

5. 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.

In Perth and Kinross RHOGS are available in Highland Perthshire and Strathearn, excluding the main centres of population ie Pitlochry, Aberfeldy, Crieff and Comrie.

The local Scottish Homes office, which provides information on RHOGs and handles applications is:-

**Scottish Homes
North & East Region
Nethergate Business Centre
Floor 5, 35 Yeaman Shore
Dundee
DD1 4BU**

Tel:- 01382 427500

RHOG eligibility criteria and application procedure

Successful applicants must satisfy the following key requirements:

- ∅ be first time buyers (although some exceptions are possible)
- ∅ if a pensioner, sick or disabled with a family or local connection and have lived in the area for at least a year
- ∅ prove that they could not afford to become a homeowner without a RHOG
- ∅ prove that they could get a mortgage big enough to cover what they still have to pay for the house they want after the level of RHOG has been decided
- ∅ obtain the necessary planning and building consents
- ∅ otherwise comply with all the other Scottish Homes' 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, 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 and Loans, must prove that they have been refused these grants before they can be considered for a RHOG.

RHOG grant level

RHOGs vary according to how much the successful applicant can afford, but a grant of somewhere between £5000 and £20 000 is typical. One or two bigger grants may be awarded each year. However Scottish Homes Grants will not normally exceed 33% of the Approved Total Costs.

A leaflet on RHOG eligibility criteria and the application procedure is available from Scottish Homes.