

RENT TO BUY SCHEME

4 SCHOOL ROAD, STRONTIAN, PH36 4AA

- 3 BEDROOM SEMI-DETACHED HOUSE •
- AVAILABLE TO RENT UNTIL FEBRUARY 2022 FOR £560 PCM •
- PURCHASE FOR DISCOUNTED PRICE OF £126,000*, FIXED NOW •
 - £5250 CASHBACK •
- OPEN PLAN KITCHEN & DINING; LOUNGE •
 - AIR SOURCE HEAT PUMP •
 - EPC RATING: C; COUNCIL TAX: C •
- APPLICATIONS WITH LOCAL CONNECTIONS PRIORITISED •



* Conditions apply, see Rural Housing Burden on page 8

A spacious and bright property situated in the peaceful and picturesque village of Strontian, with the town of Fort William only 23 miles away.

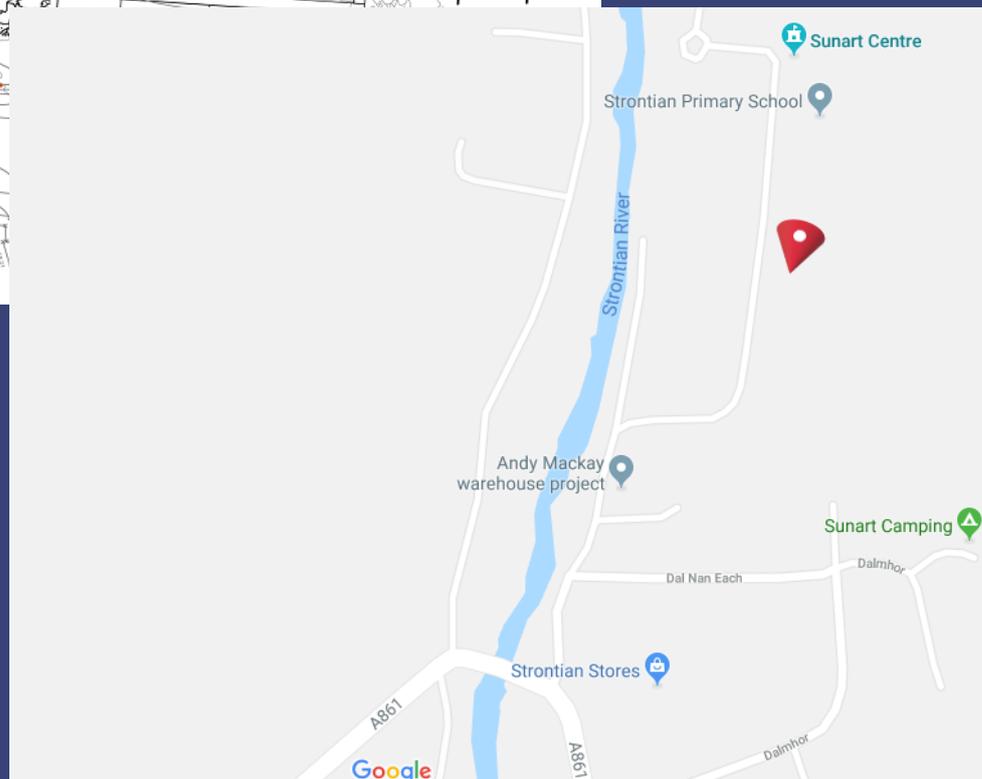
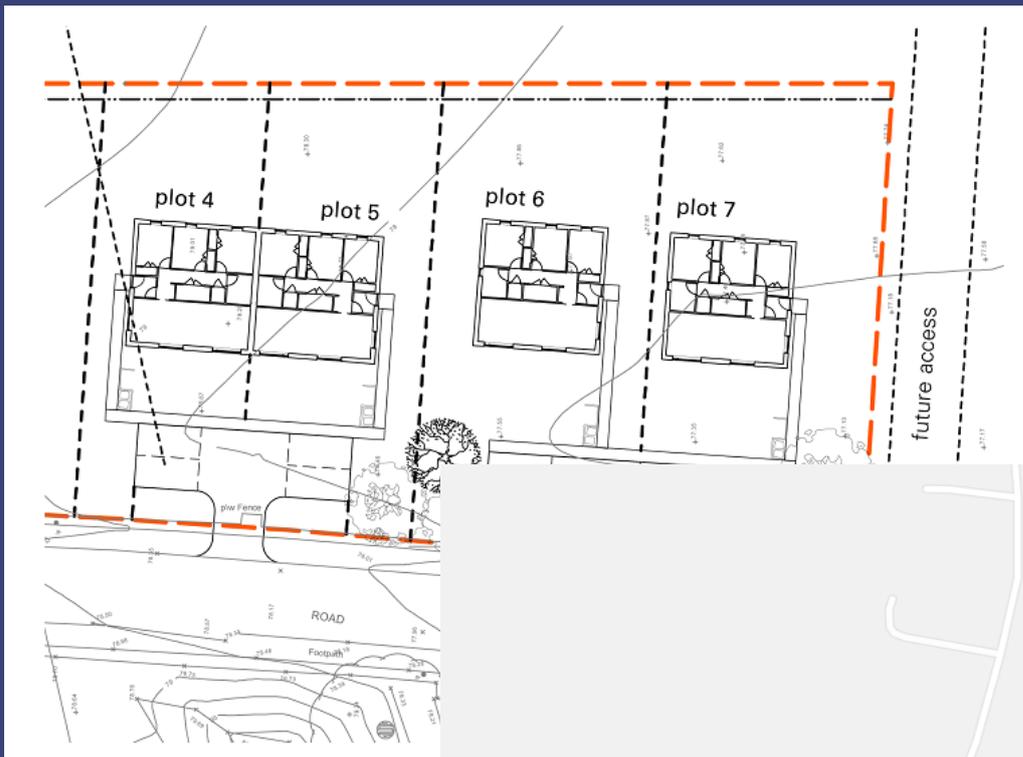
MORE ABOUT THE PROPERTY:

The properties at Strontian were built by Isle of Skye based contractors, James MacQueen Building Contractors Ltd. <http://www.skyebuilder.co.uk/>.

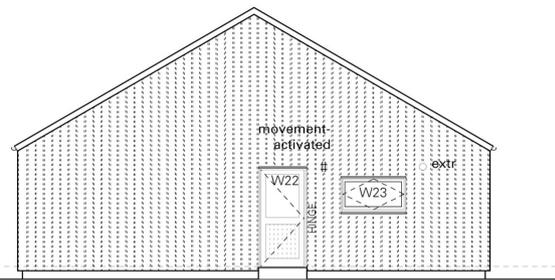
There are six homes at School Road; three of these are currently occupied by Lochaber Housing Association tenants and three are currently let under the HSCHT Rent to Buy scheme. This property is available as a re-let under the Rent to Buy scheme. The successful applicant will rent the home for £560 pcm until March 2021 and will then be able to purchase for a discounted price, fixed now, of £126,000. Full details of the Rent to Buy Scheme are detailed within this brochure.

The property accommodation comprises:

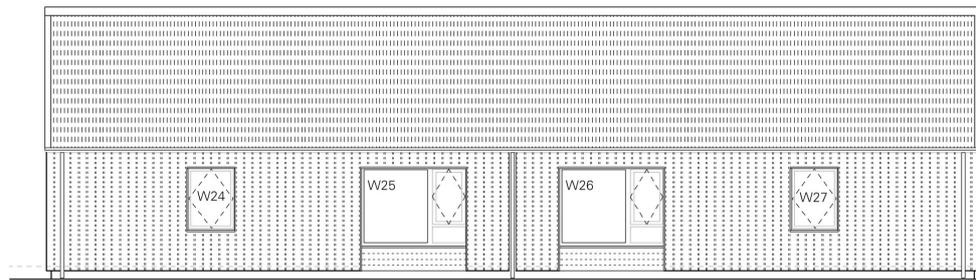
3 double bedrooms, living room, kitchen, bathroom, utility room, garden and off-street parking.



FLOOR PLANS AND LOCATION:



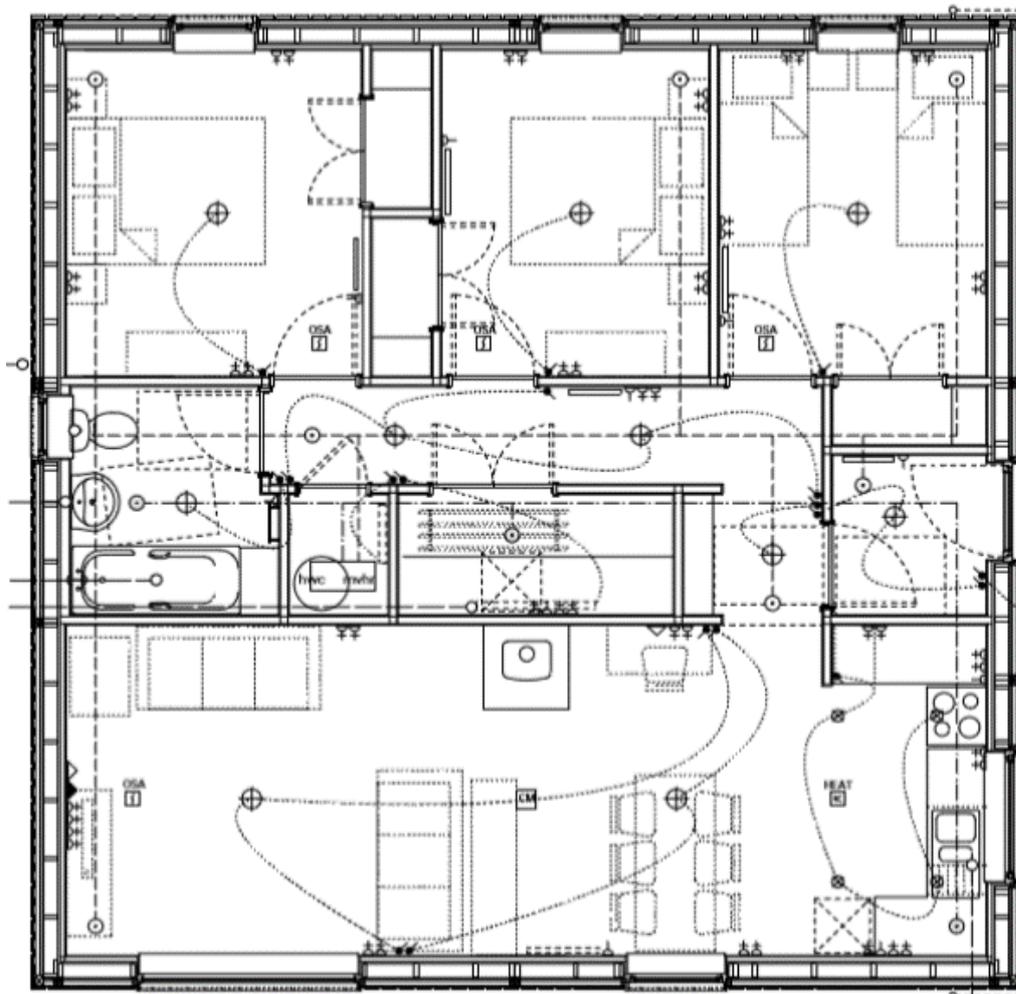
gable elevation plot 4



elevation to street

plot 4

plot 5



The walls and ceilings are plaster boarded and finished with 2 coats of white vinyl matt emulsion, and all timber finishing's will have 2 coats of white gloss.

The floors are concrete and no floor coverings are included.

All internal doors are solid core ply with a paint finish. The windows and external doors are designed, constructed and installed to Section 2 of 'Secured by Design' (ACPO, 2009). All glazing to doors and side panels is laminated.

The exterior of the home is clad in European larch board, which has not to be painted and it will gradually lighten with age.

The gardens are grass seeded and also have paved access to the external drying area

** PLEASE NOTE these plans and dimensions are for illustrative purposes only and should not be used for ordering of furniture and floor coverings*

Heating is provided via an Air Source Heat Pump and Air to Air heating system. Hot water is provided via an electric immersion. The properties have been built to a high level of air tightness and mechanical extraction fans have been installed to provide the required adequate ventilation. Tenants will be provided with instructions and guidance on how to use the heating and ventilation systems.

The kitchen units were selected from Howden's Greenwich White Smooth range (or similar). Wall units, worktops and wall cupboards are provided as per plan. There is no hob/cooker provided. No other appliances are provided.

The bathroom has a bath with bath/shower mixer taps. The wash hand basin and the W.C. are Lublin Range suites (or similar).

4. WHAT IS THE RENT TO BUY SCHEME AND HOW DOES IT OPERATE?

The Rent to Buy Scheme (RTBS) aims to help people who wish to become home owners by allowing them to rent a home for up to 5 years whilst saving up for a deposit to buy your home. The purchase date for this property will be 4 Feb 2022. The rental period for this property will be up to 3 Feb 2022, then the property will be purchased by the tenant.

The RTBS aims to help people who are on modest incomes to become home owners in rural communities by offering a property at a discounted purchase price, which is fixed at time of let, and returning a cashback "loyalty" sum to the tenant at the end of the rental period if they purchase the property. The cashback for this property is £5250. This sum is used for the deposit required to secure a traditional mortgage.

If you can afford to rent a home but do not have access to sufficient savings for a deposit to purchase a new home just now, the RTBS may be able to assist you.

5. WHO IS IT FOR?

The Rent to Buy Scheme aims to help mainly, but not exclusively, first time buyers who wish to own a home, such as people living in social housing; private rented housing; or with relatives. But it can help others too. For example, it may be able to help you if you are looking for a new home after a significant change in your household circumstances. If you currently own your home or part-own a property you will need to sell your interest in that property to make you eligible for the RTBS.

The Highlands Small Communities Housing Trust (HSCHT) has the right to allocate the homes in accordance with availability and eligibility.

We will also look at your finances to check that you can afford to proceed with the scheme and that you are unable to purchase on the open market for a similar property in your area.

6. HOW DO I KNOW IF I AM ELIGIBLE?

The Highlands Small Communities Housing Trust will sell the property based on the eligibility criteria that are set out below.

We will prioritise those who are either,

- (i) living in the area where the property is located,
- (ii) have immediate family there,
- (iii) work in the area,
- (iv) or have a need to live there.
- (v) Those currently living out with the area who can add social and economic benefit by moving to the area.

The home must be your only and permanent residence and should be suitable for your current housing needs, where your finances permit. We would refer you to the section "Mortgage Finance" for further information.

7. WHAT ARE THE BENEFITS?

There are numerous benefits with the RTBS and some of these are highlighted below.

- The Tenancy Agreement allows you to rent your home on a monthly basis for up to 5 years. Rental period for this property is up to February 2022. Rents are set at the Scottish Government recognised Local Housing Allowance. This is typically less than the market rent and is reviewed annually
- The End User Agreement means that you have the right and the option to purchase the home at the end of the rental period
- The house price is set now. This means that if house prices increase over the rental term, you will not have to pay any more. (Although it is unlikely, please be aware that house prices could fall and you will still have to pay the agreed price for the home if you choose to purchase it)
- The homes are typically provided at 20% discount from the market values of homes in each area
- You will receive an agreed cash back sum when you purchase the property. If you are eligible for the cash back this will be confirmed at the time of the offer to let. Please note that if you do not go ahead with the purchase no cash back will be due to you
- The properties have been built to a high specification which will provide economical to run, easy to heat homes

8. APPLICATION AND ALLOCATIONS PROCESS

To apply for this property, please contact Helen Mackie or Melanie Dalton:

E: helen.mackie@hscht.co.uk; melanie.dalton@hscht.co.uk

T: 01463 233 549

The process is outlined below:

1. Complete HSCHT's application form and provide the supporting documents listed on the form to prove that you can fully fund your rental payments. Please post or e-mail the form and documents by any specified date otherwise your application may not be considered.
2. HSCHT will assess the applications and allocate the home according to our allocations policy. All applicants will receive a letter to let them know if they have been successful or not. The successful applicant will be offered the opportunity to view the property.
3. If successful, you will be sent confirmation of the offer followed by a reservation form, which they need to return to HSCHT with the reservation fee.
4. HSCHT will instruct their solicitor to provide the successful applicant with a Private Residential Tenancy Agreement, the Principal Offer and other associated paperwork for the home. You will be required to sign up to the RTBS at this point and, whilst not essential, you are advised to take advice from your own solicitor on all aspects of the scheme.
5. You will be kept up to date as to when the home will be ready for occupation.

9. DO I HAVE TO PAY ANY FEES?

Successful applicants for the Rent to Buy Scheme have to pay a non-refundable Reservation Fee of £500 to secure their allocation. As this fee is non-refundable, we would strongly recommend that you speak to your bank or financial adviser to discuss the affordability and availability of a mortgage, consider that you will be able to afford to purchase/secure a mortgage when the property is scheduled to be sold.

If you have paid a reservation fee and decide not to continue with the rent to buy scheme, the fee will be retained by HSCHT and the home re-allocated.

Whilst it may be advisable to engage a solicitor now if you wish, when the home is purchased applicants are required to appoint a solicitor to act on their behalf to complete the work involved in buying a home. The solicitor's fees are the responsibility of the purchaser. HSCHT's solicitor will deal with its interest in the scheme.

When you take out your mortgage, there may be arrangement fees or valuation fees which you need to pay to the lender at the time.

10. ARE THERE ANY SPECIAL CONDITIONS

Yes. There is a Rural Housing Burden attached to the Title of these homes. This is a means of protecting the original discount offered on the home. Full details of the Rural Housing Burden will be passed to potential tenants of the Rent to Buy properties.

If you buy the home you will have full title to the property. However, the burden comprises two elements:

- An agreed discount percentage from the open market value. This percentage discount from the open market value offers a discount to the purchaser and the same discount from market value will apply to any future sale of the property.
- A right of pre-emption. This means HSCHT has the option to buy back the property when the property owner decides to sell the property, with the aim of securing a purchaser who requires an affordable home in the area. HSCHT will buy back the property at the previously agreed discounted percentage.

There is also a permanent residency clause. This means that the property must be the owners' sole residency and not used as a second or holiday home. Full details of the Rural Housing Burden will be provided to potential tenants of Rent to Buy properties.

Please see below an example for your information of a buy back arrangement.

Julie and her daughter have purchased a home through the RTBS. Julie has been offered a new job in Yorkshire and has decided to move.

Typical open market house value in 2018 (100%)	£175,000
Original discounted house purchase price (80%)	£140,000
Equity share	80%
House price increase over 10 years	10%
Open market house price value in 2028 (100%)	£192,500
Amount HSCHT can buy back the home for (80%)	£154,000
Increase for Julie (£154,000 minus £140,000) (Plus any capital amounts she has repaid & less legal fees)	£14,000

Alternatively, Julie could consider transferring the home to her daughter.

RURAL HOUSING BURDEN

All Rent to Buy homes will be sold with a Rural Housing Burden.

WHAT IS A RURAL HOUSING BURDEN?

The Rural Housing Burden is a direct result of work carried out by The Highlands Small Communities Housing Trust (HSCHT) to promote and enable affordable home ownership in rural communities. It is a Title Condition that applies to all homes sold at the discounted price.

The property owner will have 100% ownership of the property.



HOW IT WORKS:



AN AGREED DISCOUNT PERCENTAGE FROM THE OPEN MARKET VALUE IS OFFERED TO THE FIRST PURCHASER AND THE SAME DISCOUNT FROM MARKET VALUE WILL APPLY TO ANY FUTURE SALES OF THE PROPERTY.



THERE IS A RIGHT OF PRE-EMPTION. THIS MEANS HSCHT HAVE THE FIRST RIGHT TO BUY BACK THE PROPERTY IF IT GOES ON SALE.



THERE IS A PERMANENT RESIDENCY CLAUSE. THIS MEANS THE PROPERTY MUST BE THE OWNER'S SOLE RESIDENCY AND NOT USED AS A SECOND OR HOLIDAY HOME.

11. MORTGAGE FINANCE

While HSCHT will conduct a financial assessment to make sure that houses are not sold to anyone who is unlikely to be able to afford the rent, we cannot and do not carry out any kind of mortgage assessment or arrangement. It is the responsibility of the purchaser to ensure that they have the appropriate finances in place to fully fund the purchase.

HSCHT can give some advice as to the banks that we commonly work with and are familiar with the Rural Housing Burden model. However, HSCHT cannot be held responsible for Banks' changes of policy and for mortgage products which were available at the outset of the scheme being subsequently withdrawn.

As already stated, we strongly recommend that you take financial advice before entering into any commitment under this scheme in order to be satisfied that the appropriate mortgage products will be available to allow you to complete any purchase.

12. WHAT HAPPENS IF MY CIRCUMSTANCES CHANGE?

The property is available to rent until February 2022 only as HSCHT have to repay the development funding provided by the Scottish Government from the house sales.

Please be aware that if you are not able to purchase the home as agreed, the tenancy agreement will end and you will have to move out of the home.

If your circumstances change for any reason then HSCHT will make every effort to work with you before and during your tenancy to address any concerns or difficulties which you may have. At the outset of the process we assess the risks and you would be unlikely to be offered a home if HSCHT did not think it was affordable for you.

The details within this brochure are for information only and do not form the basis of any contract.

HSCHT accepts no responsibility for any errors or omissions in this brochure.

HSCHT offers no financial or legal advice - potential applicants for Rent to Buy properties should seek appropriate legal & financial advice.

12. WHAT HAPPENDS IF MY CIRCUMSTANCES CHANGE? cont.

Below are some examples of what may happen if your circumstances change.

Davie and Lynn are renting a home under the RTBS at £560 per month.

Unfortunately, Davie lost his job and the family were unable to pay the rent. They were worried about becoming behind with their rental payments.

They contacted HSCHT and were advised to make a claim for Universal Credit. They could claim Universal Credit up to the rental amount, and they were able to keep up to date with their payments.

Before the purchase date Davie managed to secure a new job and continued with the RTBS as planned.

(In the event that Davie's unemployment had continued into year 5 and due to receiving Universal Credit payments they were unable to secure a mortgage, they would have had to move out of the home. HSCHT would assist where reasonably practical to help to find them suitable alternative housing by liaising with key housing partners).

Tommy and Rachel are renting a home and they have to move away to Peebles to help look after Rachel's Mother. They have been renting their home for 3 years through the RTBS and they give HSCHT 3 months' notice to end their tenancy.

In this case, they are not eligible for a cash back payment as they were not able to buy the home. But, they did get the chance to rent a home for 3 years at an affordable rent.

HSCHT will then advertise for a new tenant to take on the home.

GET IN TOUCH:

For more information about this home,
please contact us:

Allocations -

Helen Mackie, Housing Management Officer

helen.mackie@hscht.co.uk

**Application administration and general
enquiries -**

Melanie Dalton, Housing Management

Assistant

melanie.dalton@hscht.co.uk

www.hscht.co.uk

info@hscht.co.uk

**7 Ardross Terrace
Inverness
IV3 5NQ**

01463 233 549

Please note that all the information contained within this leaflet is for guidance only and does not form the basis of any contract. HSCHT has taken care to ensure the accuracy of this brochure, however they cannot be held responsible for any errors or omissions.



**THE HIGHLANDS
SMALL COMMUNITIES
HOUSING TRUST**
