



Help to Buy: mortgage guarantee scheme Quarterly Statistics

22 June 2017

Data from 8 October 2013 to 31 March 2017

Key points:

- Since the launch of the Help to Buy: mortgage guarantee, 104,686 mortgages have been completed with the support of the scheme.
- Of these, 80% were purchases by first-time buyers.
- The total value of mortgages supported by the scheme is £15.7 billion.
- Compared to total mortgage completions in each region, the scheme has supported a higher proportion of mortgages in the East of England and Scotland, and a lower proportion in the South East and London.
- The mean value of a property purchased or remortgaged through the scheme was £159,042, compared to a national average house price of £216,000.

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Introduction

This statistical release contains Official Statistics on the government's Help to Buy: mortgage guarantee scheme, covering the number of mortgage completions, types and values of properties, borrower incomes and breakdowns by geographical area. Excel tables with all the data set out in this release are available at:

www.gov.uk/government/collections/help-to-buy-mortgage-guarantee-scheme-quarterly-statistics

The next statistical release on 28 September 2017 concerning the Help to Buy: mortgage guarantee, presenting figures from its launch on 8 October 2013 to 30 June 2017, will be the final release in its present format. Any final mortgage completions under the Help to Buy: mortgage guarantee scheme will take place on or before 30 June 2017.

Official Statistics on the Help to Buy: mortgage guarantee will continue to be published after the next release in a revised form to take account of the scheme closure. It will then focus on the value of the government guarantee and claims made on guarantee.

The quarterly release of the Official Statistics for the Help to Buy: ISA scheme can be found at:

www.gov.uk/government/collections/official-statistics-on-the-help-to-buy-isa-scheme

The release is compatible with the Help to Buy: Equity Loan statistics released by the Department for Communities and Local Government:

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

In order to provide context for users of the Help to Buy: mortgage guarantee scheme statistics, comparisons are made to various Council of Mortgage Lenders (CML) statistics, which cover the UK mortgage lending market as a whole. More information about CML statistics is available at:

www.cml.org.uk/cml/statistics

Help to Buy: mortgage guarantee

The Help to Buy: mortgage guarantee scheme opened on 8 October 2013 and was available across the United Kingdom. Under the scheme the government offered lenders the option to purchase a guarantee on mortgage loans where the borrower had a deposit of between 5% and 20%. The scheme could be used for mortgages on both new build and existing homes, by first-time buyers, home movers and those remortgaging.

In order to qualify for a loan supported by the Help to Buy: mortgage guarantee, an eligibility criteria had to be met which is set out in the scheme rules.¹ For example, the scheme was not available on buy-to-let mortgages or second homes, and the property value had to be £600,000 or less. From 1 October 2014, no new loans with a loan-to-income ratio of 4.5 and above could be included in the scheme.

¹ www.gov.uk/government/publications/help-to-buy-mortgage-guarantee-scheme-rules

The guarantee compensates participating mortgage lenders for a portion of net losses suffered in the event of repossession. The guarantee applies down to 80% of the purchase value of the guaranteed property covering 95% of these net losses. The lender retained a 5% risk in the portion of losses covered by the guarantee. This ensured that the lender retained some risk in every mortgage originated.

Over the life of the scheme the government made available up to £12 billion of guarantees, which was sufficient to support up to £130 billion of high loan-to-value (LTV) mortgages.

The Help to Buy: mortgage guarantee scheme closed to new loans on the 31 December 2016 as planned. Participating mortgage lenders can continue to complete loans into the scheme until 30 June 2017, where they have an application date on or before 31 December 2016.

Monthly figures

Table 1 below shows the number of mortgage completions through the scheme alongside the total value of these loans, the value of the associated government guarantee and the total value of the properties. There were 104,686 mortgage completions through the scheme to the end of March 2017, which represents 2.9% of all residential mortgage completions in the UK over the same period.² The corresponding value of the guarantees was £2.3 billion while the overall value of loans supported by the scheme was £15.7 billion. These mortgages were used to finance properties worth £16.6 billion in total. Two claims have been made on the government guarantee to the total value of £17,411.

Table 1: Number of mortgage completions and value of guarantees, loans and properties from October 2013 to March 2017³

	Completions	Value of Help to Buy guarantee (£m)	Value of mortgage loans (£m)	Value of properties (£m)
2013				
October	3	0	1	1
November	132	3	17	18
December	672	13	90	94
2014				
January	1,452	31	206	217
February	1,986	42	288	305
March	2,566	54	369	390
April	3,278	68	471	499
May	3,975	83	576	610
June	3,824	81	559	593
July	4,299	94	648	687
August	3,843	84	577	611

² Source: The Council of Mortgage Lenders data for regulated mortgage lending.

³ Minor changes in previously published data are due to lenders updating their total recorded completions.

September	3,365	73	505	536
October	3,758	79	551	586
November	3,097	63	451	480
December	2,798	58	416	443
2015				
January	2,234	46	326	346
February	2,081	42	301	321
March	2,463	50	347	368
April	2,963	61	425	451
May	3,206	66	459	487
June	3,372	73	505	535
July	3,584	81	530	557
August	3,113	71	469	492
September	2,934	64	436	460
October	3,239	71	481	508
November	2,769	62	418	442
December	2,272	51	347	366
2016				
January	1,604	36	246	259
February	1,505	34	233	246
March	1,994	45	307	324
April	2,235	50	339	359
May	2,476	57	385	407
June	3,119	71	486	514
July	3,013	70	478	505
August	3,076	72	490	518
September	2,768	63	427	451
October	2,419	54	371	392
November	2,431	56	381	402
December	1,866	45	307	324
2017				
January	1,219	31	212	225
February	1,074	28	191	202
March	609	16	111	117
Total to end March	104,686	2,291	15,732	16,649

Property value

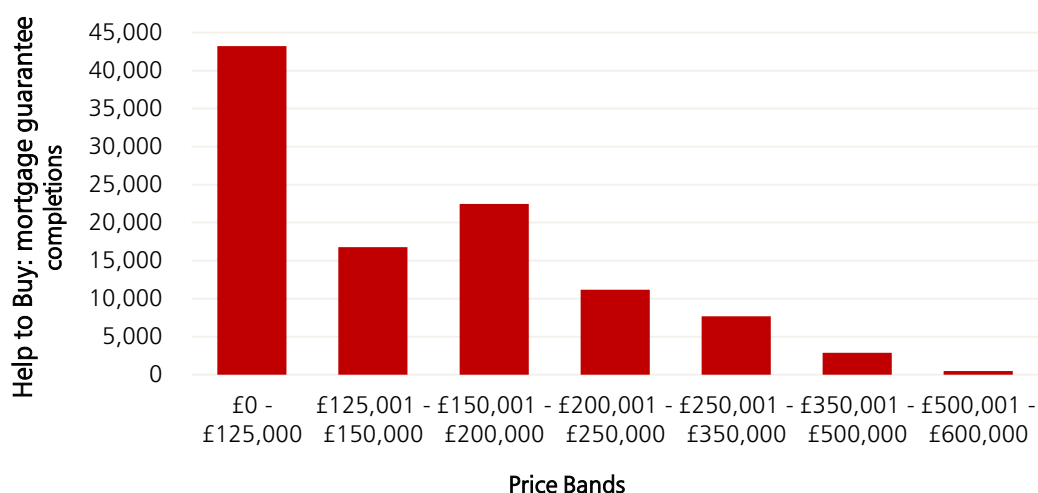
Table 2 overleaf shows the number of completed mortgages supported by the scheme broken down by property value.

The mean value of a property purchased or remortgaged through the Help to Buy: mortgage guarantee scheme to the end of March 2017 was £159,042, compared to an average UK house price of £216,000.⁴ The median property value was lower at £139,950, reflecting a distribution where most properties are in the lower value bands. 57% of all mortgage completions through the scheme were on properties worth £150,000 or less. 10% of mortgage completions were made on properties valued at £250,000 and above. This reflects the fact that 95% of mortgage completions through the scheme have been on properties outside London, in regions where prices are typically lower.

Table 2: Mortgage completions from October 2013 to March 2017, by property value⁵

Price band	Total completions	Percentage of total completions (%)
£0 – £125,000	43,222	41
£125,001 – £150,000	16,776	16
£150,001 – £200,000	22,461	21
£200,001 – £250,000	11,161	11
£250,001 – £350,000	7,695	7
£350,001 – £500,000	2,882	3
£500,001 – £600,000	489	0
All properties	104,686	100%

Chart 1: Completions by property value from October 2013 to March 2017



⁴ Source: www.gov.uk/government/publications/uk-house-price-index-summary-march-2017/uk-house-price-index-summary-march-2017

⁵ The property value bands match those published by DCLG for the Help to Buy: Equity Loan scheme, to allow comparability between the two schemes.

Property type

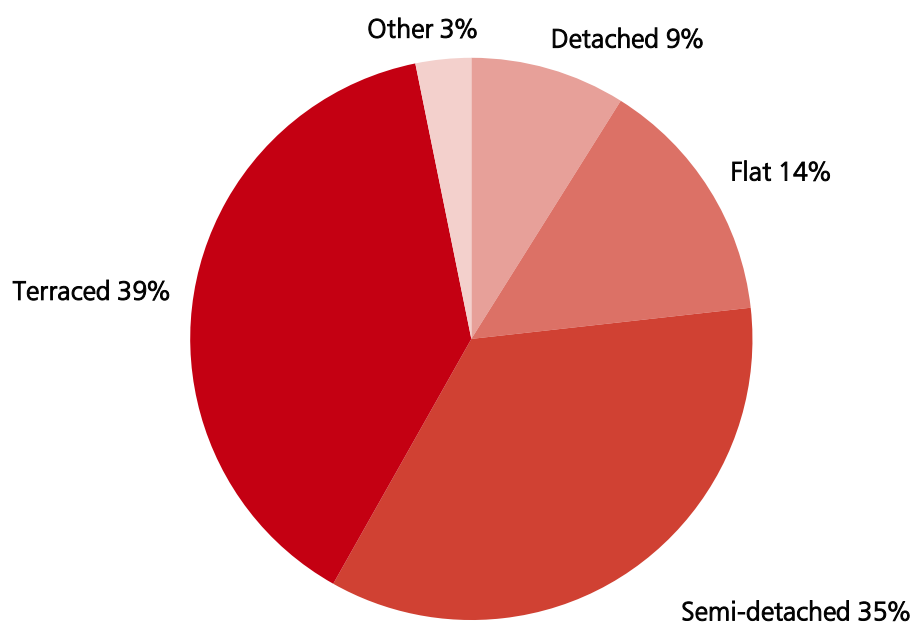
Table 3 and Chart 2 show the number of mortgage completions broken down by property type.

The majority of mortgage completions through the scheme were on terraced houses, making up 39% of total completions. The next most popular property type was semi-detached properties (35%), while completions for flats and detached houses were much lower, making up 14% and 9% respectively.

Table 3: Mortgage completions from October 2013 to March 2017 , by property type

Property types	Total completions	Percentage of total completions (%)
Terraced	40,478	39%
Semi-detached	36,455	35%
Flat	15,104	14%
Detached	9,348	9%
Other	3,301	3%
All properties	104,686	100

Chart 2: Completions by property type from October 2013 to March 2017



Borrowers

Table 4 shows the number of Help to Buy: mortgage guarantee scheme completions, broken down by borrowers' household income.⁶

Most households who completed a mortgage with the support of the scheme had a household income of £20,001 – £50,000. Take-up is lower for those on higher incomes; households with an income over £80,000 made up 7% of all completions.

The median household income for borrowers using the scheme was £40,810 which is lower than the median household income across the market for those buying a house with a mortgage over the same period (£45,589).⁷ The mean household income for borrowers using the Help to Buy: mortgage guarantee was £46,078.

Table 4: Mortgage completions from October 2013 to March 2017, by total applicant household income

Total household income	Total completions	Percentage of total completions (%)
£0 – £20,000	3,714	4
£20,001 – £30,000	18,779	18
£30,001 – £40,000	27,834	27
£40,001 – £50,000	21,648	21
£50,001 – £60,000	13,230	13
£60,001 – £80,000	12,135	12
£80,001 – £100,000	4,204	4
Greater than £100,000	3,142	3
All	104,686	100

Table 5 shows the number of mortgage completions through the scheme, split between first-time buyers and others (i.e. home movers or those remortgaging).

It shows that 80% of mortgage completions through the Help to Buy: mortgage guarantee scheme to date have been for purchases by first-time buyers.

Table 5: Mortgage completions from October 2013 to March 2017, by type of borrower

	Completions (non first-time buyer)	Completions (first-time buyer)	Total completions
All properties	21,233	83,453	104,686

⁶ "Household income" refers to the total income for all individuals who are party to the mortgage.

⁷ Source: The Council of Mortgage Lenders data for median total borrower income for house purchases from Q4 2013 to Q1 2017

Country and regional breakdowns

Table 6 shows the country and regional distribution of the number of mortgage completions through the scheme in each region of England⁸, as well as in the devolved administrations. It also shows a country and regional breakdown of mean property values, number of first-time buyers and borrower incomes.

Mortgage completions in Scotland, Wales and Northern Ireland account for 21% of the scheme total. In Scotland and Wales the number of mortgage completions with the support of the scheme was proportionally higher than in the UK as whole, when compared to total mortgage completions. Since the launch of the scheme, 10% of all UK mortgage completions have taken place in Scotland, compared to 14% of Help to Buy: mortgage guarantee completions. Mortgage completions in Wales made up 4% of the UK total, compared to 5% of Help to Buy: mortgage guarantee completions.⁹

Completions with the support of the mortgage guarantee scheme in Northern Ireland made up 3% of total UK completions supported by the scheme. This is higher than Northern Ireland's share of overall UK mortgage lending (2%).

Help to Buy: mortgage guarantee completions in England are proportionally lower, with 79% of completions compared to an 84% share of overall UK residential mortgage completions. At a regional level a higher proportion of mortgages are supported by the scheme in the East of England and North West. Since the launch of the scheme the East of England and North West made up 4% and 9%, respectively, of total UK mortgage completions, compared to 9% and 14% of mortgage completions supported by the scheme in the same regions.

London and the South East account for 17% of all completions supported by the scheme. This is below the proportion of UK mortgage completions in these regions, which was 35% over the same period.

⁸ The regions used in this publication are based on regions as defined by the ONS. ONS data regions can be found here: www.ons.gov.uk/methodology/geography/ukgeographies

⁹ Comparison data for all figures on this page is Q4 2013 to Q1 2017 of CML data.

Table 6: Mortgage completions, mean property value, first-time buyers and mean borrower income from October 2013 to March 2017, by country/region¹⁰

Country/Region	Completions	Percentage of total completions (%)	Mean property value (£)	Number of first-time buyers	Mean borrower income (£)
England	82,888	79	168,584	66,137	47,673
North East	4,844	5	116,049	3,727	38,317
North West	14,716	14	128,942	11,553	40,279
Yorkshire and The Humber	9,945	9	126,973	7,856	39,228
East Midlands	9,293	9	137,729	7,179	41,180
West Midlands	9,351	9	144,035	7,337	42,534
East	9,914	9	198,414	8,046	52,981
London	4,930	5	316,664	4,515	80,973
South East	12,446	12	223,449	10,117	58,368
South West	7,449	7	176,547	5,807	47,221
Wales	4,829	5	121,331	3,987	37,562
Scotland	14,280	14	125,434	11,013	41,565
Northern Ireland	2,660	3	110,596	2,296	36,015
Other	29	0	160,354	20	49,973
Total	104,686	100	159,042	83,453	46,078

¹⁰ Median property value and percentage of first-time buyers can be found in the accompanying tables. Due to rounding, numbers may not add up to 100%.

Local authority breakdown

Map 1 overleaf shows the total value of the associated mortgage loans by local authority area (dark shaded areas denote higher value of loans in a local authority through the Help to Buy: mortgage guarantee scheme from 8 October 2013 to 31 March 2017).

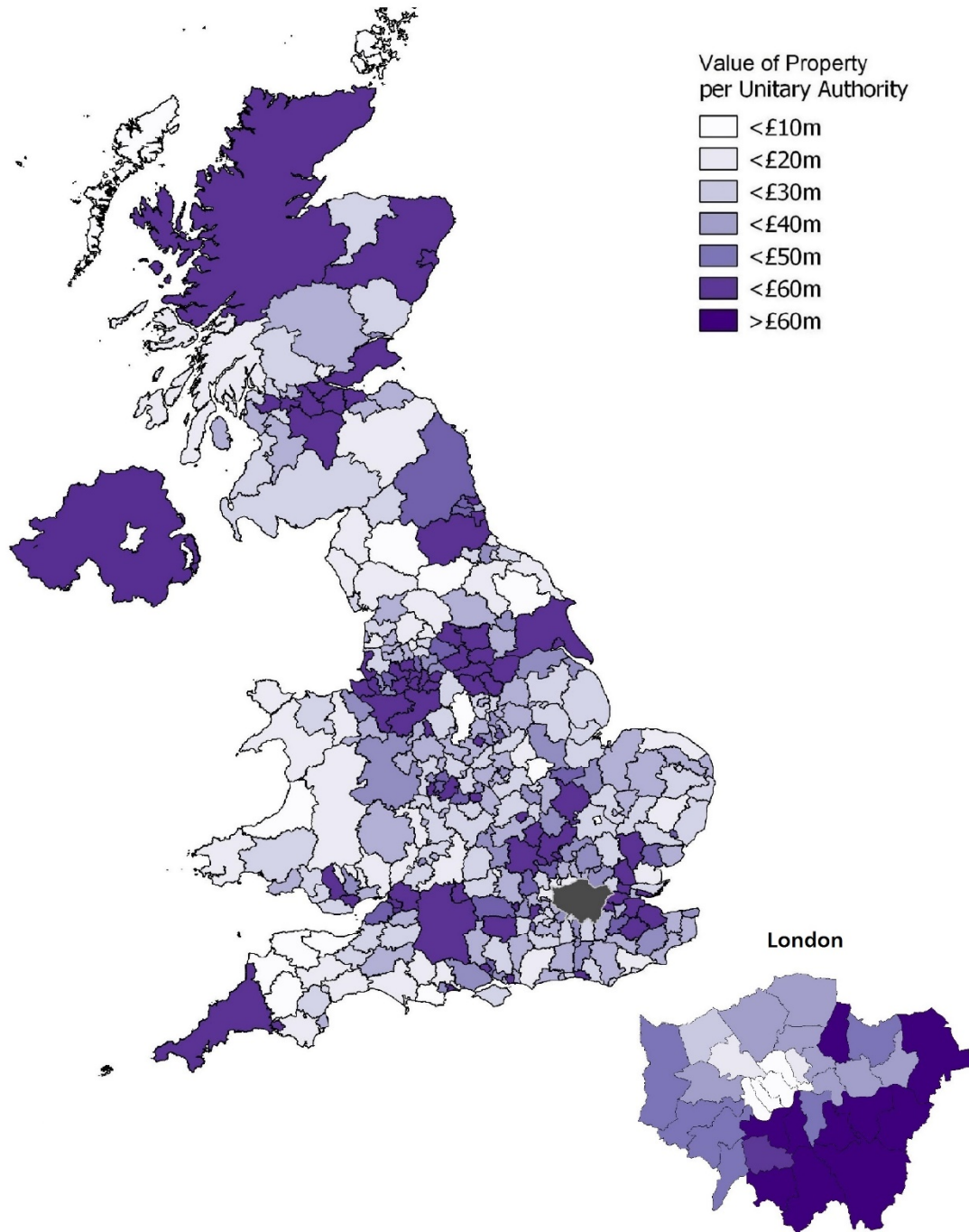
Accompanying tables are available to download alongside this release:

Table 7: Mortgage completions and value of loans and properties supported by Help to Buy: mortgage guarantee, by local authority, England, Scotland, Wales and Northern Ireland.

Table 8: Mortgage completions supported by Help to Buy: mortgage guarantee, by postcode district, England, Scotland, Wales and Northern Ireland.

Table 9: Mortgage completions supported by the Help to Buy: mortgage guarantee, by constituency, England, Scotland, Wales and Northern Ireland.

Map 1: Location and value of completed mortgages supported by the Help to Buy: mortgage guarantee from October 2013 to March 2017, by local authority, UK



*NB: Contains Ordnance Survey data © Crown Copyright and database right 2014
Contains Royal Mail data © Royal Mail copyright and database right 2014
Contains National Statistics data © Crown copyright and database right 2014*

Background notes

Data collection

UK Asset Resolution corporate services (UKARcs), who administer the scheme on behalf of HM Treasury, collect data from lenders participating in the scheme in accordance with monitoring and reporting requirements set by HM Treasury.

Data quality

Both UKARcs and HM Treasury quality assure the data, using IT solutions and manual processes.

Audit and financial reporting

The scheme requires a rigorous audit regime to monitor and enforce compliance with the eligibility criteria and scheme rules. Lenders are required to conduct internal audits, in addition to administrator audits carried out by UKARcs to seek assurance as to the lender's compliance with the scheme rules.

Financial information relating to Help to Buy: mortgage guarantee is included in the HM Treasury resource accounts and the accounts for the Help to Buy: mortgage guarantee scheme.

Mean and median

The following explanation uses property value as an example, but the median and mean are used in the same way throughout the publication. The median property value is the midway point of all the properties values included in the analysis. That is, if there were 101 mortgage completions during a time period and they were ranked by value, the median property value would be the value in the middle i.e., that has 50 house prices above it and 50 house prices below it.

This differs to the arithmetic mean value, which equates to the average price – adding the property values together and then dividing this by the number of completions included in the analysis.

It can be useful to look at both the mean and median with property values. Extreme values at either end of the scale can skew the mean. Therefore the median can give users an additional way of interpreting the data.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official Statistics and the Treasury Revisions policy:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/191042/statistics_revisions_policy.pdf

There are two types of revision covered by the policy above, unscheduled revisions and scheduled revisions.

In line with the policy above, if a significant unscheduled revision is needed (for example from an error in the result of the compilation, imputation or dissemination process), the statistical release and accompanying tables would be updated with a correction notice as soon as is practical.

There should be relatively few scheduled revisions as the data is compiled from established administrative systems. Where there are scheduled revisions these will be indicated in the time series and highlighted in the release.

Users of the data

The data is used for monitoring the delivery of the Help to Buy: mortgage guarantee scheme by users including the public, Parliament, financial and housing companies and markets. They are also used to inform wider government policy on housing.

Data sources

The publications of this scheme use the official UK House Price Index (UK HPI) which replaces the existing, and previously used, house price indices published by the Office for National Statistics (ONS) and Land Registry for England and Wales.

An explanation of the change in House Price Index by the ONS is published here:

www.ons.gov.uk/economy/inflationandpriceindices/articles/introducingthesingleofficialhousepriceindex/2016-03-30

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:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/191041/statistics_user_engagement.pdf

Further information

Further information about the Help to Buy: mortgage guarantee scheme can be found at:

www.helptobuy.org.uk

www.ownyourhome.gov.uk/scheme/help-to-buy-mortgage-guarantee

Revisions in this release

As part of the scheme audit process, an issue was identified in the reporting of borrower income by some lenders. This reporting has now been corrected. The revised reporting resulted in a small decrease in the mean borrower income across the scheme (of around 4%), and it will be reflected in this and future releases. The eligibility and assessment of loans going into the scheme has not been affected.

Enquiries

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