

Open Market Shared Equity Scheme

August 2013



Introduction

Welcome to the latest in a series of regular briefings prepared by the Housing Strategy team on the big issues concerning housing. These briefings will be shared with staff, tenants and elected members and keep everyone up to date with regards the ever changing policy context that we are operating within.

The Housing Strategy section is responsible for:-

- Supporting the development of a culture of continuous improvement in Housing services and to facilitate opportunities to excel;
- Developing and implementing effective strategies for Housing and Community Safety Services within West Dunbartonshire;
- Developing the Council's housing strategy to ensure that it supports the delivery of our strategic priorities;
- Performance management within Housing and Community Safety services; and
- Promoting effective management and the involvement of tenants across all aspects of Housing Services.

For further information on Housing Strategy please telephone 01389 737889 or e-mail: housing.strategy@west-dunbarton.gov.uk

Briefing Note

Open Market Shared Equity Scheme

1. Background

The Open Market Shared Equity (OMSE) scheme is part of The Scottish Government's Low-cost Initiative for First Time Buyers (LIFT) scheme and helps people on low incomes to buy homes that are for sale on the open market where it is affordable for them to do so. The scheme is currently open to help all first time buyers¹.

It is a shared equity scheme which means that purchasers pay for a majority of the property – normally between 60 and 80 per cent of the price - while the Scottish Government will hold the remaining share.

The LIFT scheme also includes New Supply Shared Equity Schemes with housing associations or private developers.

Shared Equity allows a first time buyer to purchase the majority of a property from a housing association or on the open market, with the Scottish Government paying the rest. The buyer owns the home outright but the Scottish Government holds a security over the proportion it has funded. When the home is sold, the appropriate share will be returned to the Scottish Government.

2. Main Issues

The Scottish Government in July 2013 announced an additional **£62 million** funding for the OMSE Scheme. This takes the total funding available for the scheme over the next two years to £90M².

Over the past four years the scheme has helped more than 2,700 people on low to moderate incomes buy their own homes across Scotland.

The shared equity programme mainly aims to help first-time buyers, such as people living in social housing, people in the Armed Forces or veterans, widows, widowers and other partners of service personnel and people living in private rented housing or with relatives. It also aims to help people with particular housing needs and others whose housing needs are changing.

¹ <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/lift>

² Scottish Government Announces £62 Million Boost For Shared Equity Scheme Press Release by Housing Minister Margaret Burgess 11 July 2013

3. What it means for WDC

In West Dunbartonshire the scheme is administered by Link Housing Association Ltd.

The additional funding provides further opportunities for residents of West Dunbartonshire to access this initiative. In the four years of the scheme to 31 March 2013, 35 properties in West Dunbartonshire had been purchased, with the Government contribution totalling just over £960K.³ The announcement of additional funding increases the scope for the uptake of the scheme in West Dunbartonshire.

Details of the scheme are contained on the Council's website together with information on how to seek further advice <http://www.west-dunbarton.gov.uk/housing/private-housing/low-cost-home-ownership-scheme/>

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³ SG Phone call 31/07/13 :12/13 Unpublished Data -8 sales/£260K contribution