

# **Government help for first time buyers is essential**

**Edinburgh estate agents are urging The Scottish Government to change its financial assistance programme for first time buyers which, they say, is unworkable in the current housing market.**

Members of the Edinburgh Conveyancing Group are writing to Finance Secretary, Kate Forbes, urging her to raise the current cap on the Low-cost Initiative for First Time Buyers (Lift) scheme.

They also want her to scrap the current rule that prevents the Lift scheme being used for properties where the purchase price is higher than the Home Report valuation.

Solicitor estate agents say the fund – that will soon be the only remaining financial assistance for first time buyers in Scotland – is worthless for young people looking to buy in the current, highly competitive housing market.



Struan Douglas MD of Purdie & Co

Struan Douglas, director of Edinburgh-based estate agency Purdie & Co, said: “The scheme’s cap for a one-bedroom property in Edinburgh is £125,000 which, in the current market, wouldn’t touch the sides. The average price of a flat in the city has increased from £164,252 a decade ago, to £236,608 today.

“In a city that has seen the biggest rise in home prices for 14 years, and where the average property is now worth almost £310,000, the Lift scheme in its current guise is just no longer practical.”

He added: “Virtually every property that now comes on the market is going for over the Home Report value and, in some cases, for 15% or 20% over.

“To insist that prospective first-time buyers can’t access this scheme for such properties effectively bars them from 99% of the Edinburgh market, and most other towns and cities in Scotland for that matter.”

Edinburgh Beautician, Aimee Simpson, 28, is among the thousands of young people caught in the current housing market trap.

Despite having saved £30,000 for a deposit, she has been unable to find a property in the city within her price range.

She told BBC Scotland's Disclosure programme: "A lot of the new builds are just too expensive because they're at a premium.

"I've looked at more rundown properties that I would do up, but you're up against property developers – with bigger budgets. It is a struggle and you just hit walls everywhere you look.

She added: "It's really disheartening. I feel like I could work seven days and still not be any better off. I just feel like Edinburgh's my home. I want to be near my family."

The Help to Buy scheme, the only other currently available government fund to help first-time buyers in Scotland, is due to end next year.

Despite having supported over 17,000 new build house sales since 2013, it is now closed to new applications and will be scrapped in March 2022.

Of those who used the scheme last year, four out of every five were first-time buyers and more than half were couples with an average joint income of £42,000.

The First Home Fund, a shared equity pilot scheme to provide first-time buyers with up to £25,000 to help them buy a property, is also closed to new applications.

The Scottish Government said it required to scrap both schemes because of UK Government cuts to its financial transaction budget.