

# Empty Homes Loan Scheme



West Dunbartonshire Council has a limited number of interest free loans available to owners of empty homes to carry out repairs on their properties to bring them up to a lettable standard.

## Who is the Loan for?

The loan is for anyone who owns a long-term empty home that meets the eligibility criteria set out below and who wants to carry out renovation works to enable the home to be marketed for letting. It will be of great interest to those struggling to get finance to do this, or would like some help from the Council to help them manage this task.

## Benefits of the scheme

- Refurbish your property – better condition, better value and increased letting potential.
- Makes good use of a property which is currently costing you money.
- Rental income then pays the loan – any additional income is your income.
- Tenants pay bills and council tax
- At the end of the 5 year affordable renting, the property is yours to do what you like with.

## How does the loan work?

- Loans will be used to carry out the works to bring the property up to a letting standard (known as the 'repairing standard')
- Refurbished properties will be rented out as affordable homes for a minimum of 5 years.
- Rental income will be used to cover monthly loan repayments and other expenses such as management fees.
- The loan will be secured by a legal charge against your title to the empty property. This is similar to the security required on a mortgage.
- Loans are interest free unless you default on any of the conditions. In these circumstances interest would be charged.
- As it is a requirement of the loan that the property be rented out, and that all landlords in Scotland are registered with their local authority, if you are not already registered as a landlord you will need to do so before we can offer you a loan.

## How much is the loan for and what will it cover?

- In general, loans will be offered up to the value of £15,000, dependant on what works need doing and any existing borrowings on the property.
- The council will advise you on what works are necessary.
- The loan also includes some costs for setting up and administering the loan, but these will be explained to you.

## How are the works organised?

There are different options available for arranging and carrying out the works:

- West Dunbartonshire Council maybe able to survey the property for you and carry out the necessary repairs or
- You can arrange the works yourself. To do this you will need to get two acceptable quotes for the works from different contractors before your loan is approved. This will ensure you are being quoted a fair price for the works and will enable you to choose a contractor who you think will do a good job. You will select and engage a contractor to carry out the works and it will be your responsibility to check they are carried out to a high standard.

## What happens when the works are done?

- A condition of the loan is that the property must be rented out at an affordable rent for a minimum of five years after being refurbished. This means the rental income will be below the market rent in the area.
- Rents will be agreed on affordable housing levels, however typical affordable rents for West Dunbartonshire Council are set out below:

	1-bed	2-bed	3-bed	4-bed
Weekly Rent	£77.67	£93.20	£102.53	£152.72

## How will my property be rented out?

There are different options available for renting out the property:

- You can choose to let the property through the Councils Rent Deposit Guarantee Scheme.
- You can choose to manage the property yourself or to have your chosen letting agent manage the property for you.

## What types of property are we looking for?

We are particularly looking for properties that meet local housing demand. These include:

- 1 bedroom properties and family accommodation
- Properties located in town centre locations
- Properties where the works needed to bring the properties up to a rentable standard will not cost more than £15,000

## How do I find out more?

If you would be interested in being considered for a loan, please contact [Karen Rae, the Empty Homes Officer, on 01389 737347](#) for a no obligation or commitment discussion and to arrange a site visit.

If you do not want to rent your property out, there is a loan to sell option so contact the Empty Homes Officer for more information on this if you are interested.