SCOTTISH STATUTORY INSTRUMENTS

2018 No. 376

HOUSING

The Redemption of Heritable Securities (Excluded Securities) (Scotland) Order 2018

Made - - - -	*12th December 2018*
Laid before the Scottish Parliament	*14th December 2018*
Coming into force - -	*15th February 2019*

The Scottish Ministers make the following Order in exercise of the powers conferred by section 11(3D) and (3E) of the Land Tenure Reform (Scotland) Act 1974(**a**) and all other powers enabling them to do so.

Citation and commencement

1. This Order may be cited as the Redemption of Heritable Securities (Excluded Securities) (Scotland) Order 2018 and comes into force on 15 February 2019.

Heritable securities

2.—(1) A heritable security granted in favour of the Scottish Ministers or Places for People Scotland(**b**) under any of the schemes mentioned in paragraph (2) is not capable of being redeemed in accordance with the operation of section 11(3D) of the Land Tenure Reform (Scotland) Act 1974.

(2) The schemes are—

(a) Open Market Shared Equity Scheme (as part of the Low Cost Initiative for First Time Buyers) launched in September 2005,

(b) New Supply Shared Equity Scheme (as part of the Low Cost Initiative for First Time Buyers) launched in October 2007,

(c) Home Owners Support Fund (Mortgage to Shared Equity Scheme) launched in March 2009,

(d) Places for People Scotland New Supply Shared Equity Scheme launched in November 2011,

(e) Help to Buy (Scotland) Scheme launched in September 2013,

(f) Help to Buy (Scotland) Smaller Developers Scheme launched in January 2015,

(g) Help to Adapt launched in April 2015, and

(h) Help to Buy (Scotland) Affordable New Build Scheme launched in January 2016.

(**a**) 1974 c.38. Section 11 is amended, and subsection (3D) inserted, by section 93 of the Housing (Scotland) Act 2014 (asp 14).
(**b**) A private limited company registered in Scotland under company number SC278428.

3.—(1) Subject to paragraph (3), a heritable security granted in favour of the Scottish Ministers or a social landlord (within the meaning of section 165 of the Housing (Scotland) Act 2010(**a**)) under any of the schemes mentioned in paragraph (2) is not capable of being redeemed in accordance with the operation of section 11(3D) of the Land Tenure Reform (Scotland) Act 1974.

(2) The schemes are—

(a) Homestake operated by the Scottish Ministers and launched in September 2005,

(b) Low Cost Home Ownership scheme operated by Aberdeen City Council and launched in November 2005,

(c) New Supply Shared Equity with Developers operated by the Scottish Ministers and launched in December 2009,

(d) East Dunbartonshire Council New Shared Equity Homes for Sale Scheme launched in October 2012, and

(e) Aberdeenshire Council Low Cost Shared Equity scheme launched in September 2015.

(3) Paragraph (1) applies only where a heritable security is granted after the day on which this Order comes into force.

KEVIN STEWART
Authorised to sign by the Scottish Ministers

St Andrew's House,
Edinburgh
12th December 2018

(**a**) 2010 asp 17.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides that section 11(2) of the Land Tenure Reform (Scotland) Act 1974 will not apply to the heritable securities granted in pursuance of the schemes mentioned in articles 2 and 3.

The effect is that the debtor will not be entitled to redeem the security after 20 years have passed since it was executed, under the terms provided by section 11 of that Act.

For the schemes mentioned in article 2(2), the entitlement is removed for securities granted both before and after this Order comes into force, while for schemes mentioned in article 3(2) the entitlement is only removed for securities granted after this Order comes into force.

Administrative procedures for the schemes mentioned in articles 2 and 3 are published on the Scottish Government website at this link: https://www.gov.scot/publications/twenty-year-security-rule-removal-of-right-to-redeem/

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