

SDR 53/2016**27 April 2016**

Help to Buy - Wales Shared Equity Loan Scheme - Data to 31 March 2016

This is the second in a series of annual statistical releases presenting information on the number of home purchases and the value of equity loans under the Welsh Government's Help to Buy - Wales Shared Equity Loan Scheme since its introduction on 2 January 2014.

Help to Buy - Wales is a shared equity loan scheme designed to support home ownership, stimulate building activity and provide a boost to the housing sector and wider economy. Under the scheme, loans are available to buyers wishing to purchase a new-build property worth up to £300,000. Help to Buy - Wales support is available to all home buyers (not just first time buyers) who wish to purchase a new home, but may be constrained in doing so - for example, as a result of deposit requirements - but who could otherwise be expected to repay a mortgage. A shared equity loan of up to a maximum of 20 per cent of the property purchase price is available. In addition, buyers are required to provide a 5 per cent deposit and will then need to secure a mortgage to cover the remaining balance. All builders (of all sizes) are able to register with the scheme and sell properties through the initiative.

Following the initial £170 million commitment, on 10th December 2015, The Welsh Government announced it is investing up to a further £290 million in the second phase of Help to Buy - Wales. Between 2016 - 2021, the additional funding will aim to support the construction of more than 6,000 further new Welsh homes.

Definitions of all terms used can be found in the Glossary section at the end of the release, alongside the Key Quality Information.

Summary

- Since the introduction of the Help to Buy - Wales scheme on 2 January 2014, to 31 March 2016, a total of 3,084 property purchases were completed using a Welsh Government shared equity loan.
- Over this period, the total value of these equity loans was £110.5 million, with the value of the properties purchased totalling £557.8 million.
- The mean purchase price of a property bought using the Help to Buy - Wales Shared Equity Loan Scheme over this period was £180,872, with a mean equity loan value of £35,837.
- The majority of homes purchased through the Help to Buy - Wales Shared Equity Loan Scheme were to first time buyers, accounting for 75 per cent of total completions.

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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 Welsh Government's Help to Buy – Wales Shared Equity Loan Scheme.

This is the second official release in relation to Help to Buy – Wales Shared Equity Loan statistics. The figures presented in this release cover the period from scheme launch on 2 January 2014 to 31 March 2016.

This release does not cover statistics relating to the UK-wide Help to Buy: Mortgage Guarantee scheme. More information on the Help to Buy: Mortgage Guarantee scheme can be found in the Key Quality Information section of the release.

Source of Data

The data published in this release is collected on behalf of the Welsh Government by Help to Buy (Wales) Ltd, who are responsible for the administration of the scheme.

Information relating to how this data is collected can be found later in the release, in the Key Quality Information section.

Quarterly Figures

As shown in Table 1, the quarterly figures for Help to Buy – Wales Shared Equity Loans are based on legal completion dates for transactions through the scheme. The legal completion date is the point at which Help to Buy (Wales) Ltd receives a completion notice from either the buyer's conveyancer or solicitor. The figures presented below capture all completions from the launch of the scheme, on 2 January 2014, to 31 March 2016.

Table 1: Number of Legal Completions, and Value of Equity Loans (£s millions), Wales (a)

	Completions (Numbers)	Total value of Properties sold (£s millions)	Value of Equity Loans at completion (£s millions)
2013-14			
January to March 2014	72	12.2	2.4
2014-15			
April to June 2014	348	61.0	12.1
July to September 2014	289	51.8	10.3
October to December 2014	408	73.0	14.5
January to March 2015	262	47.8	9.4
Total 2014-15	1,307	233.6	46.4
2015-16			
April to June 2015	486	87.6	17.4
July to September 2015	370	68.4	13.5
October to December 2015	553	101.2	20.1
January to March 2016	296	54.8	10.8
Total 2015-16	1,705	312.0	61.8
Cumulative total to 31 March 2016	3,084	557.8	110.5

Source: Help to Buy (Wales) Ltd

(a) The value of the equity loans are linked to the purchase price of the property and can be no more than 20 per cent of a property's value at the point of sale. The remaining value of the purchase must be financed through a combination of a buyer's deposit and a conventional mortgage.

The cumulative total of the number of completed purchases to 31 March 2016 was 3,084.

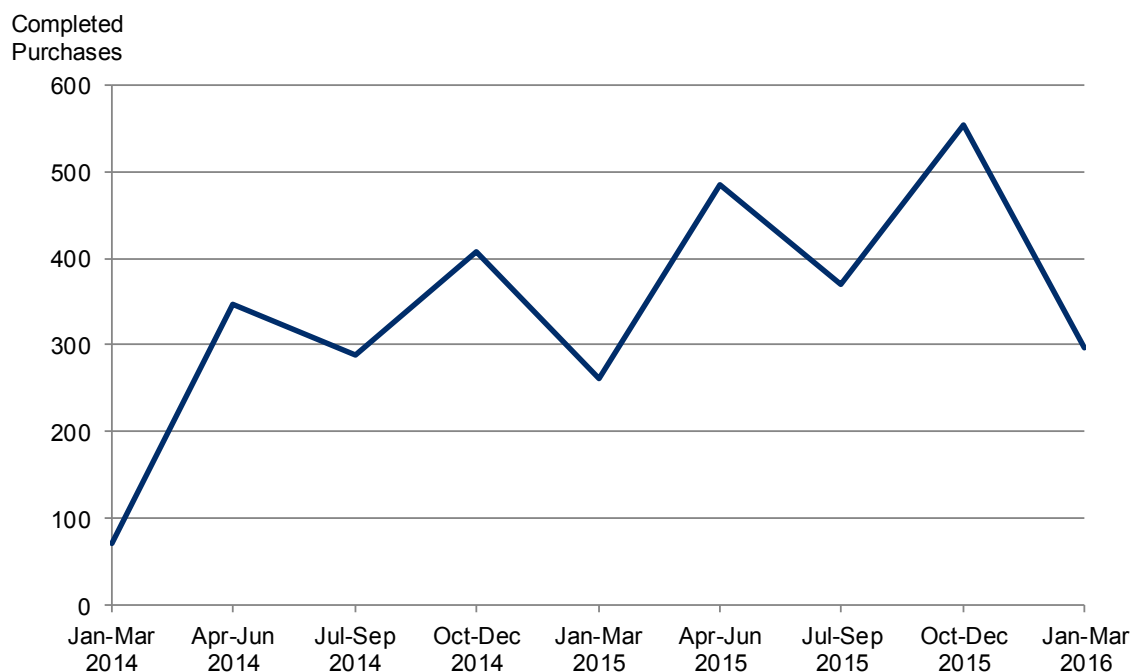
The corresponding value of the equity loans used to support these purchases was £110.5 million, which represents 19.8 per cent of the overall value of properties sold under the scheme which totalled £557.8 million (Table 1).



**Since January 2014,
there have been 3,084
property purchases
using the Help to Buy-
Wales scheme**

The number of completed purchases increased by 30 per cent during 2015-16 compared with the previous financial year (1,705 purchase) and the value of the equity loans used to support these increased by 33 per cent to £61.8 million. During 2015-16, the value of properties purchased using a Help to Buy-Wales equity loan was £312.0 million which is an increase of 34 per cent on the value of properties purchased during 2014-15 (Table 1).

Chart 1: Help to Buy-Wales, Completed Purchases Quarterly, Wales



Source: Help to Buy (Wales) Ltd

As can be seen from Chart 1, there are clear patterns within the quarterly figures, with a higher level of completions during the April to June and October to December quarters in each year. These increases in activity may be influenced by the quarterly sales targets used by larger developers with June and December corresponding with the mid and end year sales target dates for a majority of the larger developers.

Figures for the first three months of the scheme were low compared with later quarters. This is to be expected at the start of a scheme and is also a reflection of the time it usually takes for buyers to complete all the necessary stages required to purchase a property. The number of completed purchases during the January to March quarters of both 2014-15 and 2015-16 were also lower than those seen in other quarters. This may be due to the impact of external seasonal factors such as holiday periods and weather conditions with the number of new dwellings completed also showing a similar pattern of generally lower numbers during the January to March quarter each year. The figures shown in this release have not been seasonally adjusted.

Local Authority Figures

Over the period from 2 January 2014 to 31 March 2016, the highest number of completed purchases under the Help to Buy - Wales Shared Equity Loan Scheme was seen in Newport, with 478 completed purchases, while the lowest number over the period was in Ceredigion with 8 completed purchases.

New house building¹ figures for this same period show that of the 22 local authorities, Newport had the highest number of new dwellings completed (1,271 dwellings) whilst Ceredigion, along with Denbighshire, had the third lowest (234 dwellings).

In reference to Map 1, taking into account the number of households within each local authority area, the highest rate of completed purchases between 2 January 2014 and 31 March 2016 was also in Newport, at 77.0 per 10,000 households, followed by Flintshire, at 61.6 per 10,000 households. The lowest rate of completed purchases over this period was seen in Ceredigion at just 2.5 completed purchases per 10,000 households, followed closely by the Isle of Anglesey at 2.9 per 10,000 households. Overall, the rate of completed purchases was below the Wales average of 23.3 (per 10,000 households) in 14 of the 22 local authorities across Wales with rural authorities generally having the lowest rates. Carmarthenshire, with a rate of 32.6 completed purchases per 10,000 households was the only rural authority with a rate above the Wales average over this period.

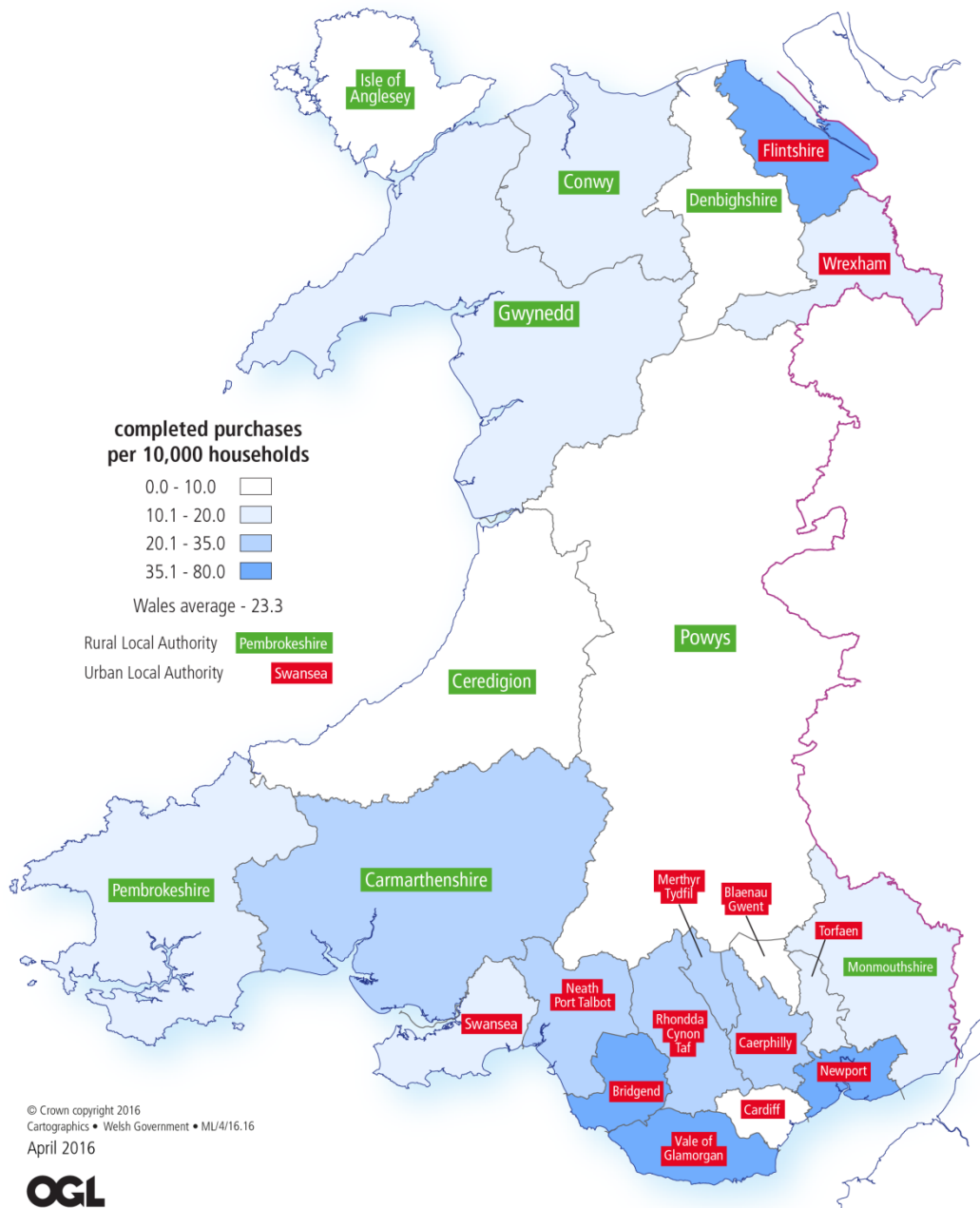
Further information on completed purchases under the Help to Buy - Wales Shared Equity Loan Scheme at a local authority level are available on the Stats Wales website at the following link:
<https://statswales.wales.gov.uk/Catalogue/Housing/Help-To-Buy>

¹ Welsh Government new house building completions by local authority are available on Stats Wales at the following link:
<https://statswales.wales.gov.uk/Catalogue/Housing/New-House-Building>

Map 1: Help to Buy - Wales Scheme - Completed Purchases Since 2 January 2014 By Local Authority Area - Rate Per 10,000 Households (a)

Help to Buy Wales Scheme

completed purchases since 2nd January 2014 by Local Authority area
- Rate per 10,000 households



Source: Help to Buy (Wales) Ltd

(a) Completions have been mapped to each local authority according to the property postcode, and the calculation per 10,000 household is based on Welsh Government 2014 household estimates. Further information is available in the Key Quality Information section of the release.

Purchase Price

The Help to Buy – Wales Shared Equity Loan Scheme can be used to purchase new build properties up to the value of £300,000, with a maximum equity loan of £60,000 (20 per cent of the purchase price of the property).

As shown in Table 2, the number of homes purchased using the scheme up to 31 March 2016 was greatest in the £150,001 to £175,000 price range, representing 24.2 per cent of total sales. Overall, around 45 per cent of properties bought through Help to Buy – Wales are in the 150,001 to 200,000 price range.

Only around 10 per cent of all completed purchases were of houses priced between £50,000 and £125,000. The percentage of completed purchases in the higher property price range of between £225,001 and £300,000 however was higher at around 18 per cent.



**180, 872 = Mean
purchase price**

**35, 837 = Mean equity
loan value**

Over this period, the mean (average) purchase price paid for all completed purchases was £180,872 whilst the median purchase price paid was slightly lower at £174,995. This reflects the fact that the distribution of sales is skewed towards the mid price range of £150,001 to £200,000.

Table 2: Cumulative Number of Legal Completions From 2 January 2014 To 31 March 2016, By Purchase Price

Purchase Price	Numbers/Percentage	
	Cumulative legal completions	Percentage of total legal completions
£50,000 - £100,000	47	1.5
£100,001 - £125,000	268	8.7
£125,001 - £150,000	537	17.4
£150,001 - £175,000	746	24.2
£175,001 - £200,000	630	20.4
£200,001 - £225,000	310	10.1
£225,001 - £250,000	302	9.8
£250,001 - £300,000	244	7.9
Total	3,084	100.0

Source: Help to Buy (Wales) Ltd

Purchaser Deposits

As shown in Table 3, the majority of completed purchases through the Help to Buy – Wales Shared Equity Loan Scheme have been made by first-time buyers, representing 75 per cent of all completed purchases to 31 March 2016 (2,328).

75 % of completed purchases were by first time buyers



The remaining 756 completed purchases (25 per cent) were by former owner-occupiers who used the scheme.

The majority of all recipients of Help to Buy – Wales Shared Equity Loans (67 per cent) provided the minimum 5 per cent deposit. This was the case for both first time buyers and former owner occupiers, though the proportion of all purchases made with the minimum 5 per deposit was higher for first time buyers at 71 per cent of all 2,328 completed purchases than for former owner-occupiers at 56 per cent of the 756 completed purchases (Table 3).

Just under 5 per cent of completed purchases were made with a deposit of over 20 per cent though again this varied with the type of purchaser. For first-time buyers, a deposit of 20.1 per cent or more was provided in just 3 per cent of all completed purchases compared with 10 per cent for former owner-occupiers.

Table 3: Cumulative Number of Legal Completions 2 January 2014 To 31 March 2016, By Purchaser Deposit Level And Type Of Purchaser (a)

Deposit Band	Completions (non - First Time Buyers)		Completions (First Time Buyers)		Total Completions	
	Number	Percent	Number	Percent	Number	Percent
Up to 5%	421	13.7	1,657	53.7	2,078	67.4
5.1% to 10%	159	5.2	404	13.1	563	18.3
10.1% to 15%	66	2.1	127	4.1	193	6.3
15.1% to 20%	38	1.2	67	2.2	105	3.4
20.1% or more	72	2.3	73	2.4	145	4.7
All Properties	756	24.5	2,328	75.5	3,084	100.0

Source: Help to Buy (Wales) Ltd

(a) Individual deposit percentages are constructed by dividing the deposit amount by the full purchase price of the property, then multiplying by 100. All individual calculations are then rounded to one decimal place. Further information on the methodology used is available in the Key Quality Information section.

Applicant Household Income

Table 4 shows the total household income, separated by income bands, for purchasers of properties through the Help to Buy – Wales Shared Equity Loan Scheme. ‘Total applicant household income’ reported below refers to the total, cumulative, gross income of all named applicants for each individual Help to Buy – Wales property.

The number of homes purchased using the scheme was greatest for purchasers with a household income of between £30,001 and £40,000 a year, representing 29 per cent of total completions. In addition, over three quarters (76 per cent) of homes purchased through the scheme, up to 31 March 2016, were from households with a total household income of between £20,001 and £50,000.

Since the start of the scheme, only 8 per cent of all completed purchases (258 purchases) have been made by households with an income of over £60,000 (Table 4).

Table 4: Cumulative Number of Legal Completions 2 January 2014 To 31 March 2016, By Total Applicant Household Income (a) (b)

<i>Number/Percentage</i>		
Total applicant household income	Cumulative completions	Percentage of total Completions
£0 - £20,000	155	5.0
£20,001 - £30,000	786	25.5
£30,001 - £40,000	900	29.2
£40,001 - £50,000	660	21.4
£50,001 - £60,000	325	10.5
£60,001 - £80,000	218	7.1
£80,001 - £100,000	36	1.2
Greater than £100,000	4	0.1
All	3,084	100.0

Source: Help to Buy (Wales) Ltd

(a) Total applicant household income is registered on the Help to Buy- Wales Shared Equity Scheme 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.

(b) The scheme allows for property purchase up to £300,000 with a maximum 20 per cent equity loan. 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 £300,000 property, with a 5 per cent purchase deposit (£15,000) and a 20 per cent equity loan (£60,000) must fund the remainder of the purchase through a mortgage (£225,000). In this instance, the total applicant household income must be £50,000 per annum.

Completed Purchases By Property Size – Number of Bedrooms

Table 5: Cumulative Number of Legal Completions 2 January 2014 to 31 March 2016, By Property Size - Number of Bedrooms

<i>Number/Percentage</i>		
Number of Bedrooms	Cumulative completions	Percentage of total Completions
One Bedroom	65	2.1
Two Bedrooms	428	13.9
Three Bedrooms	1,561	50.6
Four Bedrooms	954	30.9
Five Bedrooms	14	0.5
Unknown	62	2.0
All	3,084	100.0

Source: Help to Buy (Wales) Ltd

**51 % of purchases were
3 bedroom properties**



The majority of the completed purchases to 31 March 2016 have been of three bedroom properties accounting for 51 per cent of all purchases. This was followed by four bedroom properties which accounted for 31 per cent of all completed purchases to 31 March 2016. This is to be expected given that on average, over the 5 years to 2014-15, the majority of new homes built (around 65 per cent) have been larger 3 and 4 (or more) bedroom properties.

Smaller two and one bedroom properties accounted for 14 per cent and 2 per cent respectively of all completed purchases over this period.

Only 14 completed purchases, less than 1 per cent, were of large 5 bedroom properties which may be due to the scheme's purchase price limit of £300,000.

The number of bedrooms was not recorded for 62 completed purchases during this period.

Completed Purchases By Household Type

The majority of the completed purchases to 31 March 2016 (48 per cent) were for households with 2 adults and no children. This may be influenced by the large proportion of first-time buyers using the scheme some of whom may be young couples who are using the scheme to purchase a home prior to starting a family.

The second highest percentage (27 per cent) of completed purchases was for single person households and again this may be influenced by the large proportion of first-time buyers using the scheme.

Only around 3 per cent (91 purchases) of all completed purchases over this period have been for single parents with one or more children. This may in some cases be influenced by the household income and difficulties in obtaining a minimum 5 per cent deposit or of securing a mortgage to cover the remaining balance.

Each of the other household types shown accounted for less than 1 per cent of all completed purchases to 31 March 2016. For 30 completed purchases, 1 per cent, the household composition was not recorded.

Table 6: Cumulative Number of Legal Completions 2 January 2014 To 31 March 2016, By Household Composition (a)

<i>Number/Percentage</i>		
Household Composition	Cumulative Completions	Percentage of Total Completions
One adult (No children)	831	26.9
One adult, 1 or more children	91	3.0
Two adults (No children)	1,479	48.0
Two Adults, 1 or more children	637	20.7
Three Adults (No children)	9	0.3
Three Adults, 1 or more children	5	0.2
Four Adults (No children)	*	*
Four Adults (1 or more children)	*	*
Unknown	30	1.0
All	3,084	100.0

Source: Help to Buy (Wales) Ltd

(a) For these purposes, those aged 18 + at the expected purchase completion date are adults and those aged 18 or below are children.

(*) To avoid the potential disclosure of personal information about any individual, any results based on less than three transactions are suppressed, and represented as an asterisk

Key Quality Information

1. Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political reference.
2. In addition to the information below, further information covering the general principles and processes leading up to the production of our statistics can be found in the [Housing Statistics Quality Report](#) which is available on our website.
3. The data included in this release is collected from a variety of sources:
 - i) Property Information Form – this initial application form is completed by all buyers and provides basic property, income and loan request details.
 - ii) Conveyancer Form 1 and Conveyancer Form 2 - these legal documents are completed at the point of exchange and completion, respectively.
 - iii) Completion Notices – completion notices are issued on all Help to Buy – Wales properties by the buyer’s conveyancer or solicitor. These notices provide a final confirmation that a sale has been completed through the Help to Buy – Wales scheme.

Data Collection

4. Data are extracted from the Help to Buy (Wales) Ltd Client Relationship Management System (CRM). All the information is held securely on the system, and is input by the processing staff at Help to Buy (Wales) Ltd. All information stored on the CRM, in relation to Help to Buy – Wales properties, is provided by either the buyer or their solicitor/conveyancer as part of the Property Information Form, Conveyancer Form 1 or Conveyancer Form 2. More details on the process buyers go through, and the documentation they are required to complete to draw down a shared equity loan, can be found on the scheme website:
<http://helptobuywales.co.uk/?lang=en>

Data Quality

5. Data recorded on the CRM by Help to Buy (Wales) Ltd are subject to system validations at each stage of the equity loan making process. In addition, Help to Buy (Wales) Ltd and the Welsh Government review the data as part of monthly scheme monitoring.
6. The Welsh Government also conducts monthly random file checks for accuracy on Help to Buy (Wales) Ltd data. This process involves assessing 10 random cases to check the accuracy of the information recorded and ensure the cases are compliant with the scheme’s eligibility criteria.
7. Help to Buy (Wales) Ltd’s records are also subject to annual internal and external audits.
8. Following extraction for the purposes of producing this statistical release, data are quality assured by checking individual entries which exceed set tolerances e.g. purchaser income levels, and ‘spot check’ reviews.

Revisions Policy

9. This release contains the final data to 31 March 2016. Help to Buy – Wales Shared Equity Loan Statistics are drawn from Help to Buy (Wales) Ltd’s client relationship management system and, in a minority of cases, this information can be updated after the official statistics have been extracted and compiled. A judgement is made as to whether the change is significant enough to publish a revised statistical release. Where changes are not deemed to be significant, minor amendments to the figures may be reflected in the StatsWales tables prior to that next release.
10. Revised data will be marked with an (r) in the next subsequent statistical release. Where a substantial error has occurred as a result of the compilation, imputation or dissemination process,

the statistical release, live tables and all other accompanying release material will be updated with a correction notice as soon as is practical.

11. We follow the Welsh Government's statistical revisions policy, details of which are available at: <http://gov.wales/statistics-and-research/about/statement-of-compliance/revisions-errors-postponements/?lang=en>

Symbols

12. The following symbols may have been used in this release:

- negligible (less than half the final digit shown)
- . not applicable
- .. not available
- ~ not yet available
- * disclosive or not sufficiently robust for publication
- p provisional
- r revised

Uses of the data

13. This publication is being released to provide information on the Help to Buy –Wales Shared Equity Loan Scheme. It is anticipated the data will be of benefit to a broad user group, including officials involved in housing policy, practitioners in the sector, researchers, developers and other individuals with an interest in private sector housing.
14. The data are used for monitoring the delivery of the Help to Buy – Wales Shared Equity Loan Scheme.
15. More generally, the information is used for:
- Monitoring housing trends;
 - Informing housing policy development;
 - Advice to Ministers;
 - Informing debate in the National Assembly for Wales and beyond; and
 - Geographic profiling, comparisons and benchmarking

User Engagement

16. 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 'Public Enquiries', contact information for which is outlined in the 'Further Information' section below.

Dissemination

17. More detailed data relating to the Help to Buy – Wales Shared Equity Loan Scheme is published on Stats Wales on a monthly basis, covering the activity for the previous month.
18. A Statistical Headline is produced each quarter, which presents summary information covering scheme activity for the prior three months.
19. An Annual Release is published in April of each year.
20. Further policy information on the Help to Buy - Wales Shared Equity Loan Scheme can be found on the scheme's website: <http://helptobuywales.co.uk/?lang=en>
21. Further policy information on other Help to Buy Shared Equity Schemes operating across the UK can be found at: <http://www.gov.uk/affordable-home-ownership-schemes/overview>

Related Statistics

Household Estimates

22. The mid-2014 household estimates, used within this release to calculate rates, were produced by the Welsh Government. The household estimates are estimations of historic household numbers. They are produced by making assumptions about household size and composition and applying these assumptions to the mid-year population estimates. Further information can be found via the following link:

<http://gov.wales/statistics-and-research/household-estimates/?lang=en>

New House Building

23. The Welsh Government publishes a quarterly headline and an annual release covering new build starts and completions based on the reports of local authority building inspectors and the National House Building Council (NHBC) which is a private approved inspector (PAI). The latest house building statistics can be found via the following link:

<http://gov.wales/statistics-and-research/new-house-building/?lang=en>

Housing Market and House Prices

House Price Index

24. The ONS House Price Index (HPI) is a monthly release that publishes figures for mix-adjusted average house prices and house price indices for the UK and its component countries and regions. The index is calculated using mortgage financed transactions that are collected via the Regulated Mortgage Survey by the Council of Mortgage Lenders. These cover the majority of mortgage lenders in the UK.

25. The HPI statistical bulletin provides comprehensive information on the change in house prices on a monthly and annual basis. It also includes analysis by country, region, type of buyer (first-time buyers and former owner-occupiers) and type of dwelling (new dwelling or pre-owned dwelling). Further information and the latest information for January 2016 is available at the following link:

<http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/january2016>

26. The Department for Communities and Local Government (DCLG) also publish a series of tables covering house prices and housing market information using data collected via the Regulated Mortgage Survey by the Council of Mortgage Lenders. Information is also available for mean, median and lower quartile house prices based on HM Land Registry data providing comprehensive coverage of all residential property transactions in England and Wales. Data from HM Land Registry is also used, along with earnings data from the Office for National Statistics, to show affordability at the district level.

27. Live tables are available for other housing market data including house prices from Halifax, Nationwide and Land Registry, property transactions from HM Revenue and Customs and land prices from the Valuation Office. All tables can be accessed via the following link:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices>

Council of Mortgage Lenders

28. The Council of Mortgage Lenders publish an extensive range of statistics on the UK housing and mortgage markets, including data on lending for house purchase, remortgage and buy-to let. The latest information on the characteristics of lending in Wales, including lending to first time buyers, was published in November 2015 and is available at the following link:

<https://www.cml.org.uk/news/press-releases/first-time-buyer-lending-in-wales-up-21-in-third-quarter/>

Help to Buy: Mortgage Guarantee Scheme

29. The Help to Buy Mortgage Guarantee Scheme opened on 8 October 2013 and is available across the United Kingdom. Under the scheme, the UK Government offers lenders the option to purchase a guarantee on mortgage loans where the borrower has a deposit of between 5 per cent and 20 per cent. The scheme can be used for mortgages on both new build and existing homes, by first time buyers, home movers and those re-mortgaging. The guarantee compensates participating mortgage lenders for a portion of net losses suffered in the event of repossession. Over the life of the scheme, the UK Government will make available up to £12 billion of guarantees, which is sufficient to support up to £130 billion of high loan-to-value (LTV) mortgages. Data are published by HM Treasury and the latest figures to 31 December 2015 are available at the following link:

<https://www.gov.uk/government/statistics/help-to-buy-mortgage-guarantee-scheme-quarterly-statistics-october-2013-to-december-2015>

Help to Buy ISA

30. The March 2015 Budget announced The Help to Buy ISA which is designed to help first-time buyers save up a deposit for their home. The UK Government will add 25% to savings, up to a maximum of £3,000 on savings of £12,000.

<https://www.helptobuy.gov.uk/help-to-buy-isa/how-does-it-work>

Related Statistics for Other UK Countries

31. A number of slightly different Help to Buy Shared Equity schemes operate across the UK. Further information on these is available at the following link:

<https://www.gov.uk/affordable-home-ownership-schemes/overview>

England

32. Information on the Help to Buy equity loan scheme which operates in England is published by the Department for Communities and Local Government (DCLG). The Help to Buy equity loan scheme has been running in England since 1 April 2013. As is the case in Wales, a shared equity loan of up to a maximum of 20% of the property purchase price is available with buyers required to provide a 5 per cent deposit and secure a mortgage to cover the remaining balance. However, in England, the 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.
33. To reflect the current property prices in London, a shared equity scheme specific to the capital was launched in February 2016 by The UK Government. As is the case in Wales and the wider English scheme buyers will be required to provide a 5 per cent deposit. However a shared loan for up to 40% of the purchase price is available, with a maximum equity loan of £240,000.
34. The 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 the monitoring requirements for the payment of the equity loans. The published data are based on legal completion dates for transactions in the scheme as operated in England. Cumulative data from the introduction of the scheme in England (on 1 April 2013) to 31 December 2015 is available in a statistical release at the following link:
- <https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-and-help-to-buy-newbuy-statistics-april-2013-to-december-2015>

The release also includes information on the Help to Buy: New Buy Scheme in England, this scheme has now closed. This scheme does not operate in Wales.

35. Monthly figures on the Help to Buy equity loan scheme in England are also published on the DCLG website. The latest information, to 31 December 2015, are available at the following link:
- <https://www.gov.uk/government/statistical-data-sets/help-to-buy-equity-loan-scheme-monthly-statistics#history>

Northern Ireland

36. There is no Help to Buy Equity loan scheme currently operating in Northern Ireland. The Help to Buy Mortgage Guarantee Scheme, however, does operate in Northern Ireland, which helps purchasers to buy a home with a deposit of as little as 5 per cent of the property purchase price. The mortgage guarantee is provided to the lender. The property can be either a new or existing home, but must be valued at £600,000 or less, not be a shared ownership or shared equity property, or a second home, and must not be purchased as a buy to let. The scheme is available to all home buyers, not just first time buyers. More information is available at the following links:
<http://www.nidirect.gov.uk/help-to-buy-mortgage-guarantee-scheme>

http://www.nihe.gov.uk/index/advice/buying_a_home.htm

Scotland

37. The Help to Buy (Scotland) scheme is available on new build homes from participating home builders and on properties up to maximum value of £230,000 for purchases which complete on or before 31 March 2017, £200,000 for purchases on or before 31 March 2018, and £175,000 for purchases on or before 31 March 2019.

38. The Scottish Government will help buyers to purchase the property by taking an equity stake of up to a maximum 15 per cent of the value of the property. No annual interest is charged on the equity stake and it can be repaid at any point, based on the value of the property at the time of the repayment.

39. The scheme is only available to those who are unable to afford to purchase a property without the Scottish Government purchasing an equity share in the property. The scheme is dependent on income level and would not be available to a single person who requires a mortgage of more than 4.5 times their income or couples who require a mortgage of more than 3.5 times their joint income. Further information is available at the following link:

<http://www.gov.scot/Topics/Built-Environment/Housing/BuyingSelling/help-to-buy>

Glossary

A Help to Buy – Wales Shared Equity Loan is a Welsh Government financial product made available to eligible applicants to purchase homes using a Welsh Government equity mortgage secured against a buyer's new residential property. The Welsh Government shared equity mortgage is ranked second in priority, behind an owner's main mortgage lender. The Welsh Government's equity mortgage is linked to the value of the property it is used to buy, meaning that if the Welsh Government contributed 20 per cent of the property value to the applicant to buy a home, the owner will repay 20 per cent of the future value to the Welsh Government.

A Help to Buy – Wales Shared Equity Loan can be no more than 20 per cent of the value of an eligible new-build property. An eligible buyer must also provide a cash deposit of at least 5 per cent and secure a conventional mortgage of at least 75 per cent. The maximum Help to Buy – Wales Shared Equity Loan that applicants can apply for is £60,000, on a new-build property of no more than £300,000.

All Help to Buy - Wales Shared Equity Loans are issued by Help to Buy (Wales) Ltd. At the point at which a sale is completed through the scheme, Help to Buy (Wales) Ltd pay the equity loan finance to the house builder (via the buyer's solicitor or conveyancer).

All Help to Buy – Wales Shared Equity Loans are interest free for the first five years from the point at which the loan funding is drawn down. The property title is held by the home owner who can sell their home at any time; however, at the point of sale, the equity loan must be paid off, in full, based upon the market value of the property at that specific moment in time. For example, if the Welsh Government's original Help to Buy – Wales Shared Equity Loan was 20 per cent of the value of a new-build home, the owner will need to repay 20 per cent of the future value of the home (the value at the time they sell, or wish to repay their loan using other means). More information on this process can be found on the scheme website:

<http://helptobuywales.co.uk/?lang=en>

The following definitions are also used in relation to the Help to Buy – Wales Shared Equity Loan Scheme:

Completed equity loans (“purchaser legal completions”): a purchaser legal completion is defined as occurring when Help to Buy (Wales) Ltd are issued a completion notice by a purchaser's conveyancer or solicitor. A completion notice informs Help to Buy (Wales) Ltd that a 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. At this point the purchaser has taken legal possession of the property.

Further information

Further information is available on the Welsh Government's statistics web site.

<http://gov.wales/statistics-and-research/?topic=Housing+and+regeneration&lang=en>

The full data sets are available on Stats Wales at the following link:

<https://statswales.wales.gov.uk/Catalogue/Housing>

To note: On Stats Wales results based on three or more transactions are rounded (to the nearest three in terms of transactions or to the nearest thousand pounds in the case of financial amounts) to remove the potential of disclosure by differencing.

We actively encourage feedback from our users. If you have any comments or you require any further information, please contact us as follows:

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