

Deputy First Minister and Cabinet Secretary for
Finance and Local Government
Rùnaire a' Chaibineit airson na h-Eaconamaidh, Turasachd
agus Còmhdhail
Jenny Gilruth MSP
Jenny NicGilleRuaidh BPA



Scottish Government
Riaghaltas na h-Alba
gov.scot

T : 0300 244 4000
E : scottish.ministers@gov.scot

Russell Borthwick
Heather.morrell@agcc.co.uk

Our Reference: 202600522185
Your Reference: Letter from AGCC - LBTT in Scotland

15 July 2026

Dear Russell,

Thank you for your letter of 9 June 2026 to the Cabinet Secretary for Social Justice and Housing, regarding Land and Buildings Transaction Tax (LBTT), housing affordability and support for first-time buyers. I am responding as I have portfolio responsibility for Scotland's devolved taxes.

I note your comments on the recent Housing, Communities and Local Government Committee report on the affordability of home ownership and your concerns regarding the impact of transaction taxes on first-time buyers.

As you may be aware, the Scottish Government recently published the outcomes of an [independent review of Land and Buildings Transaction Tax](#), undertaken by Alma Economics. The review concluded that LBTT continues to operate broadly as intended, providing a progressive and proportionate framework for taxing property transactions in Scotland.

The review considered the operation of First-Time Buyer Relief and noted stakeholder views that rising house prices may have reduced the value of the current relief threshold over time. It also highlighted the differing housing market conditions across Scotland and recognised that the benefits of the relief may be experienced differently in different local markets.

However, the review found limited evidence that LBTT is, in itself, a primary barrier to home ownership. Rather, wider affordability pressures, including house prices, deposit requirements, mortgage availability and borrowing costs, play a more significant role in determining access to the housing market.

We recognise that tax policy can support wider housing objectives, but improving affordability requires a

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1
3DG
www.gov.scot



INVESTORS IN PEOPLE™
We invest in people Silver



broader approach. Alongside First-Time Buyer Relief, the Scottish Government supports first-time buyers through measures to increase housing supply and improve access to affordable home ownership.

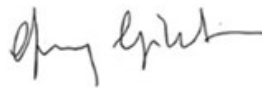
This includes the Low-cost Initiative for First-Time Buyers (LIFT), which comprises the [Open Market Shared Equity](#) (OMSE) and [New Supply Shared Equity](#) (NSSE) schemes. OMSE supports eligible first-time buyers and priority access groups to purchase homes on the open market and, while currently closed, is due to reopen in 2026-27. NSSE supports the purchase of new-build homes from local authorities and Registered Social Landlords by first-time buyers and other eligible groups.

In addition, the [First Homes Fund](#) reopened on 24 June, providing eligible first-time buyers with a £10,000 contribution towards the deposit on a home costing up to £300,000.

While the LBTT review did not recommend changes to First-Time Buyer Relief at this stage, it concluded that its effectiveness should continue to be kept under review as market conditions evolve. The Scottish Government has accepted in the [Independent Review of Land and Buildings Transaction Tax: Scottish Government response](#) that analysis and officials will continue to monitor the relief as part of future consideration of LBTT policy.

I hope you find this of interest.

Yours sincerely,



JENNY GILRUTH

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1
3DG
www.gov.scot



INVESTORS IN PEOPLE
We invest in people Silver

