

Empty Homes Loan Scheme

Loan-to-sell



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 more saleable 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 sold on the open market in a refurbished state. It will be of great interest to those struggling to get finance to do this, and are having no interest from buyers for their property in its current condition.

Benefits of the scheme

- Refurbish your property – better condition, better value & hopefully a wider market of buyers.
- Loans are interest free and can be re-paid in full to the Council on sale of the property.
- An empty property that had been a financial burden can successfully be sold on to provide affordable housing

How does the loan work?

- Loans will be used to carry out refurbishment works to the empty property.
- Refurbished properties must be sold to equate to entry level properties on the open market so that they are affordable.
- Once the loan has been agreed in principle you will receive a formal Offer of Loan from our Legal Department for you to pass on to your solicitor. Once the contract has been concluded (by the Offer of Loan being accepted by your solicitor on your behalf) the solicitors will adjust the appropriate security documentation whereby the loan will be secured against your title to the empty property. This security will be discharged on the sale of the property and repayment of the loan and any additional sums that may be due to the Council at the point of sale.

- Loans are interest free unless you default on any of the conditions. In these circumstances interest would be charged.

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

- In general, loans will be offered up to the value of £15,000/ £20,000, dependant on what works need doing and any existing borrowings on the property.
- The council will provide you with a schedule of works listing the necessary works to bring the property up to the repairing standard.
- The loan also includes some costs for setting up and administering the loan (such as the Council's valuation and legal fees and all associated outlays incurred in the loan transaction), but these can be incorporated into the loan and will be explained to you at the application stage.

How are the works organised?

- You must arrange the works yourself. To do this you will need to get quotes for the works from different contractors before your loan is approved – 3 quotes would be best but 2 will be accepted. 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?

- The selling price of the property post refurbishment must be constrained to local price thresholds used for the Scottish Governments Shared Equity Scheme. Prices are as follows

1-bed	2-bed	3-bed	4-bed	5-bed
£50,000	£65,000	£90,000	£135,000	£205,000

Home reports

Homes in Scotland which are marketed for sale are required to be the subject of a Home Report. This is a pack of three documents: a Single Survey (which includes a professional valuation), an Energy Performance Certificate and a Property Questionnaire. The Home Report is an important part of the sale process and will be passed on for consideration to the prospective purchasers of your house and their solicitors

The cost of a Home Report depends on the size of property and the depth of detail you require. Prices vary, and can be as low as £130 up to £450.

The Home Report contains detailed information, and can identify works that the owner might carry out before marketing the property, or pricing the property to take into account works identified in the Home Report. Purchasers and their representatives will take into account any concerns raised within a Home Report, and therefore you are advised to either carry out works, or obtain estimates in order to increase your chances of a successful sale.

There are companies who will defer the cost of a Home Report until the point of sale, or the owner decides to remove the property from the market. The companies listed on this guide are an example of the services on offer, however there will be other companies who offer this service and you are encouraged to carry out your own research.

Lists of companies/starting points

There are many ways to market your property. Some companies are suggested below, but you should do your own research.

Finding an Estate Agent

Rightmove

<http://www.rightmove.co.uk/estate-agents.html>

Zoopla

<http://www.zoopla.co.uk/find-agents/estate-agents/directory/a>

Prime Location

<http://www.primelocation.com/find-agents/>

Your Move

<http://www.your-move.co.uk/>

How do I find out more?

If you are interested in applying 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 visit to your empty property.