

Empty Homes Grant and Loan Information

April 2015



“Realising the potential of communities by ensuring that people have access to affordable, sufficient & suitable housing in Argyll & Bute”



1. Empty Homes

Due to the high need and demand for affordable housing and lack of resources to develop new properties, Argyll and Bute Council is committed to trying to bring as many empty properties in the area back into use as possible.

There are significant benefits to owners and local communities by bringing empty homes back into use:

- ✓ cost benefits to the owner if they rent or sell;
- ✓ condition of a property won't deteriorate as quickly if occupied;
- ✓ the outlook of a neighbourhood can improve reflecting on local house prices;
- ✓ the local economy benefits;
- ✓ social, education and transport amenities are utilised minimising the risk of losing services, particularly in rural areas;
- ✓ the property will be providing accommodation for someone in housing need.

2. Private Owners are responsible for Private Houses

The Housing (Scotland) Act 2006 reiterates that the owner of a property is responsible for maintaining, repairing and improving private houses, and paying for works required; irrespective of their age, income or any other mitigating factors.

However, the Council recognise that there are particular challenges of sub-standard housing in Argyll and Bute, particularly with regard to long term empty homes.

3. Housing Standards

There are various Housing Standards that apply to private and social sector homes dependent on their use:

- The Tolerable Standard;
- Sub-standard Houses;
- Amenity;
- The Repairing Standard;
- The Scottish Housing Quality Standard (SHQS).

For works undertaken to bring an empty property back into use, in conjunction with a Registered Social Landlord (RSL) it must meet the Scottish Housing Quality Standard (SHQS), where reasonably practical, which means the property:

1. Must be Compliant with the Tolerable Standard;
2. Must be Free From Serious Disrepair;
3. Must be Energy Efficient;
4. Must have Modern Facilities and Services;
5. Must be Healthy, Safe and Secure.

The SHQS is a set of five broad housing criteria which consist of 55 elements and nine sub-elements. A summary or a full explanation of these standards can be found on the [Scottish Governments website](#). Information can also be provided by Empty Homes Officer.

4. Assistance available for owner/s

Argyll and Bute Council's Empty Homes Officer can provide a range advice and assistance to owners on the options available to them to bring their property back into use. This information can include:

- ↑ Financial Assistance;
- ↑ Property Condition and improvement;
- ↑ Legal Guidance;
- ↑ Renting out your property;
- ↑ Selling your property.

5. Grants and Loans in Association with Registered Social Landlord (RSL)

The Council may be able to provide a discretionary grant up to a maximum of £20,000 per property (subject to funds being available) to bring an empty property back into use. The owner must agree to lease the improved property to an identified Registered Social Landlord (RSL) partner for a minimum period of 10 years.

In addition, the Council may also be able provide a discretionary low cost loan facility up to a maximum of £20,000 per property (subject to funds being available) to bring an empty property back into use. The owner must agree to lease the improved property to an identified Registered Social Landlord (RSL) partner for a minimum period of 5 years, with the lease to the RSL being matched to the loan repayment period.

Properties must have been registered empty prior to 1st April 2012.

Properties must meet the Scottish Housing Quality Standards (SHQS), where this is reasonably practical on completion of works.

At least 3 fully costed and itemised schedules of works from different contractors will be required. These must specify the total costs to undertake works and state whether or not costs includes VAT.

Projects involving major works require the appointment of an independent agent, architect, surveyor or equivalent to specify, tender and supervise the works.

Owners in receipt of a grant will be required to submit a plan setting out how they propose to maintain their property for 10 years following completion.

Properties must not have had any previous grant/loan or public subsidy in the last 10 years.

Owners can apply for empty homes grant and loan funding for up to a maximum of 6 properties across the Argyll and Bute area.

Any breach to grant conditions will result in requirement of grant to be repaid in full with any associated costs also being recoverable from the owner. The award of grant will be recorded on property titles.

All loans approved are required to be secured by a financial charge. Any breach to loan conditions will result in requirement of the loan to be repaid in full with any associated costs also being recoverable from the owner.

6. Grants for Owner Occupation

Empty homes requiring significant upgrades offer a potential low cost option for entry into the housing market. Discretionary grants may be available for owners of empty homes who are currently resident in Argyll and Bute and will be occupying the property on completion of renovation works.

- Grant of 40% of cost works up to a maximum £10,000

Properties must have been registered empty prior to 1st April 2012.

All grants and loans are discretionary and factors which will be taken into consideration include local housing need; available resources and a geographical distribution across Argyll and Bute.

Grant for owner occupation will be considered in all cases but if funding cannot meet demand, it will be targeted;

- a. Where the property is in an area of high housing needs.
- b. Where an RSL property is vacated thereby creating both a new home and an RSL social renting opportunity.
- c. Where a household is entering the owner occupied market for the first time.

At least 3 fully costed and itemised schedules of works from different contractors will be required. These must specify the total costs to undertake works and state whether or not costs includes VAT.

Projects involving major works require the appointment of an independent agent, architect, surveyor or equivalent to specify, tender and supervise the works.

Any repair works required must be cost effective and provide affordable housing on completion.

Owners in receipt of a grant will be required to submit a plan setting out how they propose to maintain their property for 10 years following completion.

Properties must not have had any previous grant/loan or public subsidy in the last 10 years.

Owners can apply for empty homes grant and loan funding for up to a maximum of 6 properties across the Argyll and Bute area.

Any breach to grant conditions will result in requirement of grant to be repaid in full with any associated costs also being recoverable from the owner.

If the house is sold or ownership transferred within 5 years of completion of work any grant paid will be reclaimed with interest. The award of grant will be recorded on property titles.

7. Grants for properties to be used in Private Rented Sector

Discretionary grants may be available for owners who are currently resident in Argyll and Bute and will be privately renting the empty property on completion of renovation works.

- Grant of 30% cost works up to a maximum £7,500

Properties must have been registered empty prior to 1st April 2012.

All grants and loans are discretionary and factors which will be taken into consideration include local housing need; available resources and a geographical distribution across Argyll and Bute.

Landlords must be registered with Argyll and Bute Council and will be required to submit leases, equal opportunities policies, tenant information packs and other housing management documentation for assessment prior to application. The property must meet or exceed housing standards on completion of works. Rent levels for grant assisted property will be required to be equal to the Local Housing Allowance (LHA). (Current LHA rates are published on website or can be obtained from Empty Homes Officer).

At least 3 fully costed and itemised schedules of works from different contractors will be required. These must specify the total costs to undertake works and state whether or not costs includes VAT.

Projects involving major works require the appointment of an independent agent, architect, surveyor or equivalent to specify, tender and supervise the works.

Any repair works required must be cost effective and provide affordable housing on completion.

Owners in receipt of a grant will be required to submit a plan setting out how they propose to maintain their property for 10 years following completion.

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Any breach to grant conditions will result in requirement of grant to be repaid in full with any associated costs also being recoverable from the owner.

If the house is sold or ownership transferred within 5 years of completion of work any grant paid will be reclaimed with interest. The award of grant will be recorded on property titles.

8. Empty Home Grant and Loan Application Process

1. Contact the Empty Homes Officer to discuss property details and arrange a site visit to establish if your property is suitable to apply to scheme;
2. If property is suitable and you agree to the minimum conditions of grant/loan funding, a pre-application form and supporting documents should be submitted. The pre-application will be assessed to determine if eligible and meets the minimum criteria. If the application is for grant/loan with a Registered Social Landlords (RSL) partner. The local RSLs will be contacted to establish if there is housing need in the area and identify if there any interested partners. Following the outcome of assessment the Empty Homes Officer will contact you to discuss options.
3. Formal application is submitted together with any additional evidence required. All empty homes grants and loans are discretionary; you will be notified of the outcome of application in writing.

Documentation required

Pre-application

- The applicant/s must declare they are registered owner/s of the property;
- The property must have been classed as empty on council tax register as empty prior to April 2012 – Empty Homes Officer can confirm this;
- Repair/improvement works schedule and estimated costs.

Formal application

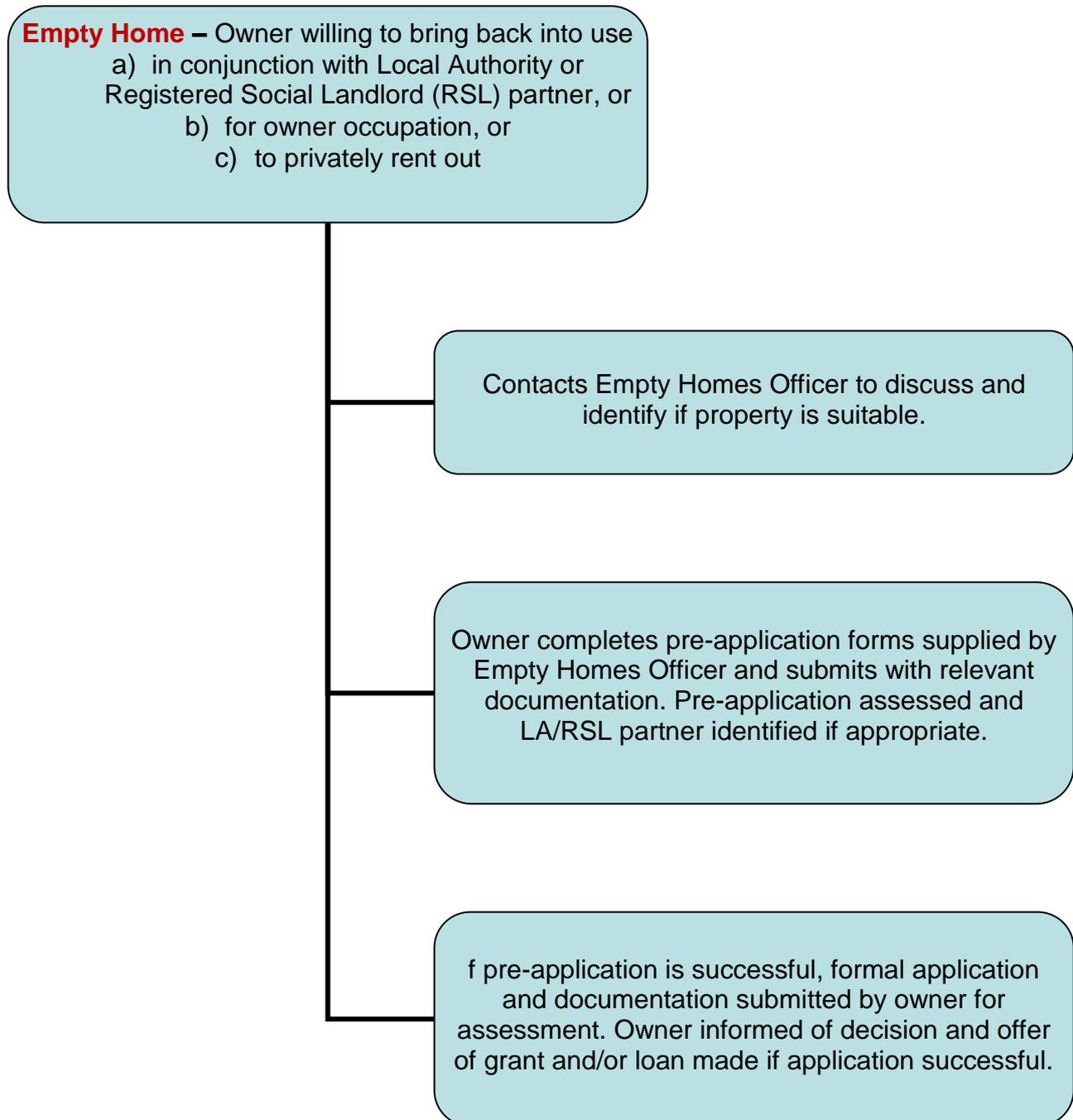
- Proof of identification for each applicant;
- A copy of the recorded disposition/land certificate;
- Valuation certificate / proof of equity;
- 3 estimates and schedules of planned repair works;
- Savings/capital (where capital contribution is required);
- Building warrant / Planning permission (where applicable);
- Buildings Insurance (and contents where applicable);
- Consent from lender.

Assessment

The pre-application and formal application stages will be assessed and prioritised against the following factors:

- Housing need and demand
- Location
- Length of time property has been empty
- Condition of property
- Action taken by owner

Empty Homes Funding Application Process Chart



9. Loan Repayment Guide

This table provides empty home owners with **estimated** repayment terms for loan funding, which is subject to change. Interest rates and annuity will be confirmed on an individual basis when an application is approved. Please note loan repayments and RSL management fees will be deducted from any rental income received.

Repayment Estimates

Repayment Term*	5 years	10 years	15 years	20 years
Amount borrowed - Net Capital Cost	£5,000	£5,000	£5,000	£5,000
Interest Rate**	1.89%	2.39%	2.98%	3.48%
Approx monthly repayment - Loan Charges (Annuity Basis)**	£87.40	£46.89	£34.48	£28.95

Repayment Term*	5 years	10 years	15 years	20 years
Amount borrowed - Net Capital Cost	£10,000	£10,000	£10,000	£10,000
Interest Rate**	1.89%	2.39%	2.98%	3.48%
Approx monthly repayment - Loan Charges (Annuity Basis)**	£174.80	£93.77	£68.96	£57.89

Repayment Term*	5 years	10 years	15 years	20 years
Amount borrowed - Net Capital Cost	£15,000	£15,000	£15,000	£15,000
Interest Rate**	1.89%	2.39%	2.98%	3.48%
Approx monthly repayment - Loan Charges (Annuity Basis)**	£262.20	£140.66	£103.44	£86.84

Repayment Term*	5 years	10 years	15 years	20 years
Amount borrowed - Net Capital Cost	£20,000	£20,000	£20,000	£20,000
Interest Rate**	1.89%	2.39%	2.98%	3.48%
Approx monthly repayment - Loan Charges (Annuity Basis)**	£349.59	£187.54	£137.92	£115.79

*Repayment term of loan must be matched to the minimum term of RSL lease agreement

**Interest rates, annuity and repayments are estimated figures and subject to change

10. How to apply

If you own a long-term empty property and are interested in bringing this back into use, you should in the first instance contact the Empty Homes Officer to discuss options and register your interest.

Contact

Kelly Ferns
Housing Improvement Officer – Empty Homes
Argyll and Bute Council
Dolphin Hall, Manse Avenue, DUNOON PA23 8DQ

Tel: 01369 708672

Email: kelly.ferns@argyll-bute.gov.uk

This booklet is for information only and contents may be subject to change. Applications will be subject to an assessment and successful applications will only be processed if there are funds available.