

Rural Home Ownership Grants (RHOGs)

What are RHOGs and who provides them?

Rural Home Ownership Grants, or RHOGs as they are often called, are mainly intended to help people living in rural areas of Scotland to become first time homeowners - usually by building a house but also by buying a suitable property. The RHOG is meant to fill the gap between the maximum level of mortgage the applicant can raise and the cost of a modest starter home.

Although the Inverness Office of the Scottish Government is responsible for the provision and award of Rural Home Ownership Grants, it is [Hjaltland Housing Association](#) who provide, on an agency basis, the advice services and application forms on RHOGs in Shetland.

RHOGs are attracting a lot of interest from islanders. The number of applications processed each year tends to be between 4 and 5.

RHOG eligibility criteria and application procedure

Successful applicants must satisfy the following key requirements:

- be first time buyers (although some exceptions are possible).
- have lived in Shetland for at least a year.
- prove that they could not afford to become a homeowner without a RHOG.
- prove that they could raise a mortgage of at least three times their gross income (single people) or two and a half times the gross household income for couples.
- obtain the necessary planning and building consents.
- otherwise comply with all the other Communities Scotland's requirements on house size and specification (which some applicants may find restrictive).

Grant eligible costs include:

- the purchase of the house site or property
- building materials and construction costs
- legal fees
- Architects and other consultancy fees
- building and planning consents
- putting services into the site (electricity, water etc)
- interest on a bridging loan from the Bank or Building Society

Other key grant conditions include:

- restricted house and room sizes, depending on number of members in the RHOG applicant's household (although houses can be designed and constructed to permit additional rooms to be built in the roof spaces).
- a 10 year 'clawback' period on the grant (money to be repaid to Communities Scotland), if the house is sold by the successful applicant within that period of time.
- applicants who are eligible for other grant schemes such as Crofter Housing Grants, Tenants Incentive Schemes, must prove that they have been refused these grants before they can be considered for a RHOG.

How much grant is a RHOG applicant in Shetland likely to get?

RHOGs vary according to how much the successful applicant can afford but a grant of somewhere between £10,000 and £20,000 is typical. Although one or two bigger grants may be awarded each year, the Scottish Government expects Hjalmland to achieve an average grant percentage of 30% of the overall costs of the RHOG houses they assist in Shetland each year.

Detailed advice on RHOG eligibility criteria and the application procedure will be given to all those who are interested by contacting Avril Smith at Hjalmland Housing Association:

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**Shetland Islands
Council**



This information sheet is a reproduction of the **Housing Options Guide – Rural Home Ownership Grants** section.

If you would like this information produced in any other format, please telephone 01595 744360 or email housing@shetland.gov.uk.

Useful Links

Hjalmland Housing Association
www.hjalmland.org.uk/about/grants.html