

## 9. RENOVATING EMPTY PRIVATE PROPERTIES FOR RENTING OUT



### Introduction

It is important - both for owners of empty properties in Scotland **and** people in housing need who might be interested in renting a particular empty house - to realise that there are some grant options available. These are to encourage private landlords to release their empty houses so that they can then be renovated and let out at affordable rents to local people.

### 9.1. Empty Homes Initiative

The Scottish Office has now awarded two rounds of funding under the Empty Homes Initiative, through which local authorities, usually in conjunction with other local housing providers, can bid to help them fulfil their plans to bring empty properties back into use as affordable rented housing.

### 9.2. Lead Tenancies Scheme

The Lead Tenancies Scheme was launched by Scottish Homes in 1994 and is designed to bring suitable empty properties back into good condition and residential use. Lead tenancies are principally designed to allow non priority homeless people access to a long term let. The scheme offers what can be a sizeable renovation grant and works like this:

- | a private landlord lets a property to a registered housing association (the 'lead tenant')
- | if the house or flat needs improvement work then the lead tenant - the housing association - can get a Scottish Homes' grant of up to £22,000, depending on how many years the landlord is willing to lease to the lead tenant (the grant is worth £1,100 a year to the owner for every year of the lease granted up to a maximum of 20 years).
- | the housing association then sub-lets the renovated house or flat to an applicant on their waiting list on a Short Assured Tenancy (of six months duration but renewable) at an affordable cost
- | the lead tenant (the housing association) remains legally responsible, however, for the regular payment of rent to the property owner and the proper management and maintenance of the house and its return in good condition at the lease expiry date

A comprehensive information pack is available from:-

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

**Tel:- 01382 427500**

### **9.3. Rural Empty Properties(REP) Grant**

Scottish Homes has introduced a grant to encourage private landlords with several properties - particularly estates - to bring their empty properties back into good condition and provide long-term rented occupation for the benefit of the local community.

The key features of the scheme are:

1. To bring existing empty properties in rural areas in private ownership back into use by local people
2. The grant is only available for existing property for renting to local people
3. It is not available to provide housing let on a tied or agricultural tenancy basis
4. The scheme specifically excludes the second and holiday tenancy basis
5. The owner of the property is directly responsible for finding a suitable tenant, collecting the rent and otherwise managing and maintaining the property properly.
6. As this scheme is aimed at assisting local people on low or modest incomes to obtain access to affordable rented accommodation in their own communities. It is therefore expected that rents will be affordable to this client group and account should be taken of the local economy and housing supply.

Scottish Homes will only consider REP Grant assisting landlords who can demonstrate that they have the skills and experience required to draw up a proper business plan for the project and manage the properties professionally. The amount of grant awarded to a successful applicant will depend on the scale and economic viability of the particular project after careful consideration of the business plan by Scottish Homes' staff. Generally speaking, the greater the number of years the landlord is willing to guarantee the renovated properties will be used to provide affordable rented housing for local people, the greater the amount of grant will be allocated. A property must be available to let for a minimum of six years.

The amount of grant awarded will be the minimum necessary to enable the project to go ahead. The proportion of public funding in the overall project costs is normally somewhere between 10% and 33%. The remainder of the funding will need to be found by the owner of the property.

For further information please contact:

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