

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-487
Ein cyf/Our ref CS/01742/13

William Powell AM
Chair Petitions committee
committeebusiness@Wales.gsi.gov.uk

21 November 2013

Dear Bill

Thank you for your letter dated 23 October regarding a deposit loan scheme.

As you're petitioners note in their correspondence, there has been considerable interest in the Help to Buy products in England and the schemes themselves have been scrutinised very closely. This is something we discussed at our last meeting in October, and I'd like to thank you for pulling together a note outlining the concerns of your petitioners.

Much of the criticism of Help to Buy to date has focussed on the UK-wide Mortgage Guarantee, largely due to the fact that it encompasses all properties (both new and old) and whether such an initiative will generate additional house building activity or, in fact, artificially inflate the market. Indeed, this is something that many of the commentators in your letter highlight as a key concern, and is also a point I and my officials have raised with our UK counterparts.

On the shared equity side, I remain committed to launching a Welsh specific product this calendar year. This initiative (Help to Buy – Wales) will be similar to the existing English product, but there will be some notable differences in its design that will mitigate for many of the issues your petitioners raise. Whilst I'm not in a position to share specifics at this point in time, I can assure you that the details of Help to Buy – Wales will be made publically available shortly and I have instructed my officials to keep you abreast of developments.

Separately, I note with interest your proposal around an annual capped deposit fund for first time buyers, and have passed this to my officials to look at in more detail.

Yours sincerely

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration