



Department for
Communities and
Local Government

NewBuy Guarantee scheme

Quarterly and cumulative data for England up to 31
December 2012

- By 31 December 2012 1,522 home purchases had been completed under the NewBuy Guarantee scheme in England
- By 31 December 2012 Government's liability had increased to £15.4m (rounded to 1 decimal place)
- By 31 December 2012 Government had incurred no costs

Housing *Statistical Release*

26 February 2013

Contents

1.	Further information	2
2.	Figure 1	3
3.	Figure 2	3
3.	Revisions	4
4.	Background note	4

Responsible statistician:
Ralph Mould

Statistical enquiries:

office hours: 0303 44 41448

james.allen-perry@communities.gsi.gov.uk

Media Enquiries:

office hours: 0303 44 41136

out of hours: 0303 44 41201

press@communities.gov.uk

housing

Further information

The first official statistics release covering the NewBuy Guarantee scheme was published on 27 September 2012. The next release will be published in summer 2013.

This release covers activity under the scheme from commencement on 12 March 2012 until 31 December 2012. It covers an unusually extended first quarter, including the period from launch until 31 March 2012 when no transactions were completed under the scheme.

Figures presented in this and subsequent releases will cover quarterly periods, and will continue to be published on a quarterly basis.

This release only relates to the NewBuy scheme as operated in England.

The data are subject to revision and may be adjusted in future releases.

This release covers:

- 1) **Total Completions** (number of properties purchased under the scheme);
- 2) **Government's Contingent Liability** (the maximum possible cost to government as a result of government's provision of a guarantee corresponding to these completions); and
- 3) **Government's Total Costs** (the amount spent by government to date in payment of claims made by mortgage lenders against this guarantee).

Notes

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 NewBuy Guarantee scheme Government's maximum possible cost within this limit increases by 5.5% of the property's sale value.

Government's costs will be incurred only when: (i) NewBuy properties have been purchased (completed), possessed, resold, 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. This cost will not necessarily reach the full extent of government's maximum possible cost. Costs listed here are incurred as a result of payments made to lenders according to the terms of the Government Guarantee.

Further policy information on the NewBuy Guarantee scheme can be found at:

<https://www.gov.uk/government/policies/increasing-the-number-of-available-homes/supporting-pages/newbuy-guarantee-scheme>

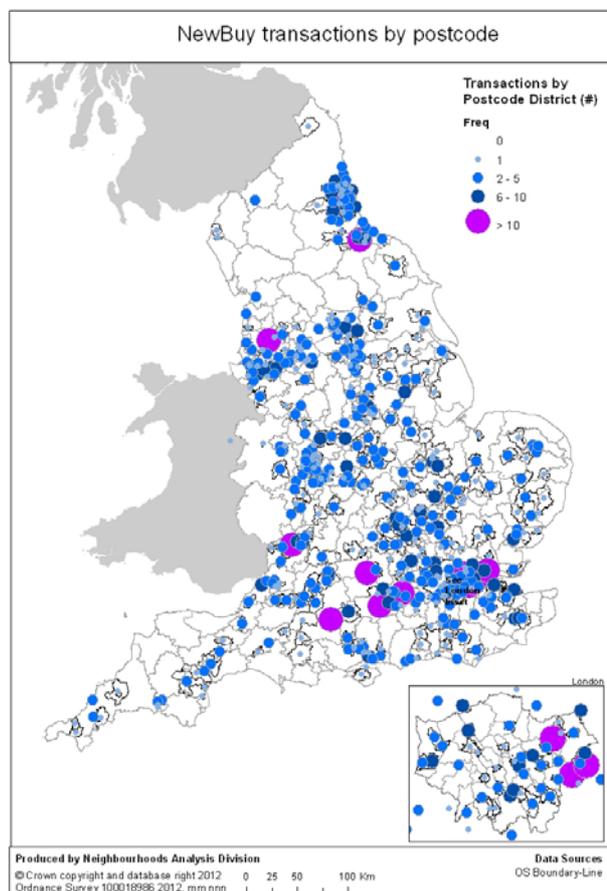
Figure 1: NewBuy Guarantee scheme: Quarterly and cumulative data for England up to 31 December 2012

Period	Completions	Government Liability (Maximum Possible Cost) £million (rounded to one decimal place)	Costs Incurred £million (rounded to one decimal place)
12 March – 30 June 2012 ^(R)	253	2.6m	0
01 July – 30 September 2012	376	3.8m	0
01 October – 31 December 2012	893	9.0m	0
Cumulative total to 31 December 2012	1,522	15.4	0

R – Revised since the last statistical release

Sub-national trends

Figure 2: Cumulative NewBuy completions by postcode area to 31 December 2012



These figures cover the cumulative number of completions from scheme launch (12 March 2012) through to 31 December 2012. The number of NewBuy completions has been aggregated by postcode district. Each of the individual data points in the figure correspond to a single postcode district.

There have been particularly strong concentrations of NewBuy completions in and around large urban conurbations. In particular, the majority of transactions fell in and around Tyne & Wear, Tees Valley, Manchester, Birmingham & the West Midlands, Bristol, Milton Keynes & the surrounding Hertfordshire area, and London.

Revisions in this release

There has been a slight upward revision of the number of completions and Government liability for the period 12 March 2012 – 30 June 2012, compared to the previous statistical release. This reflects an additional 3 transactions as recorded by Jardine Lloyd Thompson (JLT) in their database.

Whilst the majority of transactions that happen within a reporting period are recorded within a month of the period ending, there are residual cases where completion dates have yet to be confirmed by participating lenders in the scheme. This can lead to a slight under-reporting of the actual number of transactions on first release. The future impact of such revisions is anticipated to be small.

Background note

Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics.

These data have been collected by Jardine Lloyd Thompson (JLT) in its role as administrator for the industry-led NewBuy Guarantee scheme. Analysts working for the Department for Communities and Local Government have worked with JLT's analysts to ensure the accuracy of these data. The next release will cover the period 1 January 2013 – 31 March 2013.

The date of future statistical releases are announced at least one month in advance on the UK Statistics website: <http://www.statistics.gov.uk/hub/index.html>

Department for Communities and Local Government. © Crown Copyright, 2013

If you require this publication in an alternative format please email: alternativeformats@communities.gsi.gov.uk. Please note that the nature of content means that we may not be able to provide the Statistical series of publications in all requested formats.

February 2013

ISBN: 978-1-4098-3813-5