



Rural Home Ownership Grants



Helping you become a
home owner in rural areas

A complete guide to Rural Home Ownership Grants

CONTENTS



Opportunities for local people	5
Grant availability	6
Determining grant level	7
Other conditions of grant	8
Applying for a grant	9
Where to get information	10

This leaflet tells you about a grant that could increase the home ownership opportunities available to you.



A RHOG-funded home on North Uist.

OPPORTUNITIES FOR LOCAL PEOPLE

Improving housing options in rural areas

Some parts of rural Scotland have limited opportunities for local people to buy or build their own homes. This can be due to the higher building costs in rural areas; the lack of suitable land for building; existing housing being in the wrong place or high property prices.

Those wanting to rent may have to wait a long time and those wanting to buy may have to move away from their communities in search of their own home.

Rural Home Ownership Grants (RHOGs) are provided by Communities Scotland, the Scottish Executive's housing and regeneration agency. The grants aim to help sustain rural communities by making it easier for local people on low or modest incomes to own their own home and to meet their housing needs or aspirations within their own community.

How might I benefit from a Rural Home Ownership Grant?

These grants may help you if you live in a rural area and you wish to own a home. Available to people in receipt of a low or modest income, the grant is means tested, taking your income and savings into account. The grant pays part of the costs involved in helping you to either acquire a site and build your own home or acquire and improve an existing property for use as your sole residence. We may also be able to help you purchase an existing property which does not require improvement.

Where are they available?

Grants are targeted at areas where it is difficult for people to own their own home. If after reading this leaflet you think you may qualify, get in touch with the contact in the area where you wish to set up home who will advise you whether grants are likely to be available.

How do I know if I'm eligible?

Grants are aimed at local people in employment who are first time buyers. If you have previously owned your own home you may still be eligible if you meet the other qualifying criteria. However, any capital gain from the sale of previous property will be taken into account when deciding whether you are eligible.

GRANT AVAILABILITY

Grants ARE available:

- if you are employed or have received a formal offer of employment in the local area where you want to set up home;
- to pensioners and to those who are unfit for work due to sickness or disability who may qualify if they have resided in the local area for more than a year, have a family or local connection, and can meet the majority of the costs involved;
- if your total household income is insufficient to purchase a suitable property without grant assistance;
- only where all other sources of funding and grants have been explored and fully taken up.

Grants ARE NOT available:

- if you are eligible for the Scottish Executive's Crofter House Grant Scheme;
- if you already benefit from another form of grant from Communities Scotland;
- if you intend buying a property built by a developer who has already received a grant from Communities Scotland towards the cost of providing that property.

What type of property qualifies?

Grants are available for properties that are to be newly built, and for the acquisition, improvement or, in some areas, conversion of existing properties. Help may be available to buy an existing property. For full information on the regulations for your area contact your nearest office listed at the back of this leaflet.

DETERMINING GRANT LEVEL

How is the level of grant calculated?

The grant paid will be the minimum necessary to enable a property to be built, bought, and/or improved by you. Communities Scotland will determine the level of grant required by way of assessment of the level of mortgage you can support and taking into account any other income or savings. The level of mortgage funding plus any other financial contributions, including awards from other sources, will then be assessed in relation to the total costs of providing the property. Only costs that qualify for a grant will be taken into account. After taking into account any other assistance, the grant will not normally exceed 33 per cent of the approved total costs.

What type of costs are covered?

The following type of costs are eligible for grant:

- acquiring a property or a site
- building warrant and planning applications
- legal fees
- installation of services, e.g. electricity, water
- construction
- mortgage bridging interest
- architect and other consultant fees

The grant will, however, only contribute towards the costs relating to the property. It is not available, for example, to cover the costs of building a garage. If you intend to undertake part of the work yourself these costs for expenditure such as building materials can also be included, although you cannot claim for the costs of your own labour. Communities Scotland will only provide assistance for the construction or improvement of a property which is appropriate for the size of your household. More details on this are given in the notes that accompany the RHOG 1/Outline Application form. If you intend to purchase an existing property – which does not require improvement – you will need to satisfy Communities Scotland that no other option for home ownership exists. The grant will be based only on an independent valuation and not on any higher amount.

OTHER CONDITIONS OF GRANT

Are there any other conditions I need to know about?

As a safeguard Communities Scotland will require a standard security over the property. If mortgage finance is being used, the security will be second ranking to that of the bank or building society. If you sell the property within 10 years then the total amount of the grant must be repaid to Communities Scotland once any prior-ranking security over the property has been paid in full.

Your legal adviser or solicitor will be able to explain this to you more fully.



APPLYING FOR A GRANT

How do I apply?

STAGE 1 RHOG 1/OUTLINE APPLICATION

Communities Scotland has agreements with agencies across the country which promote and administer the grants on our behalf. To obtain further information, an application form and guidance notes, you should contact the office for your area given at the end of this leaflet.

Communities Scotland or our agent needs to know details of income, the amount of mortgage and any other sources of funding that may be available. A full estimate of construction or improvement costs should be obtained, and an estimate of the value of the site or property will also be required.

Once all the details required are fully completed and submitted to Communities Scotland or its agent, a decision in principle will be made within six weeks about whether a grant will be awarded, and the amount of grant likely to be offered. This will be outlined in a letter to you.

What happens next?

STAGE 2 RHOG2/APPLICATION

If your outline application is approved, Communities Scotland or our agent will ask you to complete a second more detailed application form. You will also be asked for details of exact costs and fees, competitive quotes and you will be asked to provide a detailed design specification.

Communities Scotland will make a final decision on the application within six weeks of receiving the final necessary piece of information to approve an application. If this second application is approved, a formal offer of grant will be made.

If an applicant has agreed the purchase of a property prior to the grant confirmation then any costs incurred is at the applicant's own risk should an application be rejected.

If an applicant has agreed the purchase of a piece of land prior to grant confirmation then any costs incurred is at the applicant's own risk should an application be rejected. (It should be noted, however, that if an application is approved and the land has been owned for six months or more, it will not be considered for grant assistance.)

WHERE TO GET INFORMATION

For more information contact the nearest office from this list below.

IF YOU LIVE IN:	CONTACT:
Caithness	Pentland Housing Association 37-39 Traill Street Thurso KW14 8EG Tel: 01847 892507
Badenoch & Strathspey, Sutherland, Ross-shire & Inverness-shire	Albyn Housing Society 98-100 High Street Invergordon IV18 ODL Tel: 01349 852978
Lochaber	Lochaber Housing Association 30 Fassifern Road Fort William PH33 6XQ Tel: 01397 702530
Lochalsh and Skye	Lochalsh and Skye Housing Association Morrison House Bayfield Portree IV51 9EW Tel: 01478 612035
Orkney	Orkney Island Property Developments Ltd 15 Victoria Street Kirkwall KW15 1DN Tel: 01856 876310
Shetland	Hjaltland Housing Association 2 Harbour Street Lerwick ZE1 OLR Tel: 01595 694986
Western Isles	Tighean Innse Gall 16 South Beach Street Stornoway HS1 2BE Tel: 01851 706121
North Clyde	Fyne Homes Limited 81 Victoria Street Rothesay Isle of Bute PA20 OAP Tel: 01700 504668

IF YOU LIVE IN:	CONTACT:
North and South Clyde	St James House 25 St James Street Paisley PA3 2HQ Tel 0141 889 8896
South West	Rex House Bothwell Road Hamilton ML3 ODW Tel: 01698 420042
	52/66 Newmarket Street Ayr KA7 1LR Tel: 01292 611810
Highlands and Islands	Urquhart House Beechwood Park Inverness IV2 3BW Tel: 01463 711272
Grampian	Johnstone House (2nd floor – suite A) 50-54 Rose Street Aberdeen AB10 1UD Tel: 01224 624960
Lothian, Borders and Fife	Rosebery House 9 Haymarket Terrace Edinburgh EH12 5YA Tel: 0131 313 3700
Tayside and Forth Valley	2nd Floor Endeavour House Greenmarket Dundee DD1 4QB Tel: 01382 427500
Scottish Borders	Rural Housing Service 55 Newtown Street Duns Berwickshire TD11 2AS Tel: 01361 884698