

9. Renovating empty private properties for renting out

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 Lead tenancies scheme

The Lead Tenancies Scheme was launched in 1994 and is funded and administered by the Scottish Government. It is designed to bring suitable empty properties back into good condition for residential use. 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 Government grant of up to £48,700, depending on how many years the landlord is willing to lease the property to the housing association (the grant is worth £2,435 per flat or house for every year of the lease granted up to a maximum of 20 years).
- The housing association then sublets the renovated house or flat to an applicant on their waiting list on a Short Scottish 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 guidance leaflet is available from:

Scottish Government
Housing Investment Division
Johnstone House (1st Floor – Suite A)
50-54 Rose Street
Aberdeen
AB10 1UD

Phone: 0300 244 9444
Fax: 0300 244 9443
Email: northregion@scotland.gsi.gov.uk

For more information you can access the Scottish Government website at:
www.scotland.gov.uk/Topics/Built-Environment/Housing/investment/grants/leadtenancies

9.2 Rural Empty Properties Grant (REPG)

The Scottish Government funds and administers 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.

Key differences between this scheme and the Lead Tenancies Scheme are:

- that the owner of the property is directly responsible for finding a suitable tenant, collecting the rent and otherwise managing and maintaining the property properly;
- the rents charged are usually higher than housing association rents but lower than Market Rents and the tenants are likely to be "economically active" i.e. not people in receipt of Housing Benefit.

The Scottish Government will only consider REPG assistance to 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 Government staff. Generally, 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 five years although the normal period is ten years. The proportion of public funding in the overall project costs is normally somewhere between 10% and 33% although, in exceptional cases, it can go as high as 40% maximum.

The Scottish Government local office will be happy to provide more detailed information and advice to anyone interested in the Rural Empty Properties Grant. You should contact:

Scottish Government
Housing Investment Division
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Aberdeen
AB10 1UD

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You can get more information on the Scottish Government website at:
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