

Minister for Housing
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Ariane Burgess
Convener
Local Government, Housing and Planning Committee
The Scottish Parliament
Edinburgh
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Dear Ariane,

I'm writing to inform you that we intend to confirm a continuation of funding for the Open Market Shared Equity Scheme (OMSE) in financial year 2024/25, which will result in the scheme being able to reopen from 20 June 2024. OMSE continues to provide support for people on low to moderate incomes and priority access groups to purchase a home for sale on the open market and contributes to our 110,000 affordable homes target.

The main points of the scheme the Committee may wish to note are:

- The minimum stake that buyers must take in a property is 60 percent and the maximum equity stake is 90 percent
- Participating lenders normally require buyers to provide a modest deposit
- There are limits set on the price of homes that can be bought under the open market scheme to ensure that properties purchased are truly affordable and the right option for applicants. Threshold price limits vary according to house prices in different parts of Scotland and are often referred to as local maximum price ceilings.

The Open Market Shared Equity Scheme (OMSE) is funded by Financial Transaction Consequentials (FTs) through the Barnett mechanism. The total FTs made available to the Scottish Government by Westminster peaked in 2015-16 and have since fallen substantially.

I hope the Committee will welcome news of the scheme reopening and the important housing option it provides for citizens of Scotland.

Yours sincerely,

PAUL MCLENNAN