



**Shetland Islands
Council**



This leaflet is a reproduction of the **Housing Options Guide – Scottish Government Housing Initiatives** section.

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

Useful Links

Scottish Government
www.scotland.gov.uk/Topics/Built-Environment/Housing

Shetland Citizens' Advice Bureau
www.cas.org.uk/WebOfficeDetails.aspx?id=86&letter=L

National Debtline
www.nationaldebtline.co.uk/scotland/index.php

Consumer Credit Counselling Service (CCCS)
www.cccs.co.uk/

Credit Action
www.creditaction.org.uk/

Legal Services Agency
www.lsa.org.uk/

Shelter Housing Aid Centres
Glasgow 0844 893 5560
Edinburgh 0844 515 2400

Funding available to private contractors to build for low cost home ownership

The Scottish Government's Inverness Office makes some public subsidy available each year to enable private contractors to build houses for sale in targeted areas of the Highlands and Islands where the price of housing is usually too high for most local first-time home buyers. Where contractors take up this opportunity the resulting house prices might be reduced as much as 20% from the normal market price e.g. £40,000 for a house which otherwise would sell at £50,000.

The subsidy is known as GRO Grant and for further information contact the Area Investment Officer for Shetland at the Scottish Government:

The Scottish Government
Housing Investment Division
Housing and Regeneration Directorate
Scottish Government
Longman House
28 Longman Road
Inverness
IV11SF

Main Office Tel Number: 0300 020 1200

Mortgage to Rent Scheme

The Scottish Government has introduced a scheme to help households who are in danger of having their homes repossessed. This scheme offers them the chance to change the tenure of their home, from being an owner to being a tenant in the social rented sector.

The scheme can arrange for a landlord such as a housing association or the local council to buy the property and for the household to continue to live there as tenants and pay rent.

Funding is available to the landlord to enable any necessary repairs to be made to the property.

The Mortgage to Rent scheme will not be the best option for everyone.

Applicants may be eligible if:

1. they have obtained advice about their financial circumstances and what other options they have.
2. their home is in danger of repossession.
3. all the owners of the property agree to the application to the Mortgage to Rent Scheme.
4. the property is the sole or main residence of someone in the household.
5. there is a reason for the household to remain in the local area.
6. they are unable to sell the property and buy somewhere cheaper locally.
7. the property is clear of any legal action that would prevent it being sold.

An applicant will not normally be eligible for the scheme if:

- They are under 60 years old and the capital held by them and their partner is greater than £8,000, or they are 60 or over and the capital held is greater than £12,000.
- They have lived in the property for less than 12 months (unless they can show that they have built up a social network e.g. work locally etc).
- The value of their property is higher than the average value in their local authority area (unless there are more than 5 people in the household).
- Their property needs more than £6,000 worth of repairs (unless the repairs can be funded in another way).

A financial assessment of the applicant will be undertaken by the Scottish Government to determine their eligibility and what contribution if any they will have to provide.

Landlords

All registered landlords with the Scottish Government and Local Authorities are eligible to participate in this scheme. However, it is not mandatory for landlords to participate.

Landlords have to advise the Scottish Government whether they wish to take part in this scheme. Hjalmland Housing Association has made the decision to participate and they have informed the Scottish Government. Shetland Islands Council do not participate in this scheme. You should contact Hjalmland Housing

Association on Lerwick 01595 694986 or email mail@hjalmland.org for further information.

Applicants, once they have passed the initial assessment stage will be matched with landlords who have indicated that they wish to participate in the scheme. Where there is more than one landlord a decision will be taken on a case by case basis as to which landlord would be the most appropriate. The scheme may contact landlords who have not registered an interest in participating in the scheme if this is considered appropriate.

Mortgage to Shared Equity Scheme

The Mortgage to Shared Equity scheme involves the Scottish Government taking a financial stake. You will still own your home and continue to have responsibility for it. You must be able to reduce the amount you have to pay to your lender every month. You can find out more about these schemes from the link to the [information leaflet](#) on the bottom left menu.

How to apply

Before an application can be considered the applicant must have received advice regarding their overall financial situation. The agencies detailed below can provide assistance. If you wish to apply to the scheme after taking advice you can get an application form from one of these agencies, or from the Scottish Government on 0131 479 5188 or write to:

<p>Mortgage to Rent The Scottish Government Thistle House 91 Haymarket Terrace Edinburgh EH12 5HE</p>
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