
Freedom to Buy

Why the time is right to support first time buyers with a new equity loan scheme

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Executive Summary

A new equity loan scheme could support an additional 100,000 new homes sales by March 2029 and help the same number of households achieve the dream of home ownership. Swift implementation of such a scheme would minimise the loss of construction capacity from the housebuilding sector and enable housing delivery to increase quickly.

The problem

Sales rates over the summer of 2025 have reached their lowest levels since the Global Financial Crisis (GFC). Sales rates at this level over a prolonged period would be catastrophic for smaller housebuilders and will test the resilience of regional businesses within some of the country's largest housebuilders. This makes it hard to see how the Government can reach its target to deliver 1.5m homes in England over the five years to March 2029.

The Government has also expressed ambitions to boost homeownership. But support for homebuyers is at its lowest level since at least 2007, which risks leaving a generation of households with no option but to remain in rented housing.

The solution

The introduction of a financial support scheme for buyers of new homes could have a significant impact both on new housing delivery and on homeownership.

An equity loan scheme supports buyers of new homes by giving them access to homeownership with lower deposits, lower mortgage interest rates and lower mortgage borrowing relative to their incomes. It can help people to buy a home that is suitable to their needs, who might otherwise only be able to afford a home too small to accommodate their family.

The key precedent for this is Help to Buy, which was very quickly successful in driving up housebuilding volumes. At the same time it reversed the demographic trend of increasing propensity to rent for people aged 25-34. It changed the way many people in this age bracket live and created a new cohort of homeowners who would not have existed without the scheme. Families forming during the Help to Buy era have been able to benefit from the stability of homeownership, but that option is not available to many households in the same position today.

Improving on Help to Buy

The challenge is that Help to Buy was widely criticised for pushing up house prices and driving excess profits for large housebuilding companies. Whether justified or not, these criticisms would need to be addressed as part of a new scheme, including measures such as:

- Clear controls on new homes pricing;
- Sufficient land supply through the recent NPPF reforms to respond to increased demand;
- Firm targeting of the scheme on the people who need it most;
- Conditions around affordable housing delivery, use of UK suppliers and apprenticeships;
- Ensuring developers increase their numbers of active outlets.

Any such measures need to strike a balance between:

- Ensuring public support for the scheme
- Ensuring demand from first time buyers
- Not deterring uptake from developers and homebuyers by being too prescriptive

1. A Crisis of Sales Rates

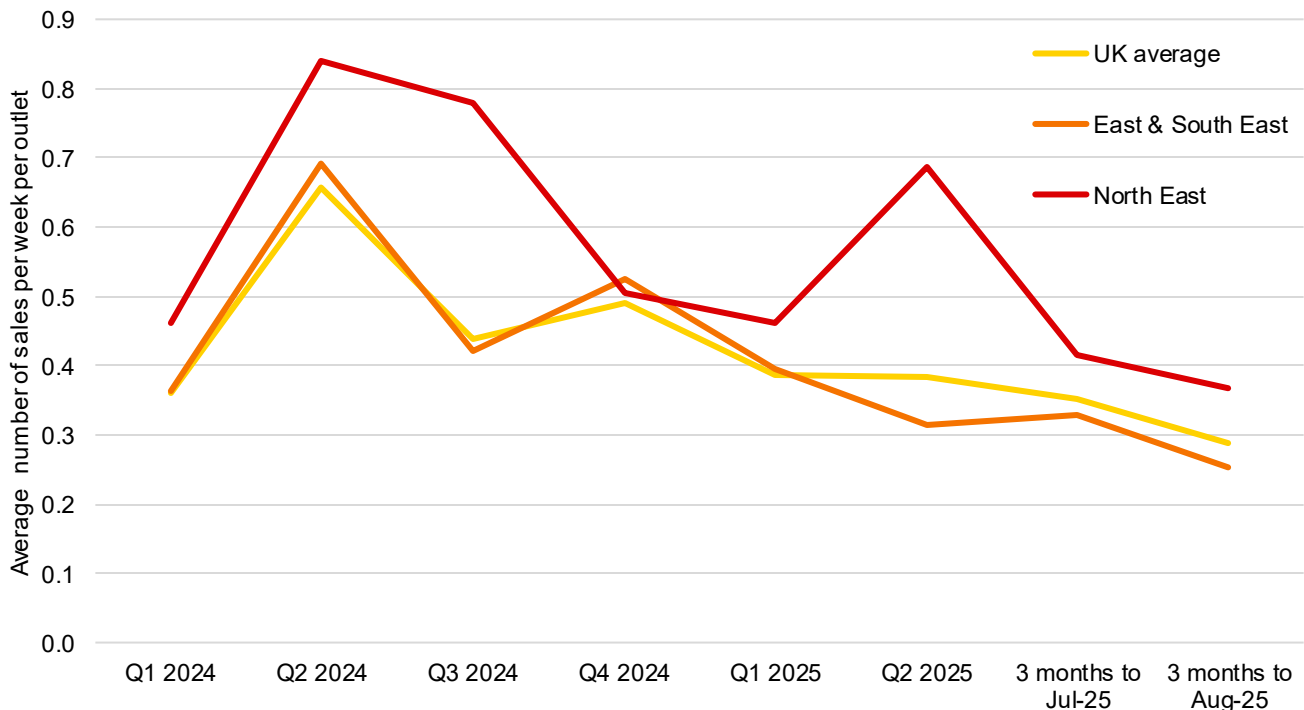
The major PLC housebuilders have generally reported a stabilisation or slight improvement in sales rates in recent annual reports and trading statements, compared to the lows of 2023. But these reports only reliably describe the market until the first quarter of 2025 and may not be representative of the wider housebuilding industry, giving no indication of how smaller and medium sized enterprises are faring.

Our previous analysis of sales rates across the 60-70% of the market covered by NHBC warranties suggested that sales rates had actually fallen slightly in 2024 compared to 2023 levels.¹ An update of that analysis to cover the period to August 2025 is shown in the chart below and suggests that sales rates have fallen further through 2025. This has particularly been the case in the south east and east of England regions, where sales rates have changed from being above to below the national average. The North East has been the region with the strongest sales rate throughout the 20 month period shown.

Sales rates are therefore exceptionally low. They have dropped beneath the low of 0.4 sales per outlet per week reached in 2008 by the PLCs, at the height of the Global Financial Crisis.² Sales rates at this level are extremely damaging to the cashflow of housebuilding businesses: they are particularly challenging for smaller and medium sized builders, but could even cause problems for regional businesses within some of the country’s largest housebuilders.

Given the reliance of new housebuilding on sales of new homes to individual buyers, these low sales rates make it difficult to see how the Government’s target to deliver 1.5m new homes by March 2029 can be met.

Figure 1 – Average new home sales rate by region



Source: Savills analysis of new homes sales data

¹ "Land Matters: Increasing outlets to boost delivery", Savills report for LPDF and Richborough, July 2025, p5

² Ibid. p4

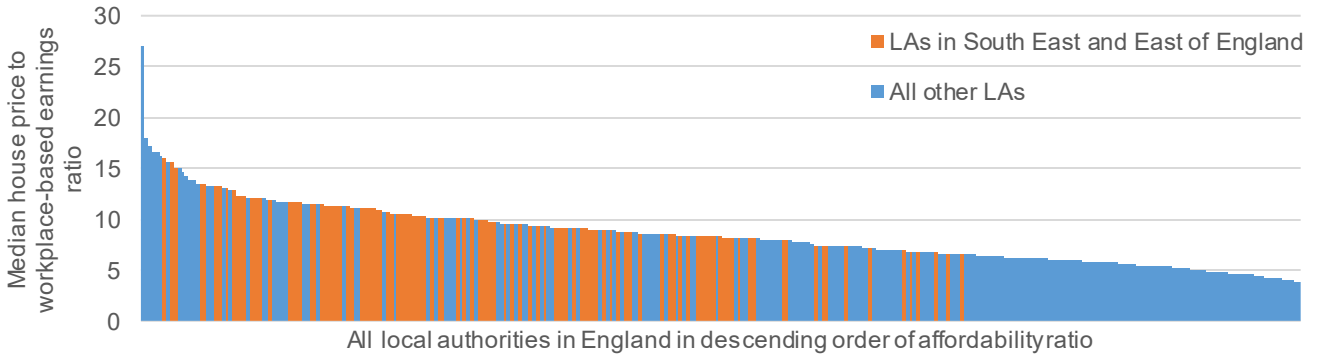
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The fact that it is the South East and East of England that have seen the greatest falls in sales rates and to a level below the national average is particularly concerning. These are the regions of the country with the greatest need for additional housing both to keep pace with population growth and improve housing affordability. The chart below shows all local authorities in the country, with those in the South East and East highlighted in orange, demonstrating that these regions generally have higher house prices relative to earnings, indicating greater housing scarcity relative to supply.

Figure 2 – House price to earnings ratios, by local authority, 2024

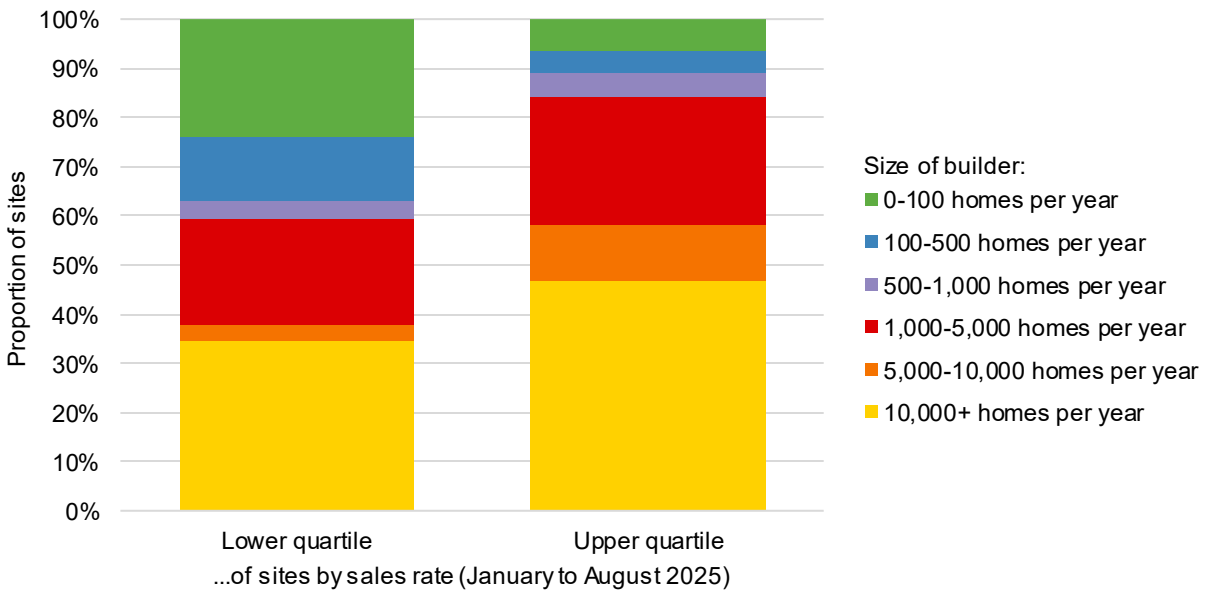


Source: ONS

1.1. SME housebuilders are more affected

The data allows us to break down our sales rate analysis by size of builder. The chart below shows the profile of builders delivering the top 25% and bottom 25% of sites by sales rate over the last eight months in the South East and East of England. This shows that there is a full profile of housebuilders delivering at both the bottom and top end of the range of sales rates being achieved. The largest housebuilders are more likely to be delivering sites with sales rates in the top 25% for the region however, while smaller housebuilders are delivering a higher share of the sites delivering at the bottom 25% of sales rates.

Figure 3 – Profile of builders by size delivering sites, by best and worst sales rates, South East and East of England



Source: Savills analysis of new homes sales data

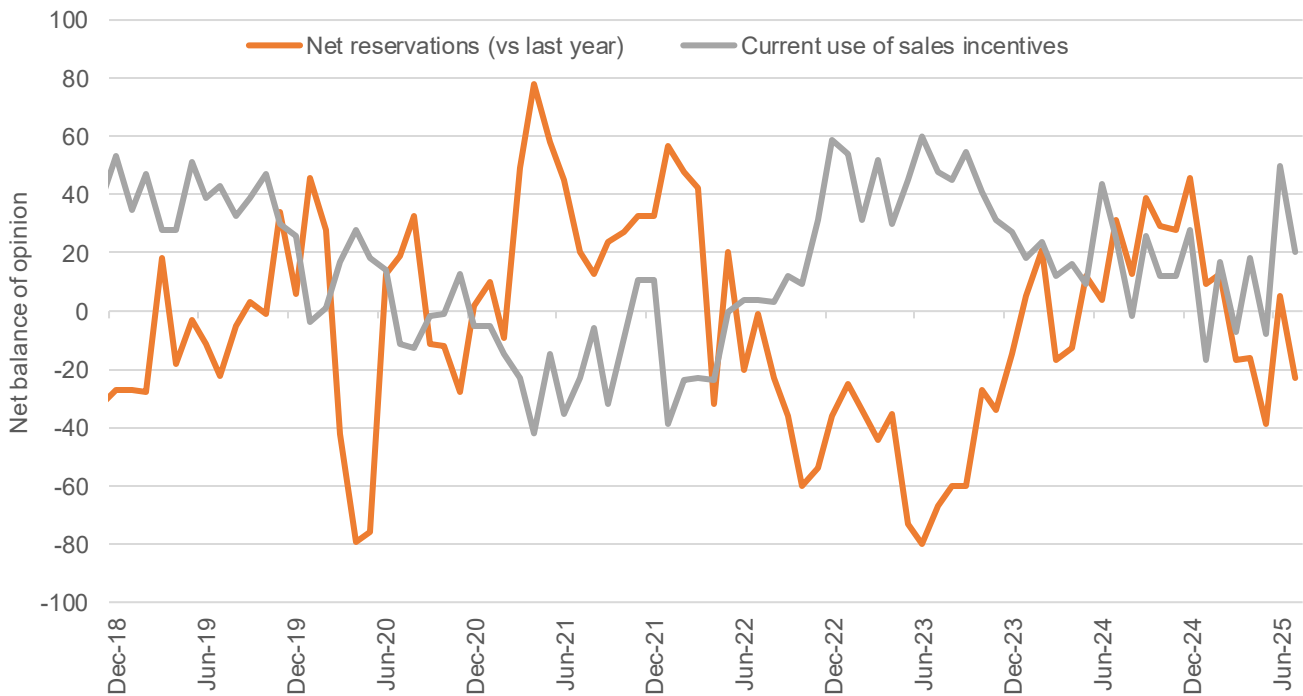
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This is likely to be supported by the ability of the largest housebuilders to use sales incentives to boost sales rates something smaller organisations are less likely to have the financial capacity to offer. The HBF survey shows that the use of incentives increased significantly in June and July, following declining levels of reservations since March.

Figure 4 – Reservations and use of incentives



Source: HBF Site Sentiment Survey via NHBC Residential Construction Statistics Portal

Smaller housebuilders are less able to offer incentives to boost sales rates, but lower sales rates will often have a greater impact on their profitability. Smaller housebuilders may be more highly geared and are more likely to be working with costly project-specific finance than the major housebuilders. Slow sales rates therefore have an amplified effect, cutting cashflow whilst also prolonging the period over which the cost of that finance needs to be supported. This comes on top of rising build and labour costs, as well as tax and regulatory burdens which have been found to disproportionately affect SMEs: a report by WPI Strategy found that up to half of SME builders could have started the process of insolvency by the end of this Parliament.³

³ The Future of Smaller Housebuilders in England, WPI Strategy, June 2025

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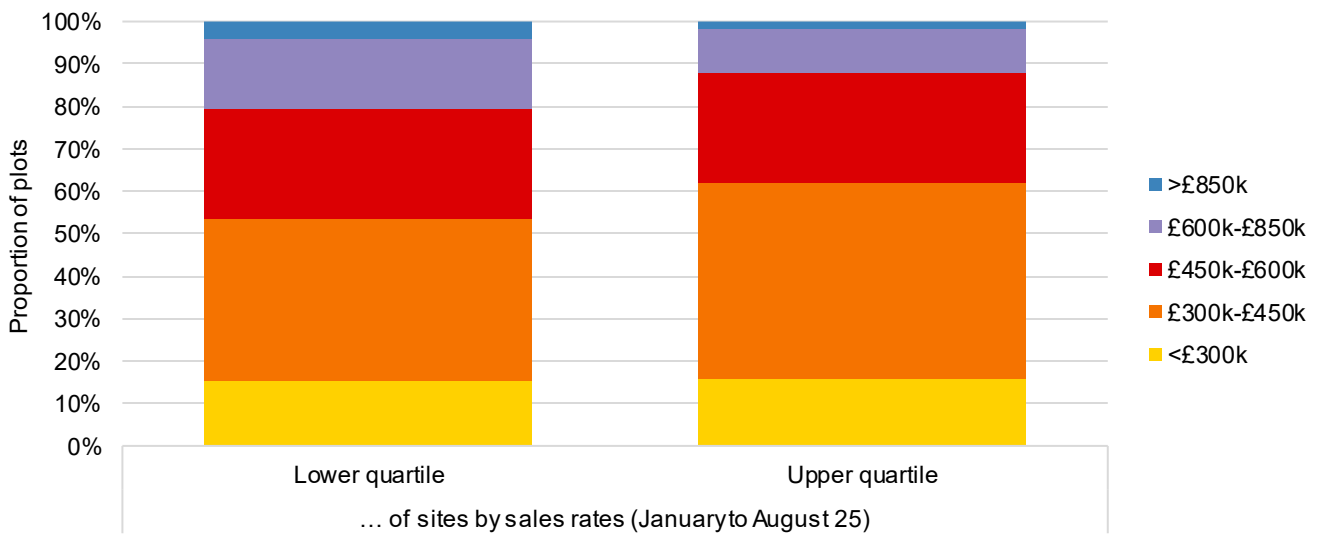


1.2. Sites with more larger and higher value homes are more affected

The data also allows us to see what type of home was sold at these sites and at what price. It shows that sites with the weakest sales rates in the South East and East of England had a greater proportion of both larger and smaller homes. For example, whilst 45% of sales at the weakest sites were 4 and 5 beds, this falls to 31% at the strongest sites. The sites with the strongest sales rates are dominated by 3 bedroom homes, which make up 47% of the homes on these sites compared to 20% on the slowest selling sites.

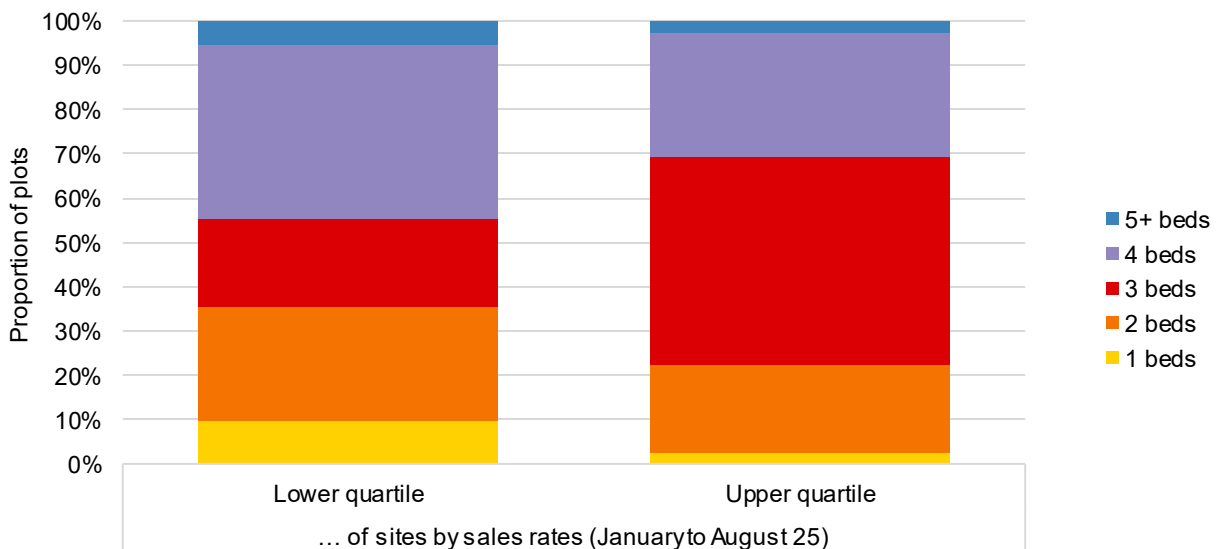
Analysis of pricing shows that the slowest selling sites generally had higher pricing than the fastest: 20% of sales were over £600,000 at the weakest sites for sales rates but only 12% at the strongest sites.

Figure 4 – Values achieved in 2025 at sites with the best and worst sales rates, South East and East of England



Source: Savills analysis of new homes sales data

Figure 5 – House types sold in 2025 at sites with the best and worst sales rates, South East and East of England



Source: Savills analysis of new homes sales data

2. Why the solution is an equity loan scheme

For a demand support scheme to have a significant impact on the sales of new homes, it needs to open up access to homeownership for groups of people who may otherwise be excluded or would choose not to buy a home. It also needs to give new homes a competitive advantage over alternative options for buyers. An equity loan fulfils both of these requirements in a number of ways.

2.1. Lower deposits

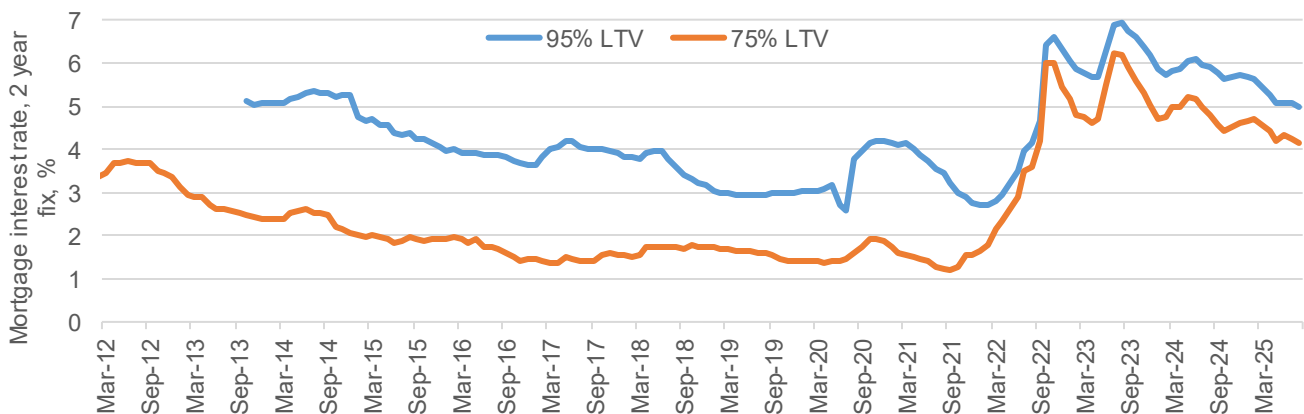
The most obvious benefit of an equity loan is that purchasers need smaller deposits. Only 7.5% of all house purchases in the UK during H1 2025 were made with a deposit of less than 10%, due to the scarcity of mortgage products at this level; in H1 2007, this was 16%. The lack of higher LTV mortgages is the most significant barrier to home ownership and has persisted since the Global Financial Crisis: the unmet demand for higher LTV mortgages was partially addressed by Help to Buy for a period, but the problem had not gone away when this scheme ended.

The National Audit Office 2019 Review of Help to Buy found that reducing deposit requirements was one of the main benefits of the scheme, with around four-fifths of buyers reporting that using the scheme had enabled them to buy a suitable property earlier than they would have otherwise been able to.⁴ The average unassisted first time buyer had a deposit of £60,000 in 2024, equivalent to almost a whole year of their average annual income of £65,000; buyers who are assisted with their deposit, for example by the Bank of Mum and Dad, had slightly lower annual incomes (£56,000) but deposits of nearly £120,000.⁵

2.2. Lower mortgage rates

Despite the smaller deposit required for buyers using an equity loan, they do not need high LTV mortgages. This has two effects. Firstly, that the mortgage interest rate is lower for users of the equity loan than other buyers with the same deposit. Two year fixed rate mortgages at a LTV of 75% quoted an average interest rate of 4.13% in August 2025. For 95% mortgages, the average rate was 5.0%. This is a smaller difference in interest rate than during much of the Help to Buy period, but as the rates themselves were higher the cash difference was similar to the peak period of Help to Buy use in 2019. Furthermore, in a higher interest rate environment, more buyers are barred from homeownership by repayment affordability criteria so access to a lower mortgage rate may be more effective in the current market at lifting this barrier.

Figure 5 – Quoted mortgage interest rates by LTV for 2 year fixed rate products

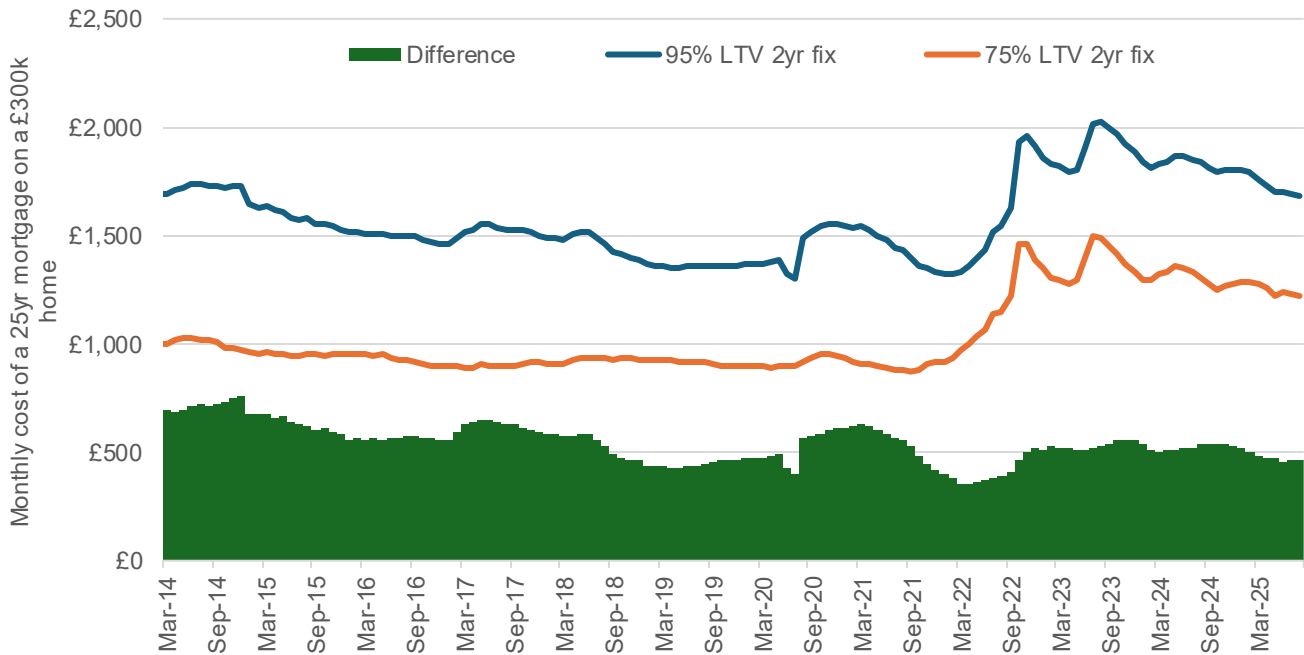


Source: Bank of England

⁴ Help to Buy: Equity Loan Scheme – progress review, National Audit Office, 2019, p 24.

⁵ First time buyers: keeping it in the family?", UK Finance, May 2025, p8

Figure 6 – Repayment costs associated with 2 year fixed rate mortgages, by LTV



Source: Savills calculations using Bank of England data (assuming a £300,000 home and a 25 year mortgage term)

This differential in interest rates between different LTVs is important, as it determines the value of using the equity loan scheme to the buyer. An equity loan has the effect of sharing house price growth risk between the homebuyer the loan provider, in the case of Help to Buy this was the Government. If house prices go down, the loss incurred by the homeowner is less if the Government owns a portion of the property than if the homeowner had purchased the property outright. Conversely, if house prices go up, the equity loan provider takes a share of the increase. The greater the differential in mortgage rates, the higher a buyer’s house price growth expectations need to be for it to be rational for them not to take advantage of an available equity loan. However, analysis by the Bank of England suggests that either buyers’ did not approach the decision to use Help to Buy in this way or were very optimistic about future price growth, as most buyers eligible to use Help to Buy chose not to.⁶

2.3. Lower borrowing versus income

A further benefit of lower the lower loan to value mortgages made available as a consequence of an equity loan is that buyers with only 5% deposit can access higher value homes without hitting up against loan to income caps. Someone borrowing 4.5 times their income and using Help to Buy would need to borrow 5.7 times their income without Help to Buy. During the period of Help to Buy, banks were not permitted to do more than 15% of their lending at loan to income multiples of more than 4.5, so that would not have been possible for most buyers. Some higher LTI mortgages were available, but typically these are subject to minimum income requirements and maximum loan to value ratios. Analysis by the Bank of England showed that 54% of Help to Buy users would not have been able to purchase the same property if 4.5x LTI were a hard cap on their borrowing.⁷

The regulation has subsequently changed to limit the mortgage lending sector to no more than 15% of loans at loan to income multiples of more than 4.5. So there may be some greater availability of higher LTI mortgages, but they are likely to remain a relatively niche product.

⁶ “Housing consumption and investment: evidence from shared equity mortgages”, Bank of England staff working paper no. 790, April 2019, p20

⁷ Ibid. p13

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2.4. Lower cost finance and interest free periods

An equity loan can be interest-free or have an interest-free period; for Help to Buy this was for five years. Often underestimated, this was a major advantage for buyers using Help to Buy compared to other home ownership schemes that were available at the same time. After five years, interest became due on a Help to Buy equity loan at 1.75% of its value, rising at CPI plus 2% each year. This level of interest was cheaper than Shared Ownership, where rent of 2.75% is usually charged against the retained equity and there is no rent free period.

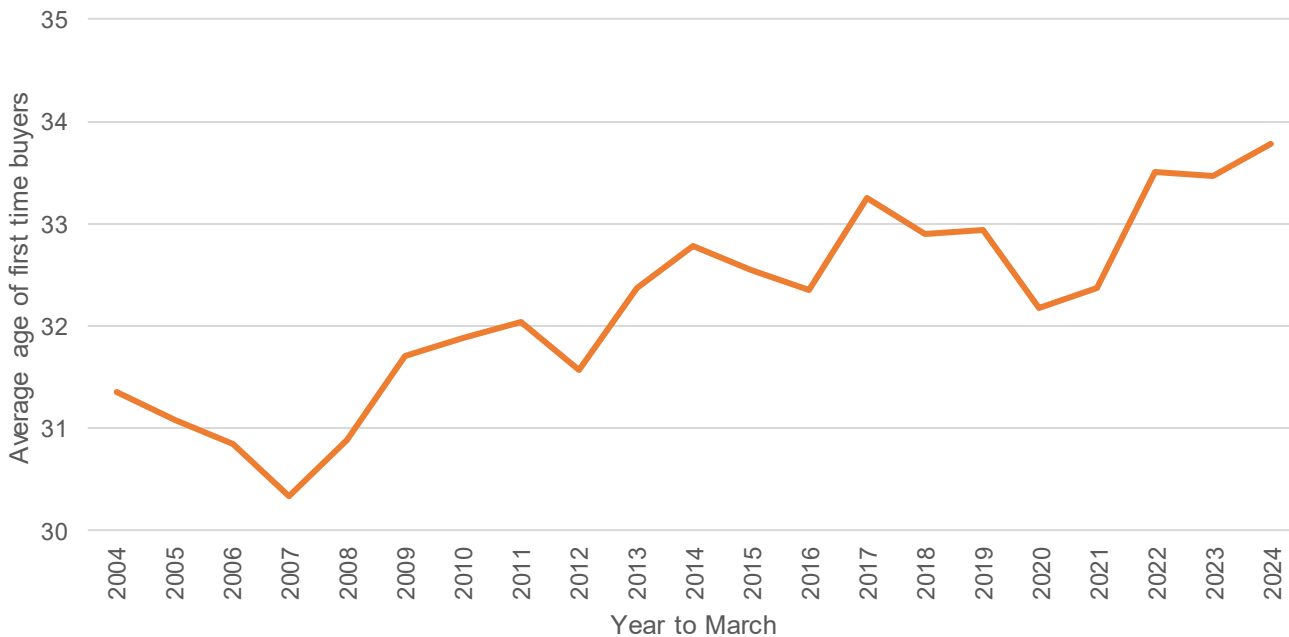
2.5. Enables families to buy suitable homes

The factors above would clearly open up access to homeownership for those who may otherwise struggle with either saving for a sufficient deposit or conforming to the repayment affordability criteria. They may also help buyers who might have sufficient resources to buy a home, but not one that meets their housing requirements. For example, a family of four may only be able to afford to buy a two bedroom home and have therefore chosen to rent a three bedroom home. An equity loan may enable them to buy the three bedroom home they need to comfortably accommodate the family.

This may also be a consideration for smaller households, who are planning to have children in future or may wish to have the option to accommodate an elderly relative, for example. The costs associated with moving home (agents fees, SDLT, removal costs, etc.) are substantial, such that the process of buying a home as well as the actual property acquisition is a costly investment in a household’s medium to long-term future. It is not something most households would willingly enter into if they expect to move again in the short term.

These factors are particularly important given the change in age profile of first time buyers. The English Housing Survey shows that the average age of recent first time buyers (those who have bought within the last three years) has increased from 31 to 34 over the last 20 years; arguably not a significant change, but in the 1990s first time buyers were in their late 20s.

Figure 7 – Average age of recent first time buyers (within the last three years)



Source: English Housing Survey

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What has had a greater impact on the types of homes first time buyers purchase is the shift in the age distribution: a 2017 report by the Council of Mortgage Lenders (CML) showed how the propensity to buy had reduced for those in their 20s between 2006 and 2016, but had remained unchanged for those aged over about 35.⁸ So first time buyers had become less likely to want smaller homes and were more likely to be facing the challenge of how to afford a family home. Unfortunately, no more recent analysis of this mortgage data, now held by UK Finance, is available in the public domain. But the continued increase in the average age of a first time buyer since this report suggests that this trend has continued, with the age of first time buyers increasingly bunched in the mid-30s with very few younger buyers.

Bank of England analysis found that those using Help to Buy were younger and more likely to be first time buyers than the wider mortgage market, but they were purchasing higher value homes relative to their income than home buyers who chose not to use the scheme. These buyers could have bought a home without using the scheme, but they were using the scheme to acquire higher value, probably larger, homes than they could otherwise afford. They were not only using the scheme to reduce deposit requirements, improve repayment affordability or share risk, all reasons many buyers could have used Help to Buy but in general did not.⁹

⁸ "Missing movers: a long-term decline in housing transactions?", Council of Mortgage Lenders, June 2017, p25

⁹ "Housing consumption and investment: evidence from shared equity mortgages", Bank of England staff working paper no. 790, April 2019

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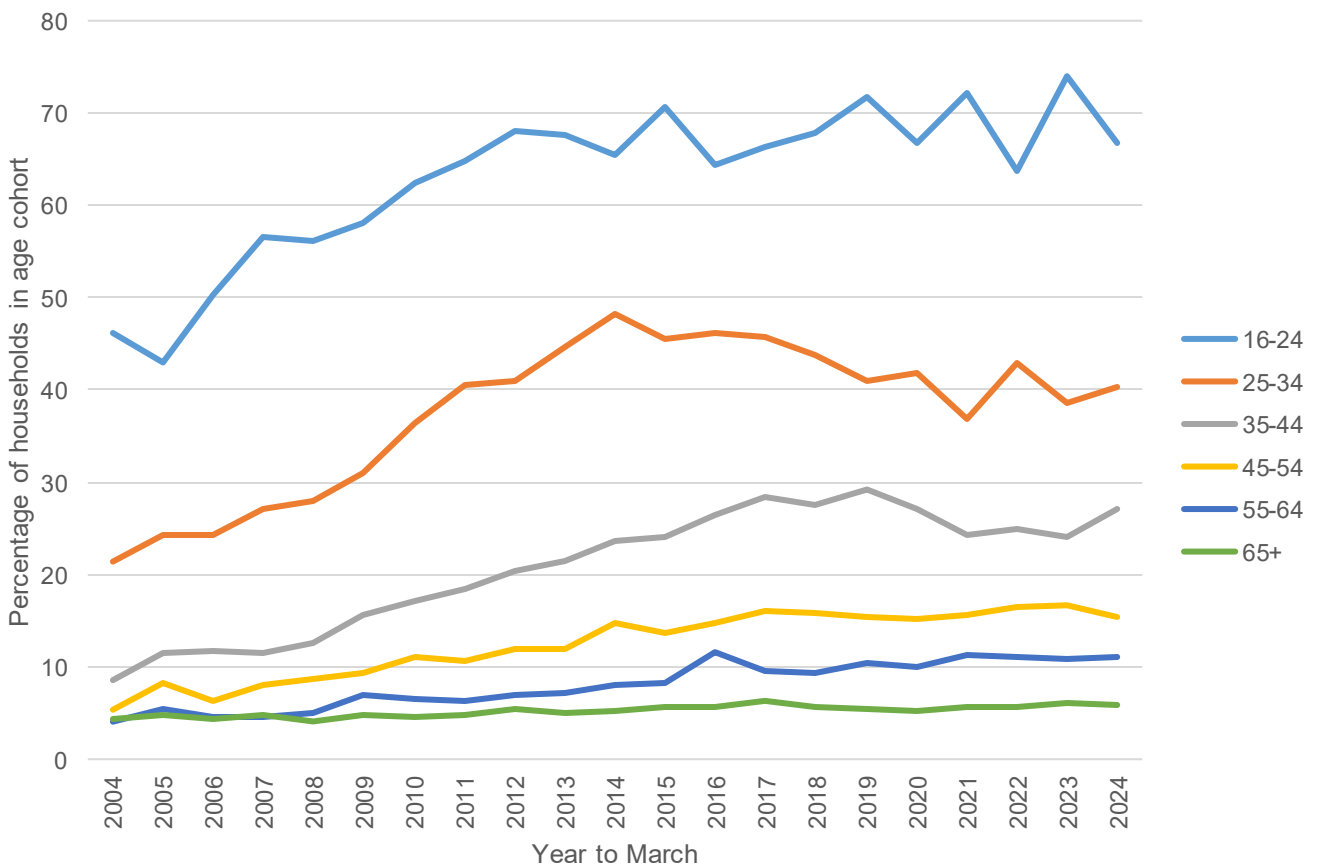


2.6. Boosts home ownership

The CML report analysed data to 2016, three years after the Help to Buy equity loan had been introduced. Analysis of the propensity to rent, the tenure most first time buyers live in before buying, shows a much more dramatic change in tenure amongst the under 35s than is evident in the analysis described above. It shows increasing propensity to rent across all age bands until March 2014, particularly the 25-34 group where the proportion of households renting increased from 21% in 2004 to 48% in 2014. At this point, coinciding with the start of Help to Buy, propensity to rent amongst this key age group for first time buyers, started to decline and only stopped falling once the Help to Buy scheme became more restricted in 2021. Since then the English Housing Survey has been affected by some volatility due to smaller sample sizes during the Covid-19 pandemic, but the trend appears to be that propensity to rent for this group is again increasing and this is likely to accelerate from 2023 when the Help to Buy scheme finally ended.

This data is the clearest evidence available that Help to Buy, not only boosted new homes delivery, but actually changed the way a substantial cohort of the population live. It created a very significant cohort of homeowners who, without the scheme, could not or would not have bought their home. This conclusion is supported by the first independent evaluation of the scheme commissioned by DLUHC in 2015, which found that 61% of survey respondents agreed that using the Help to Buy Equity Loan meant they started to look for property to buy sooner than they otherwise would have.¹⁰

Figure 8 – Propensity to rent by age band of household head



Source: MHCLG English Housing Survey

¹⁰ Evaluation of the Help to Buy equity loan scheme, DCLG, 2016

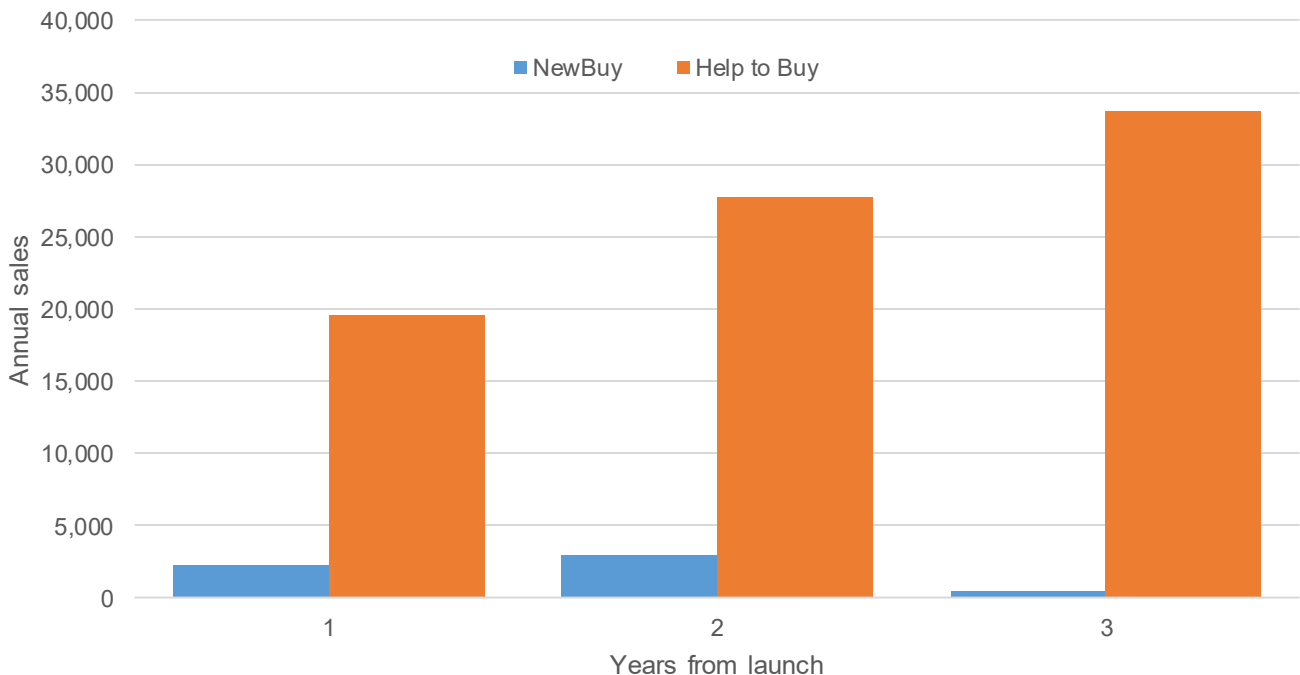
2.7. Mortgage guarantees are less impactful

To date, the current Government’s support for the housing market has focussed on mortgage guarantees, with the Mortgage Guarantee Scheme permanently available from June 2025 to sustain the availability of 91 -95% LTV mortgages.¹¹ Whilst of general assistance to the housing market and particularly first time buyers, mortgage guarantees lack several advantages that an equity loan scheme for new homes would provide:

1. They do not support access to lower LTV and therefore lower interest rate mortgages for buyers with only a 5-10% deposit, and therefore do not support repayment affordability at a time of higher mortgage rates;
2. They are of no assistance in reducing the loan to income ratio for borrowers, limiting the amount of business that lenders can do at this LTV level, particularly in less affordable housing markets;
3. They cannot support buyers to buy a larger home than they could otherwise afford, providing no support for those who can afford a house but not the size of home they need to accommodate their household;
4. They provide no competitive advantage for new homes compared to second hand homes, so do not boost new homes sales.

The Coalition Government launched a mortgage guarantee scheme for new homes in March 2012. This had the advantage over the current scheme in that it only supported new homes sales, but it did have the other shortcomings listed above. The scheme only ran for 12 months before Help to Buy was launched in parallel, and the scheme closed in Q3 2015. In terms of impact, it was much less successful than Help to Buy, with only 2,300 sales in its first year compared to 19,600 for Help to Buy.

Figure 9 – Initial take up of Help to Buy (equity loan) and NewBuy (mortgage guarantee)



Source: MHCLG

A further challenge with NewBuy was that only the largest housebuilders were able to access the scheme and no support was provided to SMEs, whereas Help to Buy was open to all housebuilders.

¹¹ <https://www.gov.uk/government/publications/2025-mortgage-guarantee-scheme>

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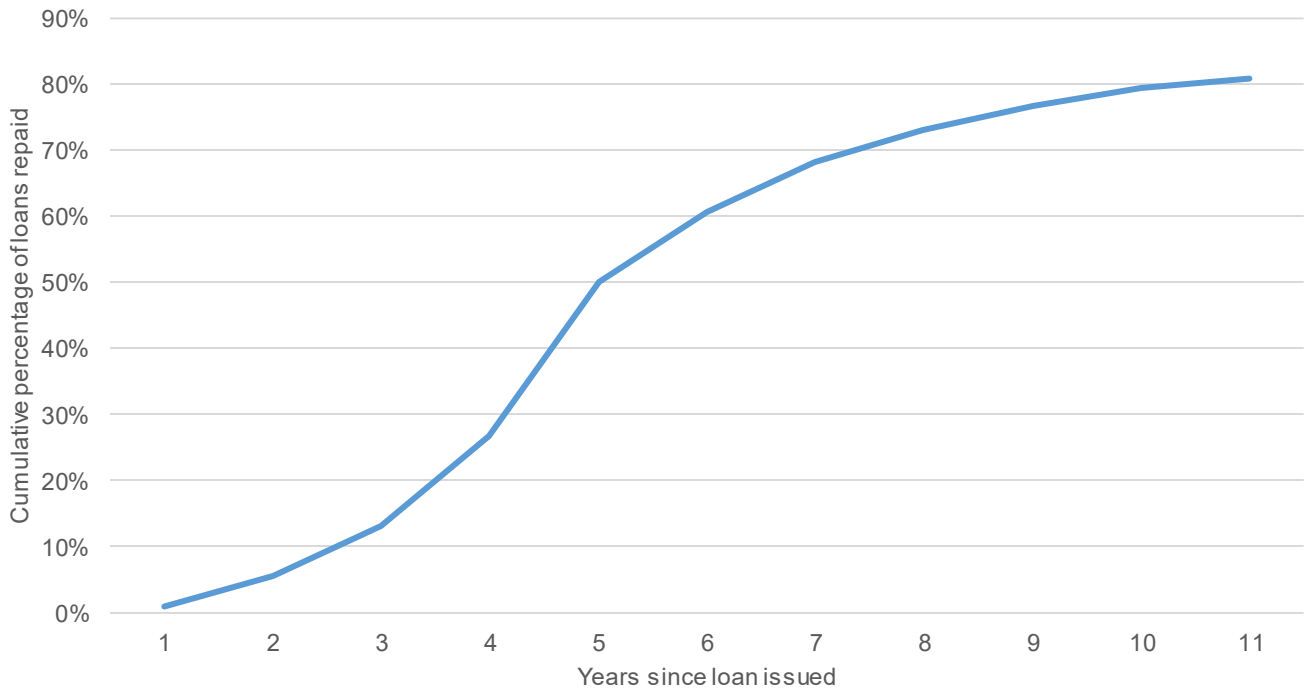
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2.8. Equity loans are quickly repaid

Data from the Homes England annual report shows the rate at which Help to Buy loans are repaid. Half of all loans are repaid by the fifth anniversary of issuance, when the interest charge becomes due, and almost 80% of loans that have reached 10 years from issuance have been repaid. This demonstrates that the funding of an equity loan scheme is a relatively short term expense.

Figure 10 – Repayment of Help to Buy equity loans



Source: Savills analysis of data within Homes England annual reports

Homes England’s annual report for 2023-24 shows that by March 2024, just under 40% of Help to Buy loans had been repaid. Homes England received £9bn from these repayments, an increase of £718 million against the original cost of the loans.¹²

¹² Homes England Annual Report and Financial Statements 2023/24

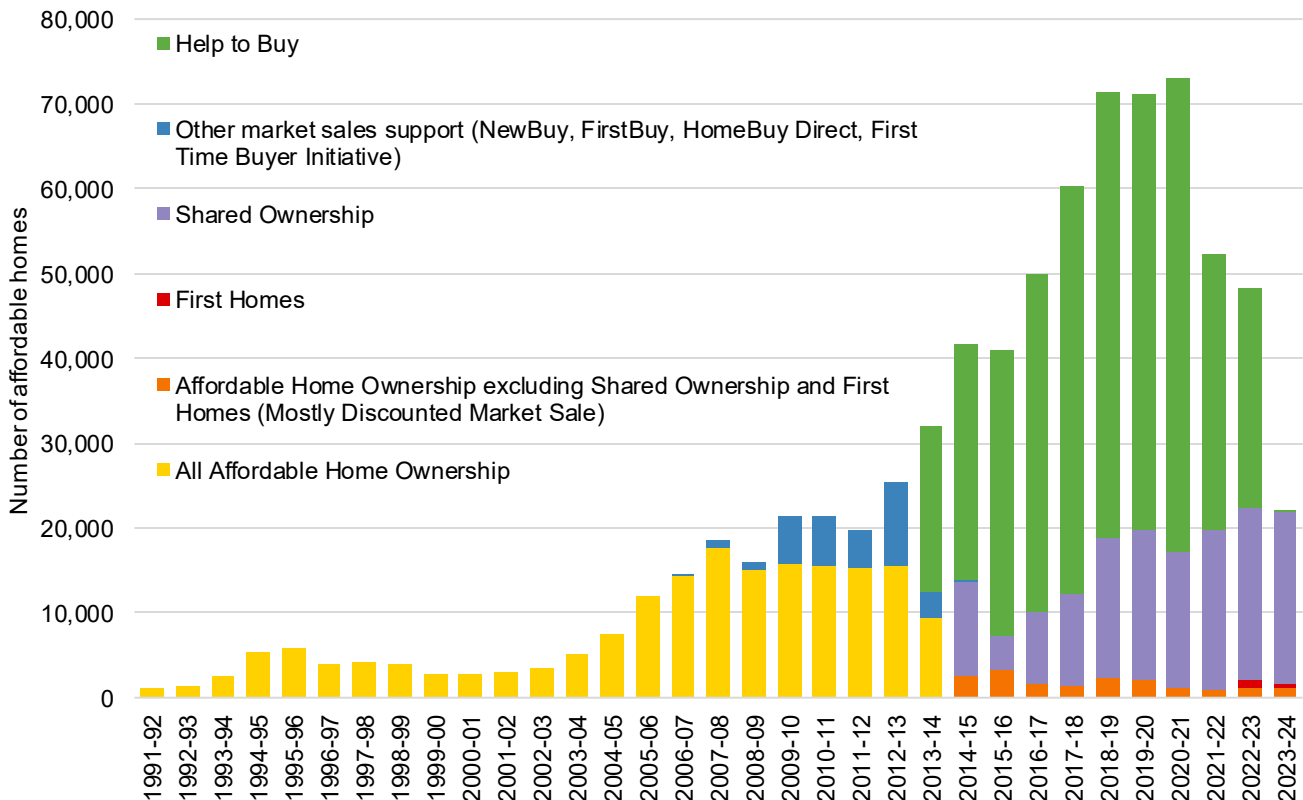
3. Avoiding the problems of the past

There is a long history of demand support schemes for new homes buyers, particularly in support of First Time Buyers. The challenge for a new scheme would be to ensure it has the desired effects of boosting new homes sales and homeownership, whilst also delivering value for money for the taxpayer. It would need to be well targeted at helping the people who would benefit most. It would also need to avoid having undesirable effects on the housing market or generating excess profit for private companies involved in bringing forward homes.

Most previous schemes have been relatively small in scale and while they are likely to have provided valuable assistance to those who used them, they would have had a very limited impact on the volume of housebuilding or rate of homeownership. Help to Buy was of a different order of magnitude, as shown in the chart below, and supported around one third of all new homes sales during its period of operation.

Help to Buy was able to do this through its simplicity, wide appeal to buyers and accessibility to developers. And it provided significant assistance for buyers facing affordability barriers to homeownership. But it is criticised for pushing up house prices and boosting the profits of large housebuilders, resulting in high executive pay and returns to shareholders. Any new scheme would need to find a balance between retaining the simplicity and wide appeal of Help to Buy, while ensuring that it minimised any substantive effect on the housing market or housebuilder profits.

Figure 11 – Homebuyer support schemes



Source: MHCLG

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3.1. Boosting house prices

It is unlikely that Help to Buy had much impact on overall pricing in the English housing market: at just over 50,000 homes per year at its peak, it supported a small proportion of the 1.1m transactions in England at that time. The National Audit Office found in 2019 that although the average “new-build premium” was at around 20% over the second hand market during the early years of the scheme, this was in line with long term average new build premiums.¹³ The same assessment also found that buyers who used the scheme paid less than 1% more than they might have paid for a similar new-build property bought without an equity loan.¹⁴

There is evidence it increased prices for new homes prices in outer London (where a 40% equity loan was available) compared to immediately outside the GLA boundary (with a 20% equity loan), although this was partly a consequence of supply inelasticity in the London new build market.¹⁵

It is to be expected that offering a buyer interest free credit and, in effect, a discounted mortgage rate on one product (a new home) but not on another (a second hand home) would encourage that buyer to spend more on the product that benefits from those advantages (i.e. the new home). If this is to be avoided, then some control would be needed on the new homes pricing to avoid market forces following their normal course.

Any control would need to recognise that new homes are at a premium over second hand homes for tangible reasons: they benefit from a warranty, they tend to be more energy efficient, they have new fixtures and white goods, etc..

Controlling price growth on a new homes site could be relatively straightforward. Prices could be increased in line with an index of local house prices, such as those produced by HM Land Registry and freely available online.¹⁶

Setting the initial pricing is more challenging, as any reference to local averages is unlikely to recognise specific features of new homes delivered on a particular site: its location, energy efficiency standards, local amenities, design, etc.. It is likely that an independent valuation would be needed by a qualified member of the Royal Institution of Chartered Surveyors. Such a valuation could be carried out on the assumption that no buyer support scheme exists.

3.2. Excess profits

It is often claimed that Help to Buy simply boosted profits for major housebuilders and drove high levels of executive pay. There is no doubt that the scheme boosted housebuilding and homeownership as well, but any new scheme would need restrictions to avoid such criticisms being repeated.

¹³ Help to Buy: Equity Loan Scheme – progress review, National Audit Office, 2019, p 33.

¹⁴ Ibid, p9

¹⁵ “On the Economic Impacts of Mortgage Credit Expansion Policies: Evidence from Help to Buy”, Felipe Carozzi, Christian Hilber and Xiaolun Yu, CEP Discussion Paper No 1681, March 2020

¹⁶ <https://landregistry.data.gov.uk/app/ukhpi/?lang=en>

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The 2018 evaluation of Help to Buy calculated that the scheme had increased housing delivery by 14% to 16%.¹⁷ But the growth in housing delivery slowed towards the end of the 2010s, despite housebuilder profit margins being relatively high against past levels. Our analysis has shown that the peak in Help to Buy sales (2019) coincided with the peak in the number of outlets operated by the PLC housebuilders (2018 and 2019). Further expansion of the number of outlets was limited by the fact that the number of sites gaining consent had peaked two to three years earlier in 2016 and has been falling ever since.¹⁸ This prevented the proceeds of Help to Buy from being reinvested in continued short-term growth, limiting its ability to push housing delivery higher.

Housebuilders did invest some of their profit in the future, but through growing strategic land holdings more than immediate land pipelines. Fewer small sites gaining consent from 2017 could have been a factor too, limiting the speed at which housebuilders of all sizes could expand activity. A scarcity of smaller sites may also have prevented SMEs taking greater advantage of the scheme.¹⁹

If a renewed support scheme were introduced today, however, it would benefit from Government policies to increase land supply. This should make it easier for firms benefiting from the scheme to invest in future growth. To be successful, the planning system would need to be delivering sufficient numbers of deliverable sites that are suitable for development by as wide a range of housebuilders as possible, including the major PLCs and SMEs.

With sales rates at the current level, the opposite problem may arise: consented sites remaining undeveloped. Housebuilders will reduce their land buying and planning activity, if sales rates remain low and cashflow is restricted. The expected uplift in planning consents following changes to the NPPF could then quickly stall.

3.3. Target market optimisation

First time buyers are the group that most clearly need support in accessing the housing market. The vast majority (82%) of Help to Buy users were first time buyers, before other buyer groups were excluded. Restricting access to any new scheme to first time buyers would do little to lessen its effect on housebuilding or homeownership, and would go some way to avoid criticisms of simply helping people buy bigger homes.

An effective cap on the pricing and types of homes for which a new scheme can be used could also be considered. The regional value caps introduced to Help to Buy in 2021 were a blunt instrument, resulting in the scheme being effectively closed down in parts of regions with higher house prices, while supporting almost any sale in lower value areas. Any capping in this way could be very easily done on a more localised basis, perhaps by local authority.

An alternative means of restricting the types of homes on which the scheme could be used would be to cap the size of home. This would need to be mindful of the fact that many first time buyers are looking to acquire family homes, so could not exclude three or even smaller four bedroom homes. Preventing use of the scheme on homes of five bedrooms or more may be an option to consider: it is unlikely to be particularly restrictive in practice, but may be helpful for gaining public support.

Finally, access to the scheme could be restricted on the basis of income in a similar way to shared ownership. The income caps used would benefit from updating, in light of recent high levels of earnings growth.

¹⁷ Evaluation of the Help to Buy equity loan scheme, 2018, p139

¹⁸ "Land Matters: increasing outlets to boost housing delivery", Savills report for LPDF and Richborough, July 2025, p12

¹⁹ Ibid.

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3.4. Conditions to support wider policy objectives

It may be possible to add further conditions at site level and qualification criteria for housebuilders. The challenge with such conditions and criteria would be making them worthwhile at the same time as ensuring they do not substantially exclude sites or deter housebuilders. Those could include:

- Sites delivering a policy compliant level of affordable housing. Any such condition would need to have sufficient flexibility to take account of out-of-date policies and master planned sites that may have had their affordable housing requirement set in the past.
- Developers sourcing materials from UK suppliers, as far as possible. This could require developers to demonstrate that either they procure all materials from UK sources or have endeavoured to do so, with a reasonableness test based on cost and time required to procure and supply.
- A commitment from developers to invest in their workforce, including training and apprenticeships;
- A commitment from developers to expand their number of active outlets.

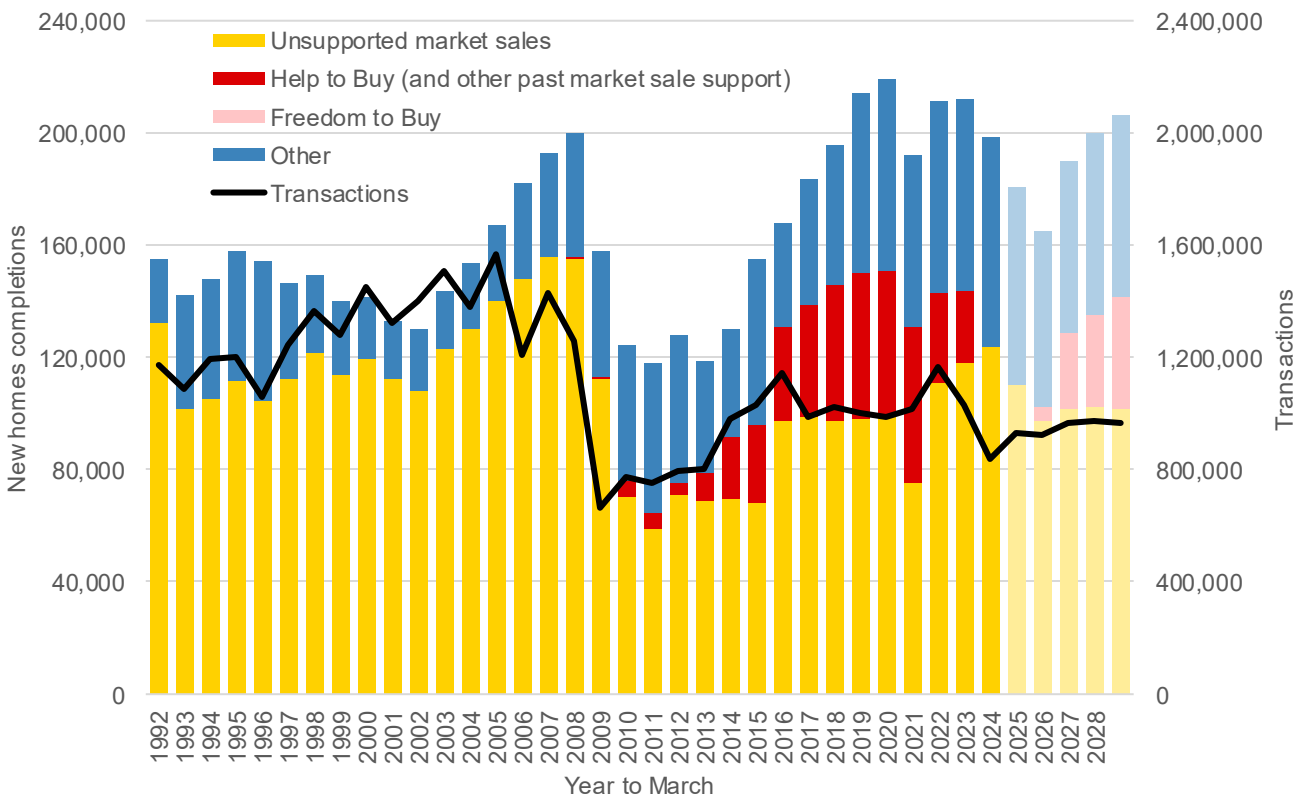
4. Potential impact of a new equity loan scheme

Previous Savills research has demonstrated that new homes sales tend to comprise a total of no more than 10% of the housing market.²⁰ The only times this has been significantly exceeded have been during the period of Help to Buy and at times of contraction, when second hand sales drop away quickly, but new homes already under construction continue to completion.

We think a new equity loan scheme could support just over 100,000 new homes sales by March 2029, if launched in January 2026. This assumes that the swift introduction of a scheme means that housebuilding capacity is able to respond more quickly than in 2013 when Help to Buy was introduced, increasing total delivery volumes in the first year of the scheme, on the basis that the sites and development capacity are largely still available for acceleration in the short term. Longer term, it can support more sites to come through the planning system and we have assumed that the NPPF reforms are effective at increasing land supply in response to increased demand. We have also assumed that the new scheme supports only first time buyers.

The chart below shows Savills completions forecast from June 2025, with the addition of an equity loan scheme starting in January 2026 shown in the lighter shade of red. The effect would be to drive new homes completions back up to the peak levels seen between 2019 and 2023 (excluding the pandemic affected 2021). It would support over 100,000 households into homeownership, with the associated socio-economic benefits that brings.

Figure 12 – New homes completions forecast – scenario including a new equity loan scheme



Source: Savills using MHCLG and HMRC data

²⁰ Housing Completions Forecast for England, Savills, May 2024 (https://www.savills.co.uk/research_articles/229130/359081-0); Housing Completions Forecast for England, Savills, June 2025 (https://www.savills.co.uk/research_articles/229130/377631-0)

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Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.