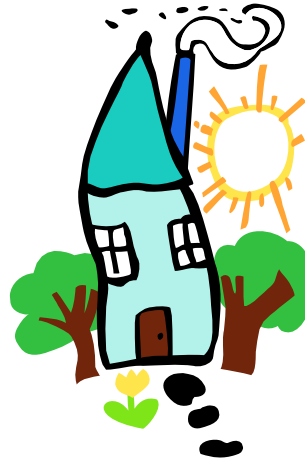


# Rural Home Ownership Grant (RHOGs)



How the grant works

# Finding a Home



Communities Scotland provides different housing grants all over Scotland but finding the right one can be difficult.

For our rural areas, Communities Scotland has a grant known as the Rural Home Ownership Grant (RHOG) that has proved successful in assisting individuals/families into home ownership

# Aim of RHOGs

- To help sustain rural communities by making it easier for local people on low or modest incomes to own their own homes and meet their housing needs or aspirations within their own community

# Who is eligible?

- Grants are primarily aimed at first time buyers, who are employed in the area or have an offer of employment in the area.
- Applicants who have previously owned their own home may still be eligible, however previous profits from house sale will be taken into account.
- Pensioners and those who are unfit for work due to sickness or disability may also qualify
- Households whose income is insufficient to purchase a suitable property without grant assistance

# Who is ineligible?

- Those who are eligible for Crofters Building Grant and Loan Scheme
- Those already in receipt of another form of grant, e.g Tenants Incentive Scheme or a similar local authority grant
- Those who wish to buy a house which was built by a developer who has already received a grant from Communities Scotland towards the cost of providing that house.

# Properties

We operate 2 types of RHOG projects.

New build

&

Off the Shelf

# Guidelines for New Build

- New build involves owning or identifying a site for development.
- When building the property the house Erection and Site Development & Servicing costs must be within reference costs (set by area offices)
- House size must be within the floor area allowance

# Floor Area Allowances

- Individual/Couple 70m<sup>2</sup>
- Individual/Couple + 1 child 80m<sup>2</sup>
- Individual/Couple + 2 children 90m<sup>2</sup>
- Individual/Couple + 3 children 110m<sup>2</sup>
- Any larger family 116m<sup>2</sup>



# Guidelines for OTS applications

- Property should be on open market for 6 months or more
- Applicant must obtain a full Homebuyers survey which is at their own risk
- Property should be in good condition and require minimal/minor repairs
- Property must be as close to size allowances as possible
- Total project costs must be comparable to those of a new build project

# How the level of grant is calculated

- The grant awarded is the minimum necessary to enable a house to be built or bought by the applicant (normally less than 33% of costs)
- The level of grant is determined by the maximum mortgage which can be raised and also takes into account any other income or savings
- Equity from previous house sales is expected to go towards the project costs
- Should the applicant hold more than £5,000 in savings, anything above this is expected to be a contribution to the project costs

# Application process

- The process involves 2 stages of application - RHOG 1 and RHOG 2.
- RHOG 1 is used to clarify the eligibility of an applicant and does not require the applicant to incur any costs (with the exception of OTS)
- RHOG 2 is a the detailed form which is used to gain actual costs and income information
- Communities Scotland must approve an application within 6 weeks of a complete application being submitted.
- Grant is paid upon completion and receipt of a Local Authority Completion certificate and legal documentation

# Grant Conditions

- If the property is sold within 10 years of completion, then the total amount of grant must be repaid to Communities Scotland.
- The property must be a person's principal and only residence
- Any applicant who starts on site prior to grant approval does so at their own risk. An applicant should never start on site prior to receiving a grant offer.

# Current position Dumfries and Galloway

- Number of live enquiries presently (5)
- Located across district but generally within small communities
- Ideally in position to approve some in 2006/07
- Discussing with Dumfries and Galloway Council the role of DGSCHCT in RHOG administration