

Open Market Shared Equity Scheme, 2020/21

Monitoring Information on Characteristics of Households

This document provides a summary of the characteristics of households purchasing homes through the Open Market Shared Equity (OMSE) Scheme in the financial year 2020/21, 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 589 log forms provided, which represents around 80% of all OMSE 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 may contain 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 Open Market Shared Equity.

Information on households purchasing through the scheme in the earlier years 2016/17 to 2019/20 has been previously published in June 2019¹ and in September 2020².

A factor to consider when interpreting the characteristics information presented in this report is that there has been a reduction in the number of OMSE sales in the latest year, with a total of 733 sales recorded in 2020/21 compared with 1,145 sales in 2019/20. This may be due to some households accessing shared equity support for home 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 around one in eight (11.7%) properties purchased through the Fund may have been able to receive financial support through Open Market Shared Equity instead of the First Home Fund³.

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.

¹ [Open Market Shared Equity monitoring: characteristics of households report, 2016/17 to 2018/19](#)

² [Open Market Shared Equity monitoring: characteristics of households report, 2019/20](#)

³ [First Home Fund - quantitative and qualitative analysis: evaluation synthesis - gov.scot \(www.gov.scot\)](#)

Key Findings:

- Nearly all (98%) of purchasers in 2020/21 were first time buyers, which reflects the scheme being open to first time buyers only except for those who are included in specific priority access groups. This figure is similar to the levels seen in monitoring reports for previous years (99% across each year between 2016/17 to 2019/20).
- In 2020/21, 35% of purchasers had previously been living in the private rented sector, 32% had been living with parents and relatives, 24% had previously been in social rented accommodation, 2% had been living with friends, 1% had been in owner occupier accommodation, and 5% had been in other types of accommodation. The proportion of purchasers previously living in the private rented sector has fallen over recent years from 49% in 2016/17 to 35% in 2020/21, whilst the proportion previously living with parents or relatives has increased from 26% to 32%, and the proportion previously living in social rented accommodation has increased from 18% to 24%.
- The majority of purchasers in 2020/21 were aged 35 or under, with 64% of buyers being in this age range, a slight drop from the monitoring information reported for previous years, in which the percentages of purchasers aged 35 or under were 73% in 2016/17, 69% in 2017/18 and 2018/19, and 66% in 2019/20.
- For purchases involving one named buyer, 60% of purchasers were female and 40% were male, which compares to 55% and 45% respectively for monitoring information reported in the previous year 2019/20. For purchases involving two named buyers, the split of purchasers was 50% female and 50% male, proportions similar to the previous year (49% female and 51% male).
- In 2020/21, over a half (57%) of sales were to households without any children under the age of 16, with a fifth (20%) of households having 1 child, and a further quarter (23%) of households having 2 or more children, which are the same proportions as seen in the previous year 2019/20.
- Average gross household income of purchasers in 2020/21 was £27,000, a slight increase on the average figures reported in the previous monitoring information for the two previous years 2019/20 and 2018/19 (both £26,000), and also an increase on the average incomes seen in the prior years of £24,000 in 2017/18 and £23,000 in 2016/17.

- Financial out-turn information tables⁴ published separately to this report provide information on the average value of purchases and grant stakes. Figures for 2020/21 are not yet published, but the latest figures for 2019/20 show an average Open Market Shared Equity purchase price of £128,064, with the average Scottish Government stake being £45,156.
- Around half (52%) of property sales have involved a 2 bedroom size property, with a third (33%) involving a 3 bedroom sized property, figures which are similar to monitoring information reported for previous years.
- Almost half (48%) of the sales in 2020/21 were in the 40% most deprived areas of Scotland (i.e. quintiles 1 or 2), a figure similar to the monitoring information reported for the previous year 2019/20 (50% in the 40% most deprived areas).

Background to Open Market Shared Equity Scheme

The Open Market Shared Equity Scheme is a Scottish Government shared equity scheme that helps eligible buyers on low to moderate incomes to purchase a home where this is sensible and sustainable for them to do so. Under the scheme purchasers are required to contribute between 60% to 90% of the purchase price of a home, with the Scottish Government holding the remaining share of between 10% and 40% under a shared equity agreement. Applicants need to be able to show that they can't afford to buy a home that meets their needs without help from the scheme.

The scheme is available to help all first time buyers. Previous home owners will not be able to receive assistance unless they are in one of a set of priority access groups, which includes social renters, disabled people, people aged 60 or over, members of the armed forces, veterans who have left the armed forces within the past two years, and widows, widowers and other partners of service personnel for up to two years after their partner has been killed whilst serving in the armed forces.

Applicants can purchase a home with one room more than they currently need. For example, a single person would be entitled to purchase a 3 apartment property as will a couple. A three person household would be entitled to buy a 4 apartment property. An apartment is classified as any habitable room, but does not include kitchens, bathrooms, box rooms, utility rooms or hallways. This room restriction was lifted in December 2020, although this is likely

⁴ [Affordable-Housing-Supply Programme: out-turn report 2019-2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/ip/affordable-housing-supply-programme-out-turn-report-2019-2020/)

to have minimal impacts on the property characteristics figures presented in this report, given that this change occurred towards the latter end of the financial year 2020/21.

In addition there are area-based maximum threshold price limits⁵ on the price of homes for each apartment size category that can be bought. The price thresholds are based on the lowest 25% of house prices in urban areas and the lowest 50% of house prices in rural areas. The threshold areas were reviewed in 2018, after which the price thresholds for these areas have been updated in December 2018, December 2019, and December 2020 to incorporate the most recent house price trends each year.

The Information for Buyers guidance⁶ provides further details of how the scheme has operated.

Separate quarterly statistics⁷ on affordable housing supply include information on the number of Open Market Shared Equity homes completed each quarter.

In addition, separate financial year out-turn reports⁸ providing details of the Scottish Government Affordable Housing Supply Programme are published each year.

In June 2020, the Scottish Government published research findings⁹ 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.

Characteristics of Households Participating in the Open Market Shared Equity 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 almost all (98%) of purchasers in 2020/21 have not been existing home owners (i.e. have been first time buyers). This is consistent with the scheme being open to first time buyers only except for those who are included in specific priority access groups. These percentages are broadly similar to those seen in previous monitoring information reports across the years 2016/17 to 2019/20.

⁵ [Open Market Shared Equity: thresholds - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/open-market-shared-equity-thresholds/pages/1-2.aspx)

⁶ [Open Market Shared Equity scheme - Mygov](https://www.gov.scot/publications/open-market-shared-equity-scheme/pages/1-2.aspx)

⁷ [Housing statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/housing-statistics/pages/1-2.aspx)

⁸ [More homes: Affordable Housing Supply Programme - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/more-homes-affordable-housing-supply-programme/pages/1-2.aspx)

⁹ [https://www.gov.scot/publications/evaluation-scottish-government-shared-equity-schemes/](https://www.gov.scot/publications/evaluation-scottish-government-shared-equity-schemes/pages/1-2.aspx)

Table 1: Buyers by whether existing home owner status (Based on first named purchaser)

	2020/21
Existing home owner	2%
Not an existing home owner	98%
Number of records	589

Financial year is based on date of entry

In 2020/21, 65% of purchases involved one named purchaser, with 35% of purchases involving two named purchasers, see Table 2 below.

Table 2: Sales by numbers of named purchasers

	2019/20
1 named purchaser	65%
2 named purchasers	35%
Number of records	589

Financial year is based on date of entry

Table 3 shows that in 2020/21, 35% of purchasers had previously been living in the private rented sector, 32% had been living with parents and relatives, 24% had previously been in social rented accommodation, 2% had been living with friends, 1% had been in owner occupier accommodation, and 5% had been in other types of accommodation. The proportion of purchasers previously living in the private rented sector has fallen over recent years from 49% in 2016/17 to 35% in 2020/21, whilst the proportion previously living with parents or relatives has increased from 26% to 32%, and the proportion previously living in social rented accommodation has increased from 18% to 24%.

Table 3: Purchasers by previous tenure (based on first named purchaser information)

	2020/21
Parents or relatives	32%
Private rented sector	35%
Owner occupier	1%
Social rented	24%
Friends (where not renting)	2%
Other	5%
Number of records	589

Financial year is based on date of entry

In 2020/21, 13% of purchasers had been on a waiting list for social housing, see Table 4 below.

Table 4: Purchasers by whether on a waiting list for social housing (based on first named purchaser information)

	2020/21
On a waiting list	13%
Not on a waiting list	80%
Don't know / prefer not to say	8%
Number of records	589

Financial year is based on date of entry

Table 5 below shows that the majority of purchasers in 2020/21 were aged 35 or under, with 64% of buyers being in this age range, a slight drop from the monitoring information reported for previous years, in which the percentages of purchasers aged 35 or under were 73% in 2016/17, 69% in 2017/18 and 2018/19, and 66% in 2019/20.

Table 5: Purchasers by age category (based on first named purchaser information)

	2020/21
18-25	21%
26-30	24%
31-35	19%
36-40	16%
41-45	10%
46-50	5%
51-60	3%
Over 60	2%
Number of records	514

Financial year is based on date of entry

The analysis excludes a small number of records with implausible values

For purchases involving one named buyer, 60% of purchasers were female and 40% were male, which compares to 55% and 45% respectively for monitoring information reported in the previous year 2019/20. For purchases involving two named buyers, the split of purchasers was 50% female and 50% male, proportions similar to the previous year (49% female and 51% male).

Table 6 shows that in 2020/21, over a half (57%) of sales were to households without any children under the age of 16, with a fifth (20%) of households having 1 child, and a further quarter (23%) of households having 2 or more children.

Table 6: Purchasers by number of children under 16

	2020/21
0 children	57%
1 child	20%
2 children	19%
3 children	4%
4 children	1%
5+ children	<1%
Number of records	589

Financial year is based on date of entry

Table 7 shows gross household incomes by income band and year, along with average (mean) values. This shows that average gross household income of purchasers in 2020/21 was £27,000, a slight increase on the average figures reported in the previous monitoring information for the two previous years 2019/20 and 2018/19 (both £26,000), and also an increase on the average incomes seen in the prior years of £24,000 in 2017/18 and £23,000 in 2016/17. Mean income levels are substantially lower than for the Help to Buy (Scotland) scheme, in which the average (mean) household income in 2020/21 was £43,000.

Most OMSE purchasing households in 2020/21 had incomes of £40,000 or under, which has accounted for 84% of purchases.

Table 7: Purchasers by gross household income band (based on total income across first and second named purchasers)

	2020/21
£0 to £20,000	31%
£20,001 to £30,000	39%
£30,001 to £40,000	15%
£40,001 to £50,000	10%
£50,001 to £60,000	5%
£60,001 to £80,000	1%
£80,000 to £100,000	0%
Mean income (rounded)	£27,000
Number of records	582

Financial year is based on date of entry

Financial out-turn information tables¹⁰ published separately to this report provide information on the average value of purchases and grant stakes. Figures for 2020/21 are not yet

¹⁰ [Affordable-Housing-Supply Programme: out-turn report 2019-2020 - gov.scot \(www.gov.scot\)](http://www.gov.scot/Information/Outturn-Reports/2019-2020/Affordable-Housing-Supply-Programme-out-turn-report-2019-2020)

published, but the latest figures for 2019/20 show an average Open Market Shared Equity purchase price of £128,064, with the average Scottish Government stake being £45,156.

Table 8 shows information on the armed forces priority status of purchasers, with 2% of purchasers in 2020/21 being recorded as either a current or previous serving member of the armed forces, or a widow, widower or partner of service personnel. The figure of 2% is similar to previous years, in which the percentage has been 2% in 2016/17, 1% in 2017/18, and 2% in both 2018/19 and 2019/20.

Table 8: Purchasers by armed forces priority group status (based on first named purchaser information)

	2020/21
None	98%
Either a current or previous serving member of the armed forces, or a widow, widower, partner of service personnel	2%
Prefer not to say	<1%
Number of records	589

Financial year is based on date of entry

Characteristics of Properties Bought

In 2020/21, most sales have involved properties which are either semi-detached, terraced or flats, with detached properties making up only 8% of sales. See Table 9 below.

Table 9: Properties by house type

	2020/21
Detached	8%
Semi Detached	25%
Terraced	25%
Flat	41%
Other	2%
Number of records	589

Financial year is based on date of entry

Around half (52%) of property sales in 2020/21 involved a 2 bedroom size property, with a third (33%) involving a 3 bedroom sized property. See table 10 below.

Table 10: Properties by numbers of bedrooms

	2020/21
1 bedroom	5%
2 bedrooms	52%
3 bedrooms	33%
4 bedrooms	10%
5 bedrooms	<1%
Number of records	589

Financial year is based on date of entry

Table 11 below shows the percentage of sales split by the Scottish Index of Multiple Deprivation quintile that the property postcode is located in, based on SIMD20. This shows that just under half (48%) of the sales in 2020/21 were in the 40% most deprived areas of Scotland (i.e. quintiles 1 or 2). Only 11% of sales were in the 20% least deprived areas of Scotland (i.e. quintile 5).

Table 11: Properties by Scottish Index of Multiple Deprivation Quintile

	2020/21
1 - most deprived	17%
2	31%
3	22%
4	18%
5 - least deprived	11%
Number of records	578

Financial years are based on date of entry

The analysis excludes a small number of records with an invalid or unknown postcode