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Craig Hoy MSP
Convener
Social Justice, Housing and Local Government
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The Scottish Parliament
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Dear Craig,

I am writing to let you know that the new First Homes Fund (FHF) was opened to applications today. This is a new £500 million Scottish Government national scheme, allocating £100m per financial year over the next five years and aiming to benefit up to 50,000 first time buyers across Scotland. Phase one of the Fund, and dependent on demand, will aim to support at least 2000 applications within our first 100 days

The scheme is open to all first-time buyers, and will support the purchase of both new build properties and existing homes with applicants being able to apply for up to £10,000 equity contribution to help with the purchase of a first home, with a property price cap of £300,000.

As with our existing home ownership support schemes the Scottish Government contribution will be secured on the equity of the home; is repayable in full at any time; and must be repaid if a payment event is triggered such as the home is sold. No monthly payments will apply and no interest is payable. The criteria of the scheme will be considered throughout the initial test and learn phase and will help inform the long term ongoing development of the scheme.

In line with ongoing design work with key stakeholders for the new More Homes Scotland Agency, this is a firm commitment delivering a significant intervention for first time buyers in Scotland. I am happy to provide further information if helpful.

Yours sincerely,

SHIRLEY-ANNE SOMERVILLE

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