



Ministry of Housing,
Communities &
Local Government

Help to Buy: Equity Loan, England

Technical Notes



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Contents

Official Statistics Status	4
Data collection	4
Data quality	4
Assessment of data quality	4
Imputation	8
Definitions	8
Help to Buy: Equity Loans	8
Revisions policy	12
Non-Scheduled Revisions	12
Scheduled Revisions	12
Revisions in this release	13
Other information	13
Uses of the data	13
Related Statistics	13
User engagement	15

Official Statistics Status

The designation of these statistics is Official Statistics.

Data collection

Data is extracted from Homes England'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.

Data quality

Assessment of data quality

In 2015, the UK Statistics Authority (UKSA) published a [regulatory standard for the quality assurance of administrative data](#). To assess the quality of the data provided for this release, the department has followed that standard.

The standard is supported with an [Administrative Data Quality Assurance Toolkit](#) which provides useful guidance on the practices that can be adopted to assure the quality of the data they utilise.

The Help to Buy: Equity loan statistical release is produced by MHCLG based on data provided to the department from Homes England. An assessment of the level of risk based on the Quality Assurance Toolkit is as follows:

Table 1: Quality Assurance of Administrative Data risk matrix				
Risk/Profile Matrix Statistical Series	Administrative Source	Data Quality Concern	Public Interest	Matrix Classification
Help to Buy: Equity loan	Help to Buy agents providing data to Homes England information management System (IMS)	Low	Medium	Low Risk [A1/A2]

The publication of Help to Buy: Equity loan can be considered as medium profile, as there is some mainstream media interest, with moderate economic and/or political sensitivity.

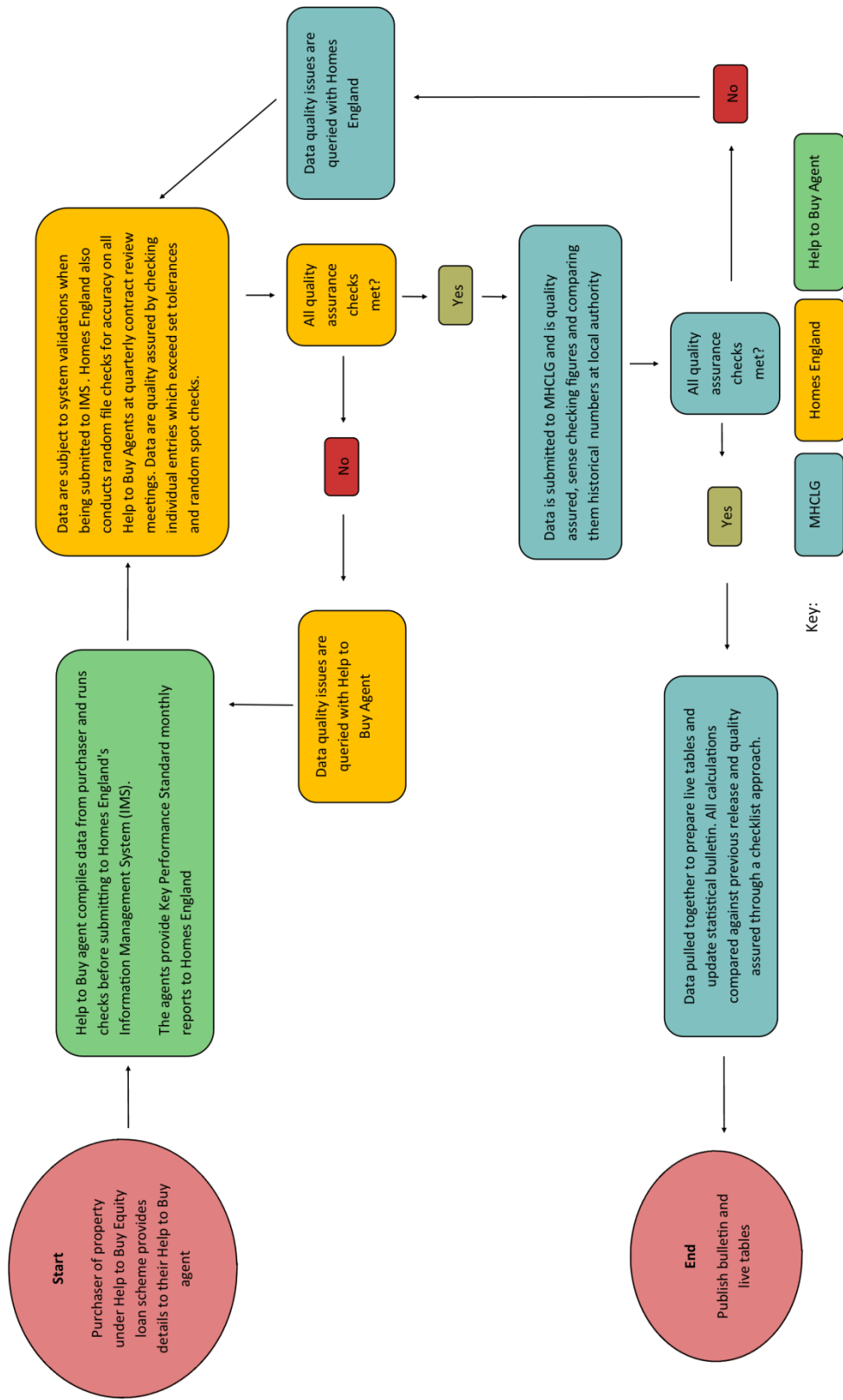
The data quality concern is considered a low concern given that the data is collected on behalf of the department by Homes England who have several quality assurance checks in place.

The data are then further quality assured in detail by the responsible statistician within the department. Further validation and quality checks are carried out, any issues detected are then queried with Homes England.

Overall, the Help to Buy: Equity Loan statistics have been assessed as A1/A2: Low Risk.

A full outline of the statistical production process and quality assurance carried out is provided in the flow chart in Figure 2. Further details are also provided against each of the four areas outlined in the Quality Assurance of Administrative Data (QAAD) Toolkit.

Figure 2: Quality assurance flow diagram



Operational context and administrative data collection

Help to Buy: Equity Loan is government scheme administered by Homes England. Through Help to Buy: Equity Loan the Government lends equity towards the cost of a newly built home.

Data to produce this statistical return is collected by Homes England as part of their administration of the scheme. The data is recorded in Homes England's Information Management System (IMS) by Help to Buy agents.

Help to Buy agents are appointed by Homes England. Help to Buy agents administer the Help to Buy: Equity Loan scheme. They have the authority to give the go-ahead for purchases with help from the equity loan scheme. The agents also make other key decisions during the purchase process. Details of the Help to Buy agents are available on the Help to Buy website

<https://www.helptobuy.gov.uk/equity-loan/find-helptobuy-agent/>

Communication with data supply partners

Homes England is a non-departmental public body. It is governed by a board who decide what its priorities are. Its members are appointed by the Secretary of State for Housing, Communities and Local Government. There is agreement in place for Homes England to collect and provide this data to the department.

Homes England provides clear guidance to the Help to Buy Agents who supply the data as part of the Information Management system <https://www.gov.uk/guidance/investment-management-system-guidance-documents>

House builders are required to submit a monthly return within the first 10 business days of each month. Local Help to Buy agents are responsible for submitting an Authority to Proceed report within 2 business days of month end.

QA principles, standards and checks by data suppliers

Data submitted to Homes England are subject to system validations in IMS. In addition, Help to Buy Agents make Key Performance Standard monthly reports to Homes England and these include compliance with Homes England requirements. Homes England 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/>).

Produces' QA investigation and documentation

Data submitted to Homes England are subject to extensive checks, once it has been provided to the department further quality assurance checks are carried out. These include; checking the total number of completions with Homes England to ensure that the data sets match, comparing the figures for the current release with previously published figures to determine whether there are any anomalous increases, and geo-referencing the data. Geo-referencing involves attributing property addresses to an individual local authority, parliamentary constituency, postcode sector and district by reconciling data against the latest version of the ONS Postcode Directory where possible.

There are further final quality assurance checks performed when producing this final statistical bulletin and live tables end-product. These checks use a clear checklist approach to ensure published figures are consistent across the release and live tables, with each check being systematically signed off when it has been completed.

Imputation

There is no imputation of figures in this release. The data provided from Homes England is a complete record of all Help to Buy equity loans.

Definitions

Help to Buy: Equity Loan

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 (40 per cent in Greater London) 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 (55 per cent in Greater London). The Government assistance to buy is made through an equity loan made by Homes England 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 Homes England 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 here:

<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://homesengland.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.

Although from April 2012 the Mayor of London has had strategic oversight of housing, regeneration and economic development in London, Homes England administers the Help to Buy: Equity Loans scheme on behalf of the Greater London Authority.

The Help to Buy: Equity Loan scheme operate only in England.

Help to Buy: NewBuy Guarantee Scheme

The title of the NewBuy Guarantee scheme was changed in early 2014 to 'Help to Buy: NewBuy', 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 operated only in England.

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.

Completions of legacy Help to Buy: NewBuy scheme are not included in these statistics. For the reporting period, 12 March 2012 to 8 September 2015, a total of 5,694 house purchases were made using the Help to Buy: NewBuy scheme.

Figures for the cumulative number of Help to Buy: NewBuy completions (since March 2012), by local authority in England can be found in all statistical releases up to 2018 Q1

and in accompanying tables 3 and 10. These legacy tables are no longer updated and can be found at:

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

The definitions used in this publication can be found in the 'Housing statistics and English Housing survey' glossary published by MHCLG and that can be found at:

<https://www.gov.uk/guidance/housing-statistics-and-england-housing-survey-glossary>

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry for Housing, Communities and Local Government Revisions Policy and can be found at

<https://www.gov.uk/government/publications/statistical-notice-mhclg-revisions-policy>.

It covers two types of revisions that the policy covers, as follow:

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, Homes England 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.

Homes England 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.

Revisions in this release

There have been revisions made to the data from 2019 Q4 onwards. These are designated in the accompanying tables with the postscript (R).

Other information

Uses of the data

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

Related Statistics

The Ministry of Housing, Communities and Local Government is part of a cross-government working group, including devolved administrations and the Office of National Statistics, working to improve the trustworthiness quality and value of housing and planning statistics across the UK. This working group has published action plan to make the planned improvements on house building statistics clear and transparent to users.

Details of this work and how you can provide feedback are available via the Government Statistical Service website: <https://gss.civilservice.gov.uk/guidances/working-with-users-2/housing-and-planning-statistics/>

Table 2: Help to Buy Equity Loan and related statistics

Release	What do statistics show?	Frequency	Where does the data come from?	What are these figures most appropriate for?
This release: Help to Buy (Equity Loan scheme) MHCLG	Number of homes purchased and the value of equity loans under the Government's Help to Buy: Equity Loan scheme.	Quarterly (Jan, Apr, Aug, Nov)	Data is extracted from Homes England's Investment Management System. This contains information provided by Help to Buy agents in accordance with monitoring requirements for the payment of the equity loans.	Provides an accurate assessment of properties purchased using the Government's Help to Buy: Equity Loan scheme.
Help to Buy: NewBuy Guarantee scheme MHCLG	Number of homes purchased under the Government's Help to Buy: NewBuy scheme.	Finalised. (Quarterly release previously published but no longer updated as scheme closed in 2015).	Data provided by JLT Insurance Management (Guernsey) Ltd in its capacity as administrator to the NewBuy Mortgage Indemnity Scheme.	Provides an accurate assessment of properties purchased using the Government's Help to Buy: NewBuy scheme.
Help to Buy: Mortgage Guarantee scheme HMT	Number of homes purchased under the Government's Help to Buy: Mortgage Guarantee scheme.	Finalised. (Quarterly release previously published but no longer updated as scheme closed in 2016).	Data provided by UK Asset Resolution corporate services, 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.	Provides an accurate assessment of properties purchased using the Government's Help to Buy: Mortgage Guarantee scheme in the UK.
Housing Statistics Homes England	Housing starts on site and housing completions delivered by Homes England (which will exclude Help to Buy: Equity Loan)	Six-monthly (Jun, Nov)	The latest statistics on the supply of homes provided by the Homes England, excluding London except for delivery of programmes (excluding Help to Buy Equity Loan) managed by Homes England on behalf of the Greater London Authority.	Provides an accurate assessment of starts on sites and housing completions delivered by Homes England.
Affordable housing supply MHCLG	Overall affordable housing supply (new build and acquisitions)	Annual (November)	Homes England and Greater London Authority data which is published every six months combined with Local Authority Housing Statistics Data	Provides the most complete estimate of affordable housing supply, including shared ownership schemes. Affordable housing figures are a subset of total housing supply.
Housing supply; net additional dwellings MHCLG	Total housing supply that comprises all new build, conversions, change of use, other gains/losses and demolitions	Annual (November)	Comes from local authorities outside London (Housing Flows Reconciliation Return) and for London boroughs is provided by Greater London Authority (London Development Database)	Provides an accurate assessment of annual change in all housing stock and is the most comprehensive estimate of supply.
Housing Supply; Indicators of new supply MHCLG	Quarterly estimates of new build starts and completions and statistics of other indicators.	Quarterly (Mar, June, Sep, Dec)	Building control officers at: • National House Building Council • Local Authorities • Approved Inspectors	This is a 'leading indicator' of house building, available soon (< 2 months) after quarter end

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>