

# Help to Buy (Scotland) Scheme, 2020/21

## Monitoring Information on Characteristics of Households

This document provides a summary of the characteristics of households purchasing homes through the Help to Buy (Scotland) Scheme in the 2020/21 financial year, based on 'log form' information returned by participating households.

*Note that the completion of log forms is voluntary, and therefore not all sales have a corresponding log form completed. There have been a total of 758 log forms provided, which represents around 73% of Help to Buy sales across the year 2020/21. Whilst this is a relatively high response rate, figures in this report should still be treated with some degree of caution, as it is not clear how representative the data is of all households participating in the scheme. In addition, some of the completed log forms have contained missing or inaccurate information, which will also affect the quality of the estimates that can be reported on. Taking these cautions into account, the resulting estimates should be treated as estimates only, but should still provide a reasonable indication of characteristics of households purchasing homes under Help to Buy.*

Information on households purchasing through the scheme between September 2013 and March 2016 was previously published in June 2017<sup>1</sup>. Information on households purchasing in the financial year 2016/17 was previously published in June 2018<sup>2</sup>, with information for years 2017/18 and 2018/19 being published in June 2019<sup>3</sup>, and information for 2019/20 being published in September 2020<sup>4</sup>.

A factor to consider when interpreting the characteristics information presented in this report is that the total number of Help to Buy (Scotland) sales has dropped by half (50%) in the latest year, with a total of 1,030 sales recorded in 2020/21 compared with 2,060 sales in 2019/20. Some of this drop may be due to households accessing shared equity support for new build purchases through the separate First Home Fund scheme launched in December 2019. An evaluation of the First Home Fund published in February 2021 found that the simplicity of the scheme was welcomed by purchasers, including the relatively straightforward eligibility criteria and application processes, and estimated that nearly four in ten (37.5%) new build properties purchased through the Fund may have been able to receive financial support through Help to Buy (Scotland) instead of the First Home Fund<sup>5</sup>.

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<sup>1</sup> [Help to Buy \(Scotland\) monitoring: characteristics of households report, September 2013 to March 2016](#)

<sup>2</sup> [Help to Buy \(Scotland\) monitoring: characteristics of households report, 2016/17](#)

<sup>3</sup> [Help to Buy \(Scotland\) monitoring: characteristics of households report, 2017/18 and 2018/19](#)

<sup>4</sup> [Help to Buy \(Scotland\) monitoring: characteristics of households report, 2019/20](#)

<sup>5</sup> [First Home Fund - quantitative and qualitative analysis: evaluation synthesis - gov.scot \(www.gov.scot\)](#)

Note that figures presented in this report are not Official Statistics or National Statistics, and have been collated as management information for the purposes of policy monitoring only.

### **Key Findings for 2020/21:**

- 79% of Help to Buy (Scotland) households were first time buyers in 2020/21, a slight drop on the percentages seen in the previous years 2017/18 (81%), 2018/19 (82%), and 2019/20 (83%), but higher than the levels seen across the earlier time periods of September 2013 to March 2016 (66%) and 2016/17 (73%).
- In 2020/21, 46% of purchasers had previously been living with parents or relatives, 27% in a privately rented property, 19% had been previously living in a property they were paying a mortgage on, 6% had lived in social rented housing, and 2% in other accommodation. These are broadly similar figures to those seen previously across 2017/18 to 2019/20.
- 59% of buyers were aged 30 years or under in 2020/21, with 77% aged 35 or under. The average (mean) age was 31 years.
- 62% of purchasing households had a gross household income between £30k and £50k per year.
- Financial information tables<sup>6</sup> published separately to this report show that the average value of a Help to Buy property purchased in 2020/21 was £179,400, with the average Scottish Government stake being £26,500.
- For purchases involving one named buyer, 46% of purchasers were female and 54% were male. For purchases involving two named buyers, the split of purchasers was 51% female and 49% male.
- Around four in five (79%) of purchasers were households without any dependent children in living in the household, with around a fifth (21%) having children.
- There were some differences in the profiles of purchasing households between first time buyers and existing home owners, with first time buyers more likely to be younger purchasers, and less likely to purchase detached properties.
- The size and type of properties purchased has changed over recent years, with properties the latest year 2020/21 less likely to be detached (8% in 2020/21 compared with 45% in September 2013 to March 2016), and less likely to be 4 bedroom homes (4% in 2020/21 compared with 34% in September 2013 to March 2016). These changes over time are likely to reflect the purchase price cap dropping

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<sup>6</sup> [Help to Buy \(Scotland\) monitoring information reports, financial information tables](#)

from £400,000 to £250,000 in October 2014, then to £230,000 in April 2016, and then further to £200,000 in April 2017.

## **Background to Help to Buy (Scotland) Scheme**

The Help to Buy (Scotland) shared equity scheme was established on 30 September 2013 with the aim of supporting Scotland's house-building industry due to reduced mortgage availability, and has been aimed at those buyers who are unable to purchase a new build home without additional support.

The purchase price of a property was initially capped up to the value of £400,000 until October 2014, after which it was reduced to the value of £250,000, then to £230,000 in April 2016, and then further to £200,000 in April 2017, to ensure that more people could benefit from available funding and help to target funding at lower income families and first time buyers. This drop in the price cap will have impacted on some of the purchase characteristics trends seen over time, for example in the proportion of purchasers who are first time buyers, and in the size and type of property bought.

Help to Buy (Scotland) sales are made through registered participating builders. The scheme is not open to buy-to-let investors. Existing home owner buyers are required to sell existing property prior to purchasing through the scheme. In April 2016, the Scottish Government's contribution to the purchase price was reduced from up to 20% to up to 15% of the purchase price, with the purchaser normally contributing at least a 5% deposit and the remainder of their contribution made up from a mortgage.

The [Information for Buyers guidance](#) provides further details on how the scheme has operated.

Separate published [annual financial monitoring information](#), summarising the number and value of sales, includes information on the total value and average purchase price and Scottish Government stake for each year.

In June 2020, the Scottish Government published research findings<sup>7</sup> from an evaluation of the Scottish Government's three shared equity home ownership schemes: Help to Buy (Scotland); New Supply Shared Equity and Open Market Shared Equity.

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<sup>7</sup> [Shared equity schemes: evaluation reports](#)

Since 5 February 2021, the Scottish Government has no longer been accepting applications to the main Help to Buy (Scotland) scheme, although applications received prior to this date are still being processed. Applications however continue to be accepted for the Help to Buy (Scotland) Smaller Developer scheme.

### **Characteristics of Households Participating in the Help to Buy (Scotland) Scheme in 2020/21**

Table 1 below provides information on the proportion of purchasers who are existing home owners, based on first named purchaser information. It can be seen that the percentage of purchasers who are not existing home owners (i.e. who are first-time buyers) was 79% in 2020/21. This is a slight drop on the percentages seen in the previous years 2017/18 (81%), 2018/19 (82%), and 2019/20 (83%), but higher than the levels seen across the earlier time periods of September 2013 to March 2016 (66%) and 2016/17 (73%). Changes in this proportion between September 2013 and later years are likely to reflect the purchase price cap dropping from £400,000 to £250,000 in October 2014, then to £230,000 in April 2016, and then further to £200,000 in April 2017.

Table 1: Buyers by existing home owner status, 2020/21 (based on first named purchaser)

	2020/21 Percent
Not an existing home owner	79%
Existing home owner	21%
Number of records	758

In 2020/21, 46% of purchasers had previously been living with parents or relatives, 27% in a privately rented property, 19% had been previously living in a property they were paying a mortgage on, 6% had lived in social rented housing, and 2% in other accommodation. These are broadly similar figures to those seen previously across 2017/18 to 2019/20.

Around 2% of purchasers had been on a social housing waiting list (either a council, housing association or a common housing list), a percentages which is broadly similar to previous monitoring reports.

In 2020/21, 50% of purchases involved two named purchasers, with 50% involving one purchaser. The percentage of purchasers involving one purchaser has increased from previous levels seen of 41% in 2017/18, 45% in 2018/19 and 28% in 2019/20.

59% of buyers were aged 30 years or under in 2020/21, with 77% aged 35 or under. The average (mean) age was 31 years. Table 2 below provides more detail on the percentage of buyers by each age band.

Table 2: Buyers by age band, 2020/21  
(based on first named purchaser)

	2020/21
	Percent
18-25	23%
26-30	36%
31-35	18%
36-40	12%
41-45	4%
46-50	4%
51-60	2%
Over 60	<1%
Number of records	741

For purchases involving one named buyer, 46% of purchasers were female and 54% were male. For purchases involving two named buyers, the split of purchasers was 51% female and 49% male.

Around four in five (79%) of purchasers were households without any dependent children in living in the household, with around a fifth (21%) having children.

In terms of household income, 62% of purchasing households had a gross household income between £30k and £50k per year. Table 3 below provides further figures by each income band.

Table 3: Households by gross household income band

	2020/21
	Percent
£0 to £20,000	1%
£20,001 to £30,000	12%
£30,001 to £40,000	31%
£40,001 to £50,000	30%
£50,001 to £60,000	19%
£60,001 to £80,000	7%
£80,000 to £100,000	<1%
Total	740

Based on total income across first and second named purchasers, and includes income related to overtime and bonuses. The analysis excludes a small number of records where the income values were missing

Table 4 shows approximate median and mean gross household incomes by financial year of entry date between 2013/14 quarter 3 and 2020/21, based on banded income data. This

shows that the mean income of purchaser households dropped from £50,000 in 2014/15 to £42,000 in 2015/16 and then £41,000 in 2016/17, after which average incomes have remained at similar levels across 2017/18 and 2018/19, before rising slightly to £42,000 in 2019/20 and then £43,000 in 2020/21. The earlier trends seen here are broadly consistent with the timing of the lowering of the purchase price cap from £400,000 to £250,000 in October 2014, to £230,000 in April 2016, and then to £200,000 in April 2017.

Table 4: Median and mean gross household income, by entry-date year (note these contain approximate estimates based on banded household income data)

Entry-Date	Mean Household Income		Number of records
	Median Household Income Bands (£s)	(£) (rounded to the nearest thousand)	
2013/14 (Q3 and Q4)	40,000 - 45,000	45,000	482
2014/15	45,000 - 50,000	50,000	1,727
2015/16	40,000 - 45,000	42,000	1,091
2016/17	40,000 - 45,000	41,000	1,787
2017/18	40,000 - 45,000	41,000	2,048
2018/19	40,000 - 45,000	41,000	2,151
2019/20	40,000 - 45,000	42,000	1,859
2020/21	40,000 - 45,000	43,000	740

Financial information tables<sup>8</sup> published separately to this report show that the average value of a Help to Buy property purchased in 2020/21 was £179,400, with the average Scottish Government stake being £26,500.

### Characteristics of Properties Bought

During 2020/21, 8% of properties bought were detached, 18% were flats, 46% were semi-detached and 28% were terraced.

The percentage of detached properties has decreased over time, with the previous monitoring reports showing higher percentages (45% in September 2013 to March 2016, 31% in 2016/17, 18% in 2017/18, 13% in 2018/19, and 9% in 2019/20). Correspondingly, the proportion of properties being semi-detached is now higher than in previous monitoring reports (23% in September 2013 to March 2016, 31% in 2016/17, 41% in 2017/18, 40% in 2018/19, and 44% in 2019/20).

The most common size of property is 3 bedroom, which has accounted for 63% of properties in 2020/21. See Table 5 below for figures for each property size category. The proportion of properties being 4 bedrooms at 4% is lower than in previous monitoring reports (34% in

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<sup>8</sup> [Help to Buy \(Scotland\) monitoring information reports, financial information tables](#)

September 2013 to March 2016, 26% in 2016/17, 8% in 2017/18, 6% in 2018/19, and 5% in 2019/20).

Table 5: Households by numbers of bedrooms

	2020/21
	Percent
1 bedroom	5%
2 bedrooms	28%
3 bedrooms	63%
4 bedrooms	4%
5 bedrooms	<1%
Total	758

Some of these changes over time are likely to reflect the purchase price cap dropping from £400,000 to £250,000 in October 2014, then to £230,000 in April 2016, and then further to £200,000 in April 2017.

### Profiles of First Time Buyers and Existing Home Owners

There are some differences in the profile of purchasing households between buyers that were existing home owners and those who were not. Buyers that were not existing home owners were more likely to be younger purchasers, and less likely to purchase detached properties.

Table 6 below provides further detailed figures, for example, in 2020/21, 27% of buyers who were not existing homeowners were aged 18-25 years, compared to 10% of existing home owners. Buyers who were existing home owners were also more likely to purchase a detached property (12%) compared with buyers who were not an existing home owner (7%). The household income profile of buyers in 2020/21 was relatively similar between the two groups, although existing homes owners were more likely to have an income of over £60,000 to £80,000.

Table 8: Profile of buyers by whether an existing home owner or not 2020/21

Age Band:	Gross Household Income		Property Type:	
	Not an existing home owner	Existing home owner	Not an existing home owner	Existing home owner
18-25	27%	10%	A Flat	21% 7%
26-30	39%	24%	Detached	7% 12%
31-35	16%	26%	Semi Detached	46% 47%
36-40	10%	20%	Terraced	26% 33%
41-45	3%	8%	Other	<1% 2%
46-50	3%	7%		
51-60	2%	5%		
Over 60	<1%	0%		