behind an owner's main mortgage lender. The Government equity mortgage means that if Government contributed 20 per cent of the value to the applicant to buy a home, the owner will repay 20 per cent of the future value to Government e.g. when selling their equity loan home.

The equity loan scheme reported in this statistical release is **Help to Buy: Equity loan**. This scheme offers up to 20 per cent of the value as Government assistance to purchasers buying a new build home. The buyer must provide a cash deposit of at least 5 per cent and a main mortgage lender must provide a loan of at least 75 per cent. The Government assistance to buy is made through an equity loan made by the Homes and Communities Agency (HCA) to the purchaser. Help to Buy equity loans are only available on new build homes and the maximum purchase price is £600,000. Equity loan assistance for purchasers is paid via house builders registered with the HCA to participate in the Help to Buy equity loan initiative. The payment is made to builders (via solicitors) at purchaser legal completion. The equity loan is provided without fees for the first five years of ownership. The property title is held by the home owner who can

therefore sell their home at any time and upon sale should provide the government the value of the same equity share of the property when it is sold. If Government contributed 20 per cent of the value to buy a new home, the owner will repay 20 per cent of the future value (the value at the time they sell) to Government, e.g. when selling their equity loan home. More information can be found on the Department's website:

<https://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-equity-loans>

The following definitions are used in relation to the equity loan scheme:

- **Completed equity loans (“purchaser legal completions”):** a purchaser legal completion is defined as occurring when the home is ready for occupation, the sale contract between house builder and purchaser has completed and all mortgage funds, deposit and equity loan assistance have been paid to the house builder. The purchaser takes possession after legal completion.
- **Reservations:** a reservation is defined as the point at which an Authority to Proceed (ATP) is issued by the local Help to Buy Agent. The ATP is issued by Local Help to Buy Agent following their approval of a firm reservation of a Help to Buy Home. ATP issue is the approval for purchasers to commence conveyancing and submit a full mortgage application to the main mortgage lender.

The Help to Buy: Equity Loan scheme replaced the existing **FirstBuy** shared equity scheme on 1 April 2013. Information about the FirstBuy scheme can be found here:

http://webarchive.nationalarchives.gov.uk/20130203154301/http://homesandcommunities.co.uk/cfg/?page_id=6016&page=71

Completions of legacy FirstBuy transactions that occurred after 1 April 2013 are not included in these statistics. For the reporting period 1 April 2013 to 31 March 2014, there were 957 legacy FirstBuy for a total value of Government equity loan of £13m. FirstBuy offered up to a 20 per cent equity loan on new build properties for First Time Buyers only, co-funded between Government and the house builder.

The figures provided in this release are based on the **legal completion** date for the sale. A purchaser legal completion is defined as when the home is ready for occupation, the sale contract between house builder and purchaser has completed and all mortgage funds, deposits and equity loan assistance have been paid to the house builder. The purchaser takes possession after legal completion.

In February 2016, the Government launched London Help to Buy, which offers equity loans at up to 40% of the value of the purchase price. The parameters of the scheme are the same as for standard Help to Buy: Equity Loan: deposits of at least 5% will be required; and the loans will be interest-free for 5 years, after which a charge will apply.

Help to Buy: NewBuy Guarantee Scheme

The title of the NewBuy Guarantee scheme was changed in early 2014 to 'Help to Buy: NewBuy',
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so that it is grouped together with the Government's other schemes designed to help prospective home buyers: Help to Buy: equity loan and Help to Buy: mortgage guarantee.

The scheme allows borrowers to secure up to a 95 per cent loan-to-value mortgage on a new build property. More detail on the scheme can be found here:

<https://www.gov.uk/government/policies/increasing-the-number-of-available-homes/supporting-pages/newbuy-guarantee-scheme>

The guarantee is provided by Government, in partnership with the house building industry. In the event of a borrower defaulting on their mortgage, Government and the respective house builder assume responsibility for any debt which is not already paid back to the mortgage lender.

Mortgages are covered by the government guarantee from point of completion. Government's maximum total contingent liability is capped at £1bn. Each time a property is sold under the Help to Buy: NewBuy Guarantee scheme, Government's maximum possible cost within this limit increases by 5.5 per cent of the property's sale value.

Government's costs will be incurred only when: (i) Help to Buy: NewBuy properties have been purchased (completed), possessed, and/or resold, and have attracted losses, and those losses have been claimed by the appropriate lender/s; and (ii) the total of such losses is in excess of the total of the builder's corresponding indemnity fund.

The Help to Buy: NewBuy Guarantee scheme closed to new mortgage offers on 8 March 2015. Any final transactions were completed on or before 8 September 2015.

Technical notes

Data collection

Help to Buy: Equity Loans

Data are extracted from the Homes and Communities Agency's Investment Management System (IMS). This contains information provided by Help to Buy agents in accordance with monitoring requirements for the payment of the equity loans.

Help to Buy: NewBuy Guarantee Scheme

The data in this release have been provided by JLT Insurance Management (Guernsey) Ltd (JLTIM) in its capacity as administrator to the NewBuy Mortgage Indemnity Scheme. Analysts working for the Department for Communities and Local Government have worked with JLTIM's analysts to ensure the accuracy of the data presented. JLTIM is a member of the Jardine Lloyd

Thompson Group plc group of companies and is regulated by the Guernsey Financial Services Commission.

Data quality

Help to Buy: Equity Loans

Data recorded in the IMS by Help to Buy agents are subject to system validations in IMS. In addition, Help to Buy Agents make Key Performance Standard monthly reports to HCA and these include compliance with HCA requirements. HCA also conducts random file checks for accuracy on all Help to Buy Agents at quarterly contract review meetings. Following extraction for the purposes of producing this statistical release, data are quality assured by checking individual entries which exceed set tolerances e.g. such as purchaser income levels, as well as 'spot checks' by cross checking with the Land Registry database (see: <http://houseprices.landregistry.gov.uk/sold-prices/>).

Help to Buy: NewBuy Guarantee Scheme

Data on individual sales in the scheme are recorded by JLTIM and checked for consistency from both the participating builder and lender. In the event that information is inconsistent, JLTIM will contact and resolve with the relevant parties as part of routine query process.

Following extraction for the purposes of statistical release, the data are validated by DCLG against Management Information reports provided by JLTIM to the Department.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>).

There are two types of revisions that the policy covers:

Non-Scheduled Revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

Help to Buy: Equity Loan statistics are drawn from the grant administration system and therefore updated information can be provided by grant recipients after the official statistics have been extracted and compiled. If required, revisions are incorporated into the next scheduled statistical release. For each release, revisions are made from April 1 2015 onwards. Initially, the HCA

recorded Help to Buy equity loan sales at approval of payment of the builder's claim. In January 2015 the National Audit Office advised that, for accounting purposes, sales should be recorded at the completion of the home purchase. The HCA has amended the data on this basis. The main effect is on the distribution of sales across previous quarters. The most recent cumulative totals are slightly increased. The first revised total to the end of January 2015 was included in the monthly statistics on the 5 March 2015 which also explained the change. The first revised time series (count and value of loans) was included in the monthly statistics on the 31 March 2015.

Help to Buy: NewBuy Guarantee scheme statistics are drawn from JLTIM's database of recorded transactions. Whilst the majority of transactions that happen within a reporting period are recorded within a month of the period ending, there are residual cases where completion dates have yet to be confirmed by participating lenders in the scheme. This can lead to a slight under-reporting of the actual number of transactions on first release. Figures can also be revised as a result of JLTIM reviewing data held on past sales. The future impact of such revisions is anticipated to be small.

Uses of the data

The data are used for monitoring the delivery of the Help to Buy: Equity loans scheme, and the Help to Buy: NewBuy Guarantee scheme. They are also used to inform wider government policy on housing.

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

A short questionnaire on how the Housing Statistics and data are used and the decisions they inform is currently open at:

<https://www.surveymonkey.co.uk/r/housinguser>

Related statistics

Six-monthly statistics on housing starts on site and housing completions delivered by the Homes and Communities Agency (which will include Help to Buy: Equity Loan completions) are published in their Housing Statistics release, which can be found here:

<http://www.homesandcommunities.co.uk/housing-statistics>

Although from April 2012 the Mayor of London has had strategic oversight of housing,

regeneration and economic development in London, the Homes and Communities Agency administers the Help to Buy: Equity Loans scheme on behalf of the Greater London Authority.

Details of delivery of housing under other Government schemes, including shared ownership schemes, can be found on the Department's website here:

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics>

Both the Help to Buy: Equity Loan scheme, and the Help to Buy: NewBuy Guarantee scheme operate only in England.

As stated in the Introduction (page 2), the quarterly release of official statistics on the Help to Buy mortgage guarantee scheme – covering sales to 31 December 2016 - was scheduled for publication by the Treasury today and can be found at

<http://www.gov.uk/government/collections/help-to-buy-mortgage-guarantee-scheme-quarterly-statistics>. Its next release will be published on 22 June 2017. The mortgage guarantee scheme operates across the whole of the United Kingdom.

The Homes and Communities Agency (HCA) publishes a range of statistics on its programmes including activity on the Help to Buy equity loan scheme. Figures are available at

<http://www.homesandcommunities.co.uk/housing-statistics>

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Information on Official Statistics is available via the UK Statistics Authority website:

<https://www.gov.uk/government/statistics/announcements>

Information about statistics at DCLG is available via the Department's website:

www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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