



Housing Options Guide – Examples

(Full explanations of each option can be found in the Aberdeenshire Council Housing Options Guide).

Low Cost Home Ownership (LCHO)

1. New Supply Shared Equity Scheme (LIFT) (shared equity)
2. Open market shared equity scheme (LIFT) (shared equity)
3. GRO Grant
4. Rural home ownership grants (RHOGs)
5. Affordable house plots and homes

There are different types of LCHO and a general overview of each is provided below.

LIFT – Low Cost Initiative for First Time Buyers (for eligibility criteria see **)

- **(New Supply)** This Scottish Government assisted shared equity scheme has seen success across Aberdeen/Aberdeenshire. There are 2 forms of this scheme- the New Supply Shared Equity Scheme where a housing association provides new homes people who meet certain eligibility criteria to assist them afford to purchase a new home built by a housing association or developer. For example, Castlehill HA currently have LIFT properties for sale in Methlick and Portlethen in Aberdeenshire.
- An owner generally pays between 60% and 80% of the price of a home, with the remainder held by a housing association using a Government grant. Once the shared equity owner wishes to move, if they have an 80% stake in their property they will get 80% of the current value; the remaining 20% will be paid to the housing association who can either repay the grant or re-use the money to provide more affordable homes. For example, the housing association develops property valued at £100,000 and the shared equity buyer buys an 80% stake. The shared equity owner sells the property 10 years later at an overall value of £200,000. The shared equity owner receives £160,000 and the housing association has £40,000 to reinvest in new affordable housing.

- **The Open Market Shared Equity scheme** enables first time buyers to share the cost of mortgaging a home chosen through the open market (can come from any estate agent/solicitor). This form of LIFT has been particularly popular within the Aberdeen City region. There is currently a waiting list system in operation due to the popularity of this scheme to assist first time buyers.

****Potential applicants must meet certain eligibility criteria. The property must be your only home. Although it should be suitable for your current housing needs, you can, if you wish, buy a home which has one room more than your existing need. LIFT is aimed at low income households, and potential applicants will be assessed by means testing by the associated RSL to see whether or not they qualify. Limits are set on the price of property.**

You can find out more information on both LIFT schemes at

www.scotland.gov.uk/LIFT

GRO Grant

- Aberdeenshire Council and RSLs sometimes releases LCHO options to individuals who wish to purchase a home at an affordable price and who cannot compete on the open market. These tend to be offered to people who are on the Council waiting list. For example Aberdeenshire Council have recently sold new homes in New Deer at a cost of £90,000 each. These were provided as a result of a larger mixed development with affordable housing obligations to be met. These homes stay affordable in perpetuity.
- The Scottish Government grant, GRO grant which is generally available to private developers as a means to help increase the number of good quality homes for owner occupation provided in Scotland. The housing for sale may be new build or involve the renovation of existing buildings. The total amount of GRO-Grant available will be up to 33% of the total development costs.

Affordable Starter Homes

- Private house builders such as Barratt and Stewart Milne for example have obligations to provide affordable housing with any developments they undertake (usually 25% must be affordable). As a way of relieving such obligations, these developers will often provide accommodation at a lower price, deemed 'affordable starter homes' and are often targeted at first time buyers and those on low or modest incomes. An example of this is the development of homes in Elrick, Aberdeenshire where the developer provided some homes that were sold to people who met certain eligibility criteria.

Rural Home Ownership Grant (RHOG)

Successful RHOG applicants must either:

- Be employed or have received a formal offer of employment.
- Be a pensioner or are unfit for work due to illness or disability.
- 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.
- Prove that they could not afford to become a homeowner without a RHOG due to insufficient funding.
- They should not have grant funding from another source e.g. Council.

You can only get assistance for the construction or improvement of a property which is appropriate for the size of your household. However houses can be designed and constructed to permit additional rooms to be built in future years e.g. in the roof spaces.

A means test will determine the level of grant required. The grant paid will be the minimum necessary to enable a property to be built or improved by you. Grants vary on a project-by-project basis and will generally account for up to 30% of the total project costs

If you sell your house within 10 years, the Scottish Government require the grant be paid back.

The following type of costs are eligible for grant:

- Buying a site; installation of services, e.g. electricity, water and construction.
- Building warrant; planning applications; legal fees; architect and other consultant fees and mortgage bridging interest

There are 3 main ways which this can be done:

1. An individual (means tested) can find a plot of land for sale (of no more than £30,000 approx. to make the project stack up) and acquire the grant to help purchase and build a home. Plots for sale can be viewed on the ASPC website.
2. An individual can use the grant to help acquire and improve an existing property (recent example is an individual in Alford, Aberdeenshire who did it this way).
3. A landowner can provide a plot(s) of land for individuals to purchase and market these as RHOG assisted plots. (The ARHE is assisting landowner in Logie Coldstone and also Aberdeenshire Council in Turriff to do this at present).

More Information:

The Scottish Government have a booklet which gives detailed information

www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/lift

Or speak to Emma Binns from the Rural Housing Service Charity on 07825232329

Renting:

1. Council Rented Accommodation
2. Housing Association Rented Accommodation
3. Private Rented Accommodation
4. Rural Empty Property Grant
5. Rural Homes for Rent Grant Scheme

(See below for a brief overview of each)

Council Rented Accommodation

- Aberdeenshire Council have affordable rented accommodation in most settlements around Aberdeenshire. For example in Ballater there are 92 general need and amenity homes (1, 2, 3 and 4 beds). Individuals can apply to the Council by contacting housing@aberdeenshire.gov.uk.
Applications forms will be sent out to eligible applicants.

Housing Association Rented Accommodation

- Housing associations such as Castlehill, Tenants First and Aberdeenshire Housing Partnership operate in Ballater and provide affordable rented accommodation. Interested individuals can contact the associations directly and apply to be added to the waiting list. Individuals can also contact Aberdeenshire Council housing department directly for more information on available housing association properties. Please see website addresses for each of these organisations below for contact information and information about housing stock and future developments.
- Aberdeenshire Housing Partnership – www.a-h-p.org.uk
- Castlehill Housing Association - www.castlehillha.co.uk/
- Tenants First Housing Co-operative – www.tenantsfirst.com/
- Langstane Housing Association – www.langstane-ha.co.uk
- Aberdeenshire Council - housing@aberdeenshire.gov.uk

Private Rented Accommodation

- A popular form of housing all over, private rented accommodation can be accessed by individuals looking to stay in non-housing association accommodation. People with extra accommodation often advertise availability for letting through agencies and local press. Some private rented properties can be viewed at Aberdeen Considine (www.acandco.com) some can also be viewed at The Independent Financial Centre (www.indyfc.com).

Buying or Building a Home

- The most popular form of acquiring accommodation, purchasing a home is done through the open market. Homes for sale in Ballater for example can be seen in local estate agents and the Aberdeen Solicitors Property Center. Building a home can be done through contracting, working and linking with various partners such as self-build organisations, architects, builders and quantity surveyors.

Rural Empty Properties Grant (REPG)

- This grant is available to people who own a disused property (for example a steading or bothy) in a rural setting who wish to bring it back into use for affordable rented accommodation to someone from the local area who is on the housing waiting list. As with RHOG and GRO-Grant, individuals can receive up to 33% of the total cost for renovation.
- Examples of this grant being used successfully can be seen in Tarland and Kincardine O'Neil Estate in Aberdeenshire where the landowners have successfully applied and been granted an REPG to assist financially with the conversion of existing properties back into use for affordable housing to rent.
- More information can be found by contacting Emma Binns (Aberdeenshire Rural Housing Enabler) at emma@ruralhousingscotland.org

Rural Homes for Rent Grant (RHfR)

- Piloted in the year 2008/09, this Scottish Government grant aims to increase the number of affordable homes to rent in the countryside across Scotland. In Aberdeenshire there were 3 applicants, with 1 successful applicant who will gain up to 55% funding per unit for the development of new affordable housing to rent in Methlick, Aberdeenshire. A 2nd round could open up new possibilities for rural developments in other areas of Aberdeenshire which is to be confirmed.
- This grant is suitable for landowners and community trusts to help develop new affordable housing for rent. (No funds available at present).

Document prepared by the ARHE – Rural Housing Service,

if you would like to find out more about Housing Options please get in touch with

emma@ruralhousingscotland.org