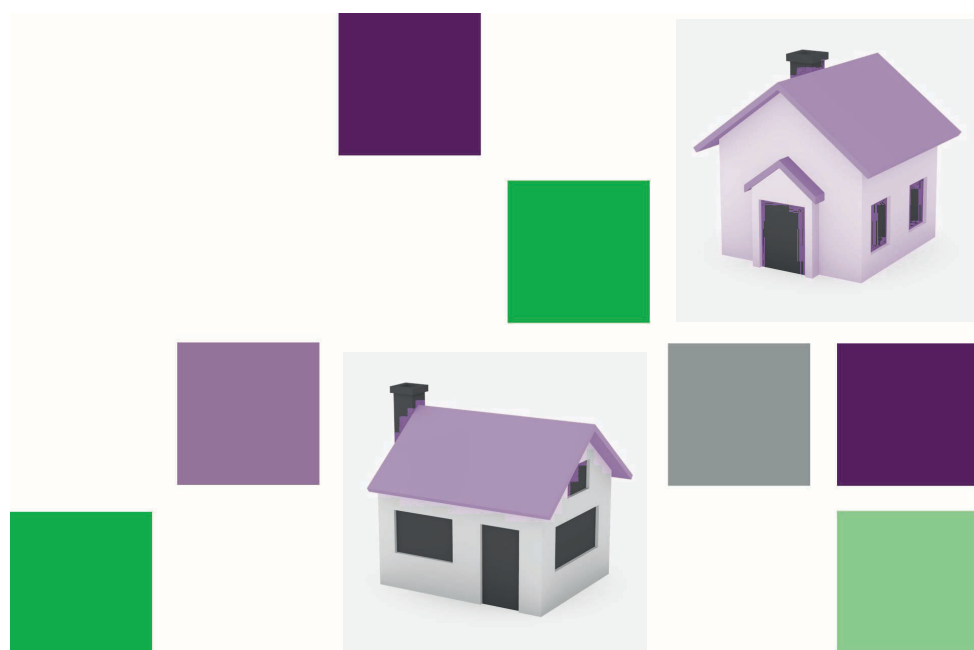




# Young Members Housing Guide 2014/15



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## Introduction

Scotland is currently facing a housing crisis with social housing in particular affected. This is impacting heavily on young people who are either forced to stay with parents, are struggling to afford rented accommodation and in turn save enough money to be able to buy their own home.

UNISON Young Members in Scotland support a stronger response to the housing crisis. We believe everyone should have a home and shouldn't be struggling to afford a place to call their own.

So how bad is the situation? Here are the latest facts and figures, taken from the Scottish Government's Housing Statistics for Scotland.

In Scotland there are approximately:

- 1.5 million owner-occupied homes
- 305,000 privately rented homes
- 277,000 homes rented from housing associations
- 319,000 homes rented from local authorities

Average prices and rent levels in Scotland

- The average house price in Scotland has increased from £103,570 in 2003 to £179,067 in 2013, an increase of 73 per cent.
- The average weekly Local Authority rent in Scotland has risen from £40.94 in 2002-2003 to £58.94 in 2012-13, an increase of 44 per cent.

How many people are on council waiting lists in Scotland?

- At 31 March 2013, there were 184,487 households on local authority housing lists across Scotland. Of these, 151,100 people were on waiting lists and 29,800 were on transfer lists.

How many homes are lost through Right to Buy?

- In 2012-13 1,209 local authority and housing association dwellings were sold through Right to Buy.
- Over the past 10 years there have been over 73,000 homes lost from the social rented sector through the Right to Buy.

Poor housing conditions

- 349,000 homes in Scotland are affected by dampness or condensation.
- 647,000 households are in fuel poverty in Scotland.
- A total of 54 per cent of Scotland's social housing currently falls beneath the new Scottish Housing Quality Standard.

Whether it's renting social housing, becoming a private tenant or buying your own home, entering the housing market for the first time can be daunting. This guide gives a simplified overview of your rights and responsibilities, as well as schemes out there aimed at helping young people get started on the property ladder.



### **Private Tenancies – Your Rights**

You will probably have an assured tenancy if you rent from a private landlord or a letting agency and:

- you're renting the property as a home, and
- it's your only or main home.

You don't have to rent the whole property; you could just be renting a room or part of the property.

**You have the right to a written tenancy agreement.** It should tell you:

- how long your tenancy is for
- how much rent you need to pay and when you should pay it
- if the rent can be put up and how this will be calculated
- who is responsible for decoration and repairs to the inside and outside of the property
- about any conditions or restrictions to the use of the property, e.g. no pets, no smokers
- that you have the right to have your rent set by the private rented housing panel (PRHP)

Some of your rights come from the law and some from your tenancy agreement. It's always best for you and your landlord to have a written tenancy agreement, as this helps avoid any confusion. If you don't have a written tenancy agreement you should seek advice. If your landlord refuses to give you a written tenancy agreement they can be forced by a sheriff to give you one.

#### **How long is my tenancy for?**

Your tenancy agreement will say how long your tenancy is. At the end of that time, your tenancy will automatically renew itself unless:

- you give your landlord written notice that you want to leave at the end of the tenancy, or
- your landlord gives you written notice that they want you to leave because you have broken a condition of your tenancy agreement.

Your landlord cannot ask you to leave just because your tenancy has reached its end date. They need to have a specific reason (or ground) for asking you to leave. If neither you nor your landlord has given notice to end the tenancy, it will renew itself for the same length of time. E.g. if it was for six months, it will repeat for another six months. However, if the tenancy was for more than a year, it will only renew itself for another year.

#### **Tenancy deposit schemes**

Your landlord or letting agent must register your deposit in a tenancy deposit scheme within 30 working days of your tenancy starting.

#### **Tenant information packs**

If you are a new tenant, from 1 May 2013, then your landlord will have to provide you with a tenant information pack. The tenant information pack provides information about property condition, tenancy agreements, and the rights and responsibilities of landlords and tenants. If your landlord does not provide you with a tenant information pack at the start of your tenancy then they could be fined £500.

**What if I want to leave my tenancy?**

Before you can leave, you must give your landlord written notice. If you want to leave before the end of your tenancy you'll need to check to see whether you can do this. This should be stated in your tenancy agreement. If it is, it should also tell you how much notice you need to give. Even if this is not mentioned in the tenancy agreement, you may be able to come to an arrangement with your landlord. If you can't reach an arrangement with your landlord, you'll have to give notice stating that you wish to leave when the tenancy runs out.

The minimum notice you can give is:

- 28 days if your tenancy runs on a month to month basis or less
- 40 days if your tenancy is for longer than three months.

The minimum notice is based on how long your lease is, not how long you've live in the property. If you leave the property without giving notice, or before your notice has run out, you'll still be responsible for the property and the rent. If your landlord takes legal action against you for unpaid rent, you could be responsible for any legal costs that they have to pay.

**Can my landlord come into my home without warning?**

No. Your landlord can only come into your home at times that have been agreed with you.

There are special rules if your landlord needs to come in to do repairs, or to inspect the condition of the property. They must give you at least 24 hours notice before coming round. If you don't want your landlord, or anyone working for them to come round, you should let them know. However, in extreme circumstances your landlord can go to court to ask the sheriff for a court order telling you to let them in.

**How can I get repairs carried out?**

Your landlord is responsible for keeping the property wind and watertight, and in a condition that is safe and comfortable to live in. They're also responsible for ensuring that the repairing standard is met. This is a basic level of repair that is required by law. Your landlord must give you information on the repairing standard and what you can do if your home does not meet it.

If you want to carry out work on your home, such as redecorating or installing a second phone line, you need permission from your landlord first. Some tenancy agreements will include a clause telling you whether you can carry out this kind of work. However, you should always speak to your landlord before carrying out work like this.

**How can I find out the name and address of my landlord?**

If you rent from a letting agency you have a right to know who your landlord is. Request their name and address from the letting agent in writing. You should get these details within 21 days. It is a criminal offence for the landlord or letting agency to not give you this information.

**Can I sublet my home or take in a lodger?**

Your tenancy agreement might state whether you can sublet part of your property. If it's not mentioned in your tenancy agreement, you must ask your landlord for permission to sublet. Even if your tenancy agreement says you can sublet, it's important that you discuss this with your landlord first.

**Can I pass my tenancy onto someone else?**

There may be a clause in your tenancy agreement which tells you whether you can pass on your tenancy to someone else. This is called assignation. It may also say what you need to do before you can pass your tenancy on. If you can't find this in your tenancy agreement, you must get permission from your landlord first.

**What if I have a complaint?**

If you have a complaint about your landlord, try talking or writing to them first about the problem. If that doesn't work, get advice from your local council or an adviser in your local area.

**Can I have a joint assured tenancy?**

It's possible to have a joint tenancy with other tenants, so long as one of you lives in the property as your only or main home. However, it's up to your landlord to decide whether or not to grant a joint tenancy.

**Private Tenants – Your Responsibilities**

If you have an assured or short assured tenancy, you have many rights as a tenant. However, you also have responsibilities. It is important that you keep to the terms of your tenancy agreement or your landlord may be able to evict you.

**Keep up to date with the rent**

It is important that you pay your rent on time. If you do not, your landlord may try to evict you. If you are having problems paying your rent, don't ignore them! Contact your landlord to discuss how you will clear your arrears. Landlords are much more likely to be sympathetic if they know that you are trying to resolve the matter. Remember, if you are renting from a private landlord, they may be relying on your rent to pay the mortgage.

**Keep the house in good repair**

You, anyone in your household, or your guests, must not cause any deliberate damage to the property. If you damage the property or notice that something is faulty, you should report it to your landlord immediately to prevent it getting worse. If you caused the damage, you will be responsible for repairing it. Don't try to repair anything yourself unless you know what you are doing. A poorly-done repair job could land you in just as much trouble.

**Keep the contents of the house in good repair**

If you damage the contents of the property or notice that something is faulty, you should report it to your landlord immediately to prevent it getting worse. If you caused the damage, you must repair it.

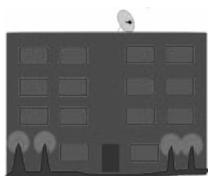
**Be nice to your neighbours**

You, anyone living with you and anyone visiting you, should take care to behave in a way that will not cause nuisance or annoyance to your neighbours. If you behave in a way that is antisocial, your landlord may have grounds to evict you. This includes:

- not having the stereo or TV on too loud
- entering and leaving your house quietly
- disposing of rubbish carefully
- not using your house for illegal purposes.

**Give proper notice if you want to leave**

If you want to leave, you must give proper notice or you could end up with rent arrears and paying any legal costs that your landlord ends up with.



## **Council, housing association and housing co-op tenancies – Your Rights**

### **What is a Scottish secure tenancy?**

If you rent your home from the council, a housing association or housing co-operative, then you will probably have a Scottish secure tenancy. However, you will not have a Scottish secure tenancy if:

- you are homeless and staying in temporary accommodation provided by the council
- you live in tied accommodation provided as part of your job and have a service occupancy agreement
- you live in a shared ownership property
- you live in supported or sheltered accommodation

### **Scottish secure tenancies and rent**

As a Scottish secure tenant of the council, housing association or housing co-op, your rent will probably be lower than the rent charged by a private landlord. Your landlord has the right to increase your rent, but must give you at least four weeks' notice before doing so. In addition, they must consult you before increasing your rent and should always take your views into account.

### **Scottish secure tenancies and the right to repair**

As your landlord, your council, housing association or housing co-op has a duty to carry out certain repairs and to make sure the property is well maintained and that all appliances are safe. If you would like to make improvements to your home (for example adding kitchen or bathroom fittings, insulating your loft or getting double glazing) or you need to adapt your home to suit someone in your family whose disabled, you must ask your landlord's permission first. Depending on the nature of the improvements, you may have a right to receive compensation at the end of your Scottish secure tenancy for the work you've carried out.

### **Scottish secure tenancies and the right to information**

As a Scottish secure tenancy holder your landlord must give you:

- a written tenancy agreement
- information about the complaints procedure
- information about your right to buy and your responsibilities should you decide to buy your home.

In addition, you can also ask for information about:

- how your rent is set
- how housing is allocated by your council, housing association or housing co-op and what the policies for transfers and exchanges are
- what their policies are concerning repairs and maintenance.

Your landlord must also consult you before making or changing any housing management policies that affect you, for example concerning rent, repairs and maintenance or service charges. All social landlords should have a tenant participation strategy to encourage tenant involvement and to ensure you are kept up to date with your rights and any policy changes that are made. Ask your landlord for further details.



### **Who can live with me in my Scottish secure tenancy?**

Any member of your family can live with you in your home, provided it doesn't lead to overcrowding. Make sure you tell your landlord who is living with you, and let them know when someone moves in or out. If your situation changes (for example, you have a child or another family member comes to live with you) and your home does become overcrowded, you should apply to the council or housing association for a transfer to another property.

Family members include:

- your husband/wife or civil partner
- an opposite-sex or same-sex partner
- parents/grandparents
- children (including foster children, step-children, and any other child treated by you as your own)
- grandchildren
- nephews and nieces
- brothers and sisters
- aunts and uncles
- any of the above related to your spouse or partner.

### **Scottish secure tenancies and subletting**

If you want to sublet your home or take in a lodger, you will need to write to your landlord to ask permission, explaining who the new tenant will be, when they will be moving in and how much deposit and rent you will be charging them. Your landlord has to give you permission, unless they have good reason not to (for example, because it will make your home illegally overcrowded, or because they think you are charging the new tenant too much rent).

If you write to your landlord asking permission and they do not get back to you within a month, you can presume they have consented to the arrangement. You should then write to them again explaining that you assume consent has been given and informing them when the tenant will be moving in.

If your landlord refuses consent, you can make a summary application to the sheriff court to appeal their decision. The deadline for making an application is 21 days from day your landlord notified you of their decision.

If you want to put your tenant's rent up, you will have to inform your landlord, who can veto the increase if they feel it's excessive. As the head tenant, you will still be responsible for paying the full rent to your landlord. In addition, as the landlord of your subtenant or lodger, you will have certain responsibilities. For example, you will be responsible for making sure certain repairs are carried out, and for carrying out the correct eviction procedure if you want your tenant to leave.

### **Can I run a business from my home?**

Under a Scottish secure tenancy agreement, you are not allowed to run a business from your home. However, if you apply in writing for permission from your landlord, they may allow you, although they may also increase your rent. In addition, if you run a business from your home this can affect any Housing benefit that you may receive.

### **Can I exchange my home?**

You can exchange your home for another house where the tenant has a Scottish secure tenancy; however, there are certain restrictions. For example, you can't exchange your home for one that is too big for your household or not suitable for your needs.

**What if I want to leave?**

If you want to leave the property and end your Scottish secure tenancy, you must give your landlord four weeks' notice in writing. If you have a joint Scottish secure tenancy, the other tenant(s) must also give notice in writing, unless they are wishing to take over your tenancy. If you are married or in a civil partnership or live with a partner, your landlord may also need their agreement before ending the Scottish secure tenancy. If you can reach an agreement with your landlord, you can also leave your Scottish secure tenancy at any time with your landlord's written permission.

**Scottish secure tenancies and abandonment**

If your landlord believes that you have left your tenancy without intending to return, they can start abandonment proceedings.

**Can I pass my Scottish secure tenancy on to anyone else?**

Your Scottish secure tenancy is your right to live in that property. You can sign over your Scottish secure tenancy to anyone who has lived with you and has used the property as their main home for the past six months or more. This is called assignation. You will need to get written permission from your landlord, but your landlord can only refuse permission if they have a good reason for doing so. If your landlord refuses consent, you can make a summary application to the sheriff court to appeal their decision. The deadline for making an application is 21 days from day your landlord notified you of their decision.

**Eviction and Scottish secure tenancies**

As a Scottish secure tenant you can only be evicted from your home by court order. The landlord must have a reason (or 'ground') to evict you, and in some cases they will have to re-house you in new accommodation.

**Converting a Scottish secure tenancy to a short Scottish secure tenancy?**

If an antisocial behaviour order (ASBO) is served against you or anyone living with you, your Scottish secure tenancy may be converted to a short Scottish secure tenancy, which gives you more limited rights. You can challenge the decision by making an application to the sheriff, but make sure you get advice first. However, if you are subject to an ASBO, your landlord doesn't have to convert your Scottish secure tenancy to a short Scottish secure tenancy - they may just go to court to evict you.

**I want to make a complaint against my landlord**

If you feel that your landlord is not sticking to the terms of your Scottish secure tenancy agreement (for example, by not carrying out repairs) you should complain using your landlord's official complaints procedure. If you are still not happy, you can take your complaint to the Scottish Public Services Ombudsman.

**Joint Scottish secure tenancies**

Anyone who lives with you can apply for your tenancy to become a joint Scottish secure tenancy, provided that it is their main home. Both you and the prospective joint tenant need to apply to your landlord in writing, and your landlord has to agree to the joint tenancy, unless they have a good reason not to.

If you have a joint Scottish secure tenancy with someone, it means that you have exactly the same rights and obligations as each other. For example, if one of you does not come up with their share of the rent, the other(s) will have to pay it instead.

### Ending a joint Scottish secure tenancy

If a joint tenant wishes to leave, they must give you and your landlord four weeks' notice in writing. This will not affect your tenancy, which will continue as usual (except you'll have to pay all of the rent).

### Council, housing association and housing co-op tenancies – Your responsibilities

If you have a Scottish secure or short Scottish secure tenancy you have certain responsibilities. It's important you keep to the terms of your tenancy agreement, otherwise you may get evicted.

#### Make yourself at home

It may sound obvious, but in order to keep your tenancy, you must actually live in the property and use it as your main home. Let your landlord know if you will be leaving the house empty for more than four weeks, so they won't think you've abandoned the property.

#### Keep up to date with your rent

It's important that you pay your rent on time otherwise your landlord may try to evict you.

#### Take care of your property

As a Scottish secure or short Scottish secure tenant, you have several responsibilities regarding the upkeep of your home:

- You must look after the property as best you can and avoid causing damage to it, or to your neighbours' property. This includes heating the property adequately and making sure it's kept well ventilated. In particular, make sure you look after the property in cold weather. For example, if you go away during the winter leaving the property unoccupied, you should ensure the heating is left on a timer to keep the place warm. A burst water pipe may be your landlord's responsibility to fix, but it's still your home that will be flooded - and if it's your fault, your landlord will charge you for it!
- Report any damage or disrepair to your landlord - they can't fix it if they don't know about it.
- If you do cause any damage or break anything, you'll need to repair or replace it. This does not include fair wear and tear - for example, if the carpet becomes a little thin, this is fair wear and tear; if you burn a big hole in it, it will need to be replaced.
- You are also responsible for interior decoration and for carrying out minor maintenance (for example, checking smoke and CO (carbon monoxide) alarms are working, changing light bulbs and fuses, etc).
- If you notice that the structure of the building or any of the installations (for example, the heating system or the drains) need repair work done, it's up to you to let your landlord know about it.
- You must pull your weight in caring for the common parts of the property (for example, cleaning a shared stairwell).
- Always deal with your rubbish properly. Make sure it's bagged up properly, and only put out when and where it's supposed to be.
- Stick to any terms in your tenancy agreement regarding pets, parking, gardening, etc.

**Be nice to your neighbours**

You, and anyone living with you or visiting you, should take care not to behave in an antisocial way that could upset or annoy your neighbours. Antisocial behaviour can include things like:

- having the stereo or TV on too loudly
- not keeping pets under control
- allowing your children to be a nuisance
- leaving rubbish piled up everywhere
- making a lot of noise when you enter or leave your home and making a lot of noise outside your home
- using the house for illegal purposes, such as drug dealing.

In addition, you should never behave in an aggressive, intimidating or insulting way towards your landlord or any council, housing association or housing co-op staff you deal with.

**Antisocial behaviour is a grounds for eviction, so be nice!**

**Ask permission before making changes**

As a Scottish secure or short Scottish secure tenant, you need to ask permission from your landlord if you want to:

- make improvements to the property
- sublet your home or take in a lodger
- pass on your tenancy to someone else
- run a business from your home.

Your tenancy agreement may state other things you need to ask permission for, such as keeping a pet or parking a caravan on the property. Always make your request in writing and make sure you get your landlord's permission in writing.

**End your tenancy properly**

You can't just walk away from a tenancy - you must give your landlord proper notice. Otherwise you could end up still liable for rent, even though you're no longer living there.



### **Houses in multiple occupation (HMO's)**

If you are living in a bedsit, shared flat, lodging, shared house, hostel, halls of residence for students, boarding house or bed and breakfast accommodation it's likely that you'll be living a house in multiple occupation or 'HMO'.

#### **What is an HMO?**

An HMO is a property that is shared by three or more tenants who aren't members of the same family. HMO landlords must have a licence from the council. This ensures that the property is managed properly and meets certain safety standards. An HMO licence is separate from the tenancy agreement you will have with your landlord.

#### **Do I live in an HMO?**

It's likely that you live in an HMO if:

- you live with two or more other people, and
- you don't belong to the same family, and
- you share some facilities, e.g. a bathroom or kitchen, and
- the accommodation is your only or main home (if you are a student, your term-time residence counts as your main home).

If you live with a homeowner then they and their family don't count when deciding whether or not a property is an HMO. So for example, if you share accommodation with the owner and one other unrelated lodger, you won't live in an HMO. If you live with the owner and two other unrelated lodgers, you will live in an HMO.

#### **How do I find out my property has an HMO licence?**

To find out whether a property has an HMO licence, ask your landlord or contact your local council. They have a list of all the licensed landlords in their area.

#### **How does HMO licensing work?**

Before the council gives a landlord an HMO licence, it will carry out the following checks:

- **Is the landlord is a fit and proper person to hold a licence?**

Before it will grant an HMO licence, the council must check that the owner and anyone who manages the property don't have any criminal convictions, for example, for fraud or theft.

- **Is the property managed properly?**

The council must check that your landlord respects your legal rights as a tenant. You should be given a written tenancy agreement.

- **Does the property meet the required standards?**

To meet the standards expected of an HMO property:

- the rooms must be a decent size, for example, every bedroom should be able to accommodate a bed, a wardrobe and a chest of drawers.
- there must be enough kitchen and bathroom facilities for the number of people living in the property, with adequate hot and cold water supplies.
- adequate fire safety measures must be installed, for example your landlord must provide smoke alarms and self-closing fire doors and make sure there is an emergency escape route.
- all gas and electrical appliances must be safe.

- heating, lighting and ventilation must all be adequate.
- the property should be secure, with good locks on the doors and windows.
- there must be a phone line installed so that tenants can set up a contract with a phone company to supply the service.

### What are my landlord's responsibilities?

In order to keep their HMO licence, your landlord must maintain the property properly:

- **Common parts** - these must be kept clean and in good repair (for example, the stairwell, hall, shared kitchen and bathroom). However, the landlord can include a clause in the tenancy agreement which passes this responsibility onto the tenants.
- **Shared facilities** - these should be kept in good repair (for example, the cooker, boiler, fridge, sinks, bath and lighting)
- **Heating, hot water and ventilation** - these facilities must all be kept in good order
- **Gas safety** - all gas appliances and installations must be safe (for example, a gas fire, boiler or cooker) - these should be checked once a year by a Gas Safe Register engineer
- **Electrical safety** - all electrical appliances and installations must be safe - these should be tested every three years by a contractor approved by the National Inspection Council for Electrical Installation Contracting
- **Fire precautions** - all fire precautions (for example, smoke alarms and fire extinguishers) must be in good working order and that the fire escape route is kept safe and free from obstructions
- **Furniture** - all furniture supplied must meet safety standards (for example, isn't flammable)
- **Roof, windows and exterior** - these must all be adequately maintained
- **Rubbish** - enough rubbish bins must be provided
- **Deposits** - your deposit must be returned within a reasonable time when you move out, preferably within 14 days.

Your landlord should also put up notices in the accommodation:

- giving the name and address of the person responsible for managing it so that you can contact them whenever necessary
- explaining what you should do in an emergency, for example if there is a gas leak or a fire.

### What are my responsibilities?

Tenants also have responsibilities:

- **Repairs** - you should let your landlord know if anything in the property needs repairing, particularly if this is something they are responsible for keeping in good order, such as the roof, boiler or toilet
- **Damage** - you must take good care of the property and try not to damage anything
- **Rubbish** - not let rubbish pile up in or around the property but dispose of it properly in the bins provided
- **Inspections** - let the landlord inspect the property so they can check whether any maintenance work needs doing. Normally this should happen once every six months. Your landlord must give you 24 hours' written notice before coming round.
- **Behave responsibly** - make sure that you don't behave in a way that can annoy or upset your neighbours. Your landlord is responsible for dealing with any complaints made by your neighbours and must take action if they are unhappy with your behaviour.

### What if standards aren't being met?

If you don't think your landlord is managing the property properly and maintaining these standards, there are two steps you can take:

- **talk to your landlord** - they may not realise that there is a problem until you discuss it with them.

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- **tell your local council** - they have powers to make your landlord bring the management and physical conditions of the HMO up to standard.

Usually, the council department responsible for HMOs is the environmental health department. Contact your local council to talk to an environmental health officer about your complaint. If you don't want your landlord to know that you have complained, let the officer know, and they will then keep your complaint in the strictest confidence.

#### **What can the council do?**

After you've complained, an officer should visit the property to inspect it. If they decide that your landlord is failing to comply with HMO standards, they can:

- write to the landlord or manager of the accommodation and give them a list of what needs to be done
- serve a legal (amenity) notice telling the landlord or manager that they must do certain things to rectify the bad conditions
- arrange for the council to carry out any necessary repairs and then get the money back from the landlord
- prosecute the landlord for breaking the conditions of their licence. The landlord can be fined and their licence can be suspended or revoked.

#### **What happens when my landlord needs to renew their licence?**

When your landlord applies for an HMO licence or applies to renew their licence, they must put a notice outside the property for 21 days to let the neighbours know. If anyone living in the area isn't happy about the HMO, they can submit their objection to the council.

The property may be inspected by officers from the council, and possibly by the fire brigade as well, to check it meets the necessary standards. You should get 24 hours' notice before this inspection is carried out. The officers may also write to you to ask how the property is managed and whether you have any complaints. If you are unhappy about anything, the council will take this into account when looking at your landlord's application. It shouldn't let your landlord know that you made the complaint.

#### **What happens if my landlord's licence is suspended or revoked?**

If your landlord's licence is suspended or taken away, they will no longer be able to use the property as an HMO. This means you may have to move out. However, if the fixed period of your lease has not yet expired, your landlord cannot make you leave until it expires. So for example, if you have rented a room in an HMO for a year but your landlord's licence was revoked after two months, you would be able to stay for the remaining ten months, provided the property was safe for you to live in.

If the council decides that the property is not safe (for example, because it does not meet fire safety regulations), it will be responsible for helping you find somewhere else to live.

#### **What if an HMO doesn't have a licence?**

It is a criminal offence for your landlord to operate an HMO without a licence, and they could face a fine of up to £50,000. If the council thinks that a property is being run as an unlicensed HMO, they can inspect it without giving any warning. If you think that the HMO you are living in may be unlicensed, you should report your landlord to your local council.



## Buying your own home

If you watch a lot of home buying and selling programmes on TV, you'll probably be familiar with the buying process. In Scotland, however, the process is slightly different from the process in England.

### **Working out your finances**

Before you start house hunting you will have to work out what you will be able to afford. Most people cannot afford to buy a home outright, and must apply to a bank, building society or other financial institution for a mortgage. The first thing you'll need to do, therefore, is find out how much you'll be able to borrow. You'll also need to decide what kind of mortgage you want and which lender offers you the best deal. Once you have chosen, you should get a mortgage agreed in principle (aip). This is not a formal offer, but does include a credit check with a credit reference agency.

### **Finding a solicitor**

Your next step is to find a solicitor to carry out the legal work involved in buying a home.

### **Finding a property**

By this point you'll probably already have started thinking about the kind of property you want and looking at a few places. Think carefully about the kind of property you want, how to go about looking and things to look for when viewing properties. Once you've found a place you like you'll need to:

- request a home report from the seller
- if necessary, arrange for a valuation or survey of the property. Alternatively, you may wish to put in an offer 'subject to survey', or the seller may have arranged a survey, which is available to prospective purchasers.
- get your solicitor to note your interest in the property. Once this has been done, it will not be sold without you having the chance to put in an offer.

### **Making an offer**

Properties in Scotland are advertised as 'fixed price', 'offers over' or 'offers around'.

- **Fixed price** - The property will be sold to the first person that offers the price advertised. If the property has been on the market for a while, the seller may accept a lower offer.
- **Offers over** - The seller is inviting offers higher than the price advertised. The property will usually be sold to the highest bidder, but sometimes the seller will sell to the person willing to buy on the most convenient date, or whose offer they prefer. Your solicitor should be able to advise you how much over the asking price people have paid in the area you are interested in. Your solicitor will make the offer on your behalf.
- **Offers around** - Offers around (sometimes called offers in the region of) means the seller might have a price in mind they would be happy with but could be open to negotiating. Your solicitor will make the offer on your behalf.

### **Having an offer accepted**

If your offer is accepted you will have to proceed with your mortgage application. Your mortgage lender will require a valuation of the property but they may accept the valuation or survey already carried out.

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**Finalising the sale**

If the seller accepts your offer, a contract will be formed. Your solicitor will exchange letters (called missives) with the seller's solicitor until all the conditions of the sale are sorted out and the sale is finalised. This is called concluding the missives. Once the missives have been concluded, you are legally bound to buy the property and will incur financial penalties if you do not go ahead with the purchase. Your solicitor will then:

- receive the **title deeds** (documents that prove ownership of the property) from the seller's solicitor and check they are in order
- draw up a **disposition** transferring ownership to you
- prepare a **standard security**, the legal agreement between you and your mortgage lender
- receive the money from your mortgage lender and pay the seller
- give you the keys!



### **Shared Equity – Low Cost Initiative for First Time Buyers (LIFT)**

The Open Market Shared Equity scheme allows people on low to moderate incomes to buy homes that are for sale on the open market where it is affordable for them to do so. The scheme is currently open to all first time buyers.

#### **What is the Open Market Shared Equity Scheme and how does it operate?**

The Open Market Shared Equity Scheme aims to help people on low to moderate incomes to purchase a property where it is affordable for them over the long term. It is one of several initiatives under the Scottish Government’s Low-cost Initiative for First-Time Buyers (LIFT).

The Open Market Shared Equity Scheme is available across Scotland and the table below shows the five registered social landlords or their subsidiaries (“registered social landlords”) who operate the Scheme on behalf of the Scottish Government together with the areas they cover.

Albyn Housing Society Limited	Highland Eilean Siar
Grampian Housing Association Limited	Aberdeen City, Central, North and South Aberdeenshire and Moray
Hjaltland Housing Association Limited	Shetland Islands
Link Homes	Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife  Angus, Clackmannanshire, Dundee, Falkirk, Perth & Kinross and Stirling Glasgow, East Renfrewshire, Renfrewshire, East and West Dunbartonshire, Inverclyde, North and South Lanarkshire, North, South and East Ayrshire, Argyll & Bute and Dumfries & Galloway
Orkney Housing Association Limited	Orkney Islands

Under the Open Market Shared Equity Scheme, the Scottish Government will keep a financial stake in the property so you do not have to fund all of it. You will pay for the majority share in the property – normally between 60 and 90 per cent of the price – and the Scottish Government will hold the remaining share under a shared equity agreement which it will enter into with you. Although you will own the property outright; the interests of the Scottish Government will be secured by a mortgage (or a ‘standard security’ as it is known in Scotland) on your property.

If you can afford a 75 per cent share of a property the Scottish Government contribution will make up the remaining 25 per cent. You will have a 75 per cent stake in its value, whatever changes there are to the property’s value over time.

**The Shared Equity Agreement that you enter into with Scottish Ministers is initially for a 19 year period although you will have an opportunity to extend provided certain technical legal issues can be satisfactory overcome. You and your legal advisers will be contacted well in advance of that date to agree an appropriate way forward.**

#### **Who is it for?**

The Open Market Shared Equity Scheme is currently open to all first time buyers in certain areas. Please contact the relevant registered social landlord who administers the scheme in your area for more information.

If you are currently a tenant of a local authority or registered social landlord, you will not be able to buy your existing home from your landlord through the Open Market Shared Equity Scheme, but you may be able to buy a property that is for sale on the open market.

#### **How do I know if I'm eligible?**

The property that you buy must be your only home. Although it should be suitable for your current housing needs, you can if you wish buy a home which has one room more than you currently need. For example, a couple would be eligible to buy a home with two double bedrooms.

As the **Open Market Shared Equity Scheme is aimed at low to moderate income households**, you will be assessed by a registered social landlord who administers the scheme in your area to see whether or not you qualify. To allow this to happen, a form of 'means testing' will be carried out. You will need to show that you cannot buy a house suitable for your needs without help from the Open Market Shared Equity Scheme.

The amount that you contribute must be the maximum mortgage you can reasonably obtain and afford plus any personal contribution that you are able to make. However, the registered social landlord will be able to give you information on the income multipliers it uses when considering the level of mortgage finance you can raise. You should not exceed these unless you have received independent financial advice as you need to be confident that you can pay your mortgage over the long term, even if mortgage interest rates or other living costs increase. The overall amount must be enough to pay for your stake and cover all the costs of buying a home, such as legal costs.

The stake that you hold will normally be determined by the maximum mortgage that you can raise plus any personal deposit contribution that you are able to make towards the purchase. For example, if a property is valued at £100,000 and you can afford to contribute £70,000 (the maximum mortgage that you can raise plus any personal contribution) you would hold a 70 per cent stake in your home.

When you apply to buy a house, you will have to state all your sources of finance. Your funds will be considered to be the total of:

- gross earnings, per single person or couple, as appropriate;
- any other income, comprising sickness benefit, unemployment benefit, bank interest, superannuation or pension from previous employment, working families tax credit, widow's pension and shareholder's profits; and
- personal contributions

Personal contributions may include, for example, savings and gifts. The definition of savings that we use includes: cash; premium bonds; stocks and shares; unit trusts; bank or building society accounts and fixed-term investments; the surrender value of any endowment policies; property; redundancy payments; and pension lump sum payments.

You may keep £5,000 of any personal contribution you can make – this will help you to fund the costs of buying your home (such as your legal costs, registration fees, mortgage arrangement fees and any removal costs). Above this amount, 90 per cent of the balance will need to be treated as a deposit contribution towards the cost of your home. Almost all lenders will expect you to provide a modest deposit in order to obtain a shared equity mortgage.

### Example

#### An example of how the Open Market Shared Equity Scheme works:

Mandy currently rents a home from a local housing association and she earns £18,000 a year.

She has £8,000 saved towards the cost of buying a property. She may keep £5,000 and must contribute 90 per cent of the £3,000 balance. Therefore she would be expected to make a deposit contribution of at least £2,700.

After being accepted onto the Open Market Shared Equity Scheme, she identifies a two bedroom property which has been valued at £79,500. This is within the maximum price of £80,000\* that can be paid for a two bedroom property in Falkirk. The maximum mortgage that Mandy can secure is £54,000. This sum, together with her savings of £2,700, means that Mandy can contribute £56,700 towards the purchase of the property.

The Scottish Government is able to fund the balance of the purchase price of £22,800.

After the property has been bought, Mandy has a 71.32 per cent equity stake in it. The Scottish Government holds the remaining equity stake of 28.68 per cent.

\* Based on threshold prices as at December 2010.

#### What percentage of a home can I have?

The stake that you take will normally be between 60 and 90 per cent of the price of a property, according to the maximum mortgage that you can obtain and the personal contribution that you are able to make. In most circumstances you will have to take a stake of at least 60 per cent of the price of your property.

In all cases, the maximum initial stake that you can take will be 90 per cent of the price of a property. You will have the option to increase your equity share by a minimum of at least 5% in any one year and you may increase your share up to 100% if you choose to do so. Any increase is subject to payment of all valuation and other legal costs and expenses. For example, if you purchased an initial equity stake of 70% and one year later you decide you wish to purchase an additional 10% share, you may do so.

However, in certain circumstances the Scottish Government will keep a 10 per cent stake in the property. This is known as a 'golden share' and is likely to happen in areas where there are only small amounts of affordable housing and few opportunities to build more affordable homes. For example, if you purchased an initial equity stake of 70% and you wish to increase your share, you may only increase up to a maximum of 90% as your property has a 'golden share' provision attached.

**Example****An example of where a shared equity owner increases their equity stake and there is no golden share**

Jim and Susan purchased 65% of a house through the Open Market Shared Equity Scheme. After around a year, they look again at their financial position. They have both received rises in their salary and they feel that they would now like to increase their equity stake in their property.

As there is no 'golden share', they must increase their stake by a minimum of 5%. The couple seek independent financial and legal advice and decide that they will raise their stake in the house to 80%

After a further couple of years Jim receives another rise in his salary and the couple decide that they would like to have an even greater share in their home. Again, the couple must increase their stake by a minimum of 5% and following advice from an independent financial adviser and their solicitor and decide to go ahead with increasing their share by a further 20%. They now hold 100% of the stake and will receive the whole of any increase or depreciation on the sale price of the house.

**Example****An example of where a shared equity owner increases their equity stake and there is a golden share**

Jane bought a flat through the Open Market Shared Equity Scheme and took a 70% equity stake. Before she bought the property she was informed that the Scottish Government had the legal right to retain a 10% 'golden share' in the property. Her financial situation has improved since she bought the flat and she would like to increase her stake in the property. Because the property has a 'golden share' she cannot increase her stake above 90%. After taking independent financial and legal advice she decides to raise the stake by 20% to the maximum amount of 90 per cent.

You can increase your stake in your home regardless of whether the market value of the property has increased or decreased. You will not be asked about your financial circumstances again after you have bought your home. Before you increase your stake in your property, you are advised to take independent financial and legal advice.

**What responsibilities does a shared equity owner have?**

When you buy through the Open Market Shared Equity Scheme you own the property outright – you will have full title to the property.

Like other home owners you will be responsible for all maintenance, insurance and repair costs, as well as making your mortgage repayments and paying Council tax to your local authority. You are responsible for keeping your property in a good state of repair. Before buying a property, you should therefore look closely at the Home Report which should be made available by the seller and ensure that you are comfortable that you can afford to pay for any repair which the Home Report survey indicates are needed. If the property has common and shared areas, flats for example, you will be responsible for paying any common maintenance or service charges.

You will need to take costs of this nature into account when assessing whether you can afford to buy a property and should therefore seek more detailed independent financial and legal advice on the responsibilities that come with being a home owner in relation to any particular property you select and all documentation which you will require to enter into.

You are only allowed to let or sub-let your property with the Scottish Government's prior written consent. If you are given permission to let your property you will only be able to do this for a limited period of time, for example if you are required to move away temporarily for a work posting but plan to return. This is because you are expected to live in the property as your only home. You must therefore receive written consent agreeing the start and finish dates for the period of letting. If the Scottish Government does not provide written consent, you must not let your home.

### **What happens when I want to sell my shared equity property?**

If, for example, you have an 80 per cent stake in your property when you want to move, then you will get 80 per cent of the selling price when it is sold. The Scottish Government will receive the remaining 20 per cent. The percentage you get is not affected by changes in the value of your property over time. In this example, if the value of your house increases, you will benefit from 80 per cent of the increase. The other 20 per cent of the increase will go to the Scottish Government.

#### **Example**

##### **An example of when the value of your property increases**

Initial property value	£100,000
Your stake - 80 per cent	£80,000
Scottish Government's stake - 20 per cent	£20,000
Sale price	£140,000
You receive 80 per cent	£112,000
Scottish Government receives 20 per cent	£28,000

In this example, the value of your stake has increased from £80,000 to £112,000.

The next example shows what happens if the value of your property decreases.

#### **Example**

##### **An example of when the value of your property decreases**

Initial property value	£100,000
Your stake – 80 per cent	£80,000
Scottish Government's stake – 20 per cent	£20,000
Sale price	£90,000
You receive 80 per cent	£72,000
Scottish Government receives 20 per cent	£18,000

In this example, the property value has fallen by £10,000. You have an 80 per cent stake and make a loss of £8,000 (80 per cent of £10,000).

If you have made any improvements to your home, these will be reflected in the valuation. You will not be reimbursed for the cost of any improvements made at your own expense. The amount you sell your house for will be split in proportion to the stakes held by you and the Scottish Ministers.

### Example

#### An example of when you improve your property

Initial property value	£100,000
Your stake – 80 per cent	£80,000
Scottish Government's stake – 20 per cent	£20,000
Improvements funded by you	£10,000
Sale price	£150,000
You receive 80 per cent of £150,000	£120,000
Scottish Government receives 20 per cent of £150,000	£30,000

You will be responsible for meeting the costs of marketing your house if you sell it on the open market.

#### How do I apply?

If you think you might meet the eligibility criteria, please contact the registered social landlord operating the scheme in the area you are interested in.

<p><b><i>Albyn Enterprises Limited</i></b> 68 MacLennan Crescent INVERNESS IV3 8DN Telephone: 01463 701271</p>	<p>Highland  Eilean Siar</p>
<p><b><i>Grampian Housing Association Limited</i></b> Huntly House 74 Huntly Street ABERDEEN AB10 1TD Freephone: 0800 1214496</p>	<p>Aberdeen City, Central, North and South Aberdeenshire and Moray</p>
<p><b><i>Hjaltland Housing Association Limited</i></b> 2 Harbour Street Lerwick SHETLAND ZE1 OLR Telephone: 01595 694986</p>	<p>Shetland Islands</p>

<p><b>Link Homes</b>          Watling House          Callendar Business Park          FALKIRK          FK1 1XR          Telephone: 08451 550019</p>	<p>Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife</p> <p>Angus, Clackmannanshire, Dundee, Falkirk, Perth &amp; Kinross and Stirling</p> <p>Glasgow, East Renfrewshire, Renfrewshire, East and West Dunbartonshire, Inverclyde, North and South Lanarkshire, North, South and East Ayrshire, Argyll &amp; Bute and Dumfries &amp; Galloway</p>
<p><b>Orkney Housing Association Limited</b>          39a Victoria Street          Kirkwall          ORKNEY          KW15 1DN          Telephone: 01856 875253</p>	<p>Orkney Islands</p>

### **What happens next if I make an application and it's approved?**

If your application is approved, you will receive a 'passport letter' from the registered social landlord confirming that you may now look for a property under the Open Market Shared Equity Scheme. The 'passport letter' will allow you to find a property within your chosen area. It will confirm the maximum price that you can pay for a home as well as the maximum size of property you are able to buy.

**Please do not make an offer to buy a property unless you have been issued with a 'passport letter'.**

When you have seen a suitable property you will be asked to obtain a valuation from an independent professionally qualified valuer who is registered with the RICS this valuation will form part of the Home Report unless the property is a new build in which event you will be required to obtain a valuation at your expense.

You will also have to appoint a solicitor to act on your behalf to complete the work involved in buying a home. The Scottish Government will instruct its own solicitor to deal with their interest in the shared equity documentation.

**You will pay for your share of the purchase price in the usual way, along with legal costs, and any other costs associated with the purchase including registration fees, and (if applicable) stamp duty.**





### Help to Buy (Scotland) Scheme

The Help to Buy (Scotland) Scheme is a Scottish Government scheme to help people to buy a new build home from a participating home builder. The scheme is open to all home buyers not just first time buyers and provides help of up to 20% of the purchase price of a home.

#### **What is the Help to Buy (Scotland) Scheme and how does it operate?**

The Help to Buy (Scotland) scheme aims to help credit-worthy buyers to buy a new build home where this is sustainable for them. The homes that are provided under the scheme are new build homes from a home builder who has been approved to participate in the scheme. Under the scheme, the Scottish Government will help you to buy a new build home so you do not have to fund all of it.

Your mortgage lender is likely to require you contribute a deposit of around 5% and your mortgage and deposit must cover a combined minimum 80% of the total purchase price. Your mortgage from a qualifying lender must be a repayment mortgage and you are not permitted to buy a Help to Buy (Scotland) scheme property with an interest-only first mortgage.

Although you will own the property outright; the interests of the Scottish Government will be secured by a mortgage (or a 'standard security' as it is known in Scotland) on your property.

#### **Example**

Example of Scottish New Build Shared Equity Home Ownership	£	%
Purchase price of new home	150,000	100
Mortgage obtained by buyer of 75%	112,500	75
Buyer pays 5% deposit	7,500	5
Total Contribution from buyer	120,000	80
Scottish Government Assistance of a 20% equity stake	30,000	20

#### **Who is it for?**

The Help to Buy (Scotland) scheme is open to all buyers seeking to buy a new build home from a participating home builder.

**The home must be your only residence and you must not own another home. If you do own another home, you are expected to sell this before you purchase a home under the scheme. The scheme is not available to assist buy-to-let investors and you not part-exchange your existing home to buy a new home. You cannot rent out your own home and purchase a new home under the scheme.**

If you wish to apply to the scheme, you must first check with the home builder who is selling the new build home to find out if they have been approved to participate in the scheme. If the home builder informs that they have been approved to participate in the scheme, you should speak to an independent financial advisor before applying to the scheme.

You should ensure that you have funds to pay for the following:-

- A reservation fee if required
- A deposit of 5% of full purchase price of the property
- Any other relevant fees that you will need to pay such as Stamp Duty, legal fees, registration fees

### How do I know if I'm eligible?

In the first instance, you will need to contact a participating home builder. The home builder will in most cases let you see the show home at the new build development. You will then be referred to an independent financial advisor who will put you in touch with one of the agents who administers the scheme so that you can request an application form. You will need to complete an application form and submit it to one of the agents administering the scheme. You will then be contacted by the agent to let you know if your application is eligible.

If you can reasonably afford more than 90% of the full purchase price, you will not be eligible to receive assistance under the scheme.

You must take out a first charge mortgage with a qualifying lending institution (i.e. a bank or a building society). Your first charge mortgage must be on a repayment basis. **The maximum purchase price is £400,000.**

### Case study one

Sally and Jack currently rent a one bedroom flat in Glasgow from a private Landlord. They have been married for a year and are expecting their first child.

Both work full time – Sally earns a salary of £17,000 and Jack earns £20,000 a year. They have met with their financial advisor who has advised them that the maximum mortgage they will be able to obtain is £129,500 and that they will be expected to contribute a 5% deposit of the full purchase price.

Jack has seen an advertisement from a developer participating in the Help to Buy (Scotland) scheme who has a development of new build homes in an area that he and Sally would like to live. Jack and Sally make enquires about purchasing a three bedroom semi-detached new build home which is currently being marketed for sale at £162,000.

Jack and Sally have submitted an application form to an agent administering the scheme. Their application has been assessed and it is eligible to proceed. Jack and Sally can afford to buy an 80% share of the property for £129,600. This includes contributing a 5% deposit of £8,100.

Value of Property	£162,000	
Deposit of 5% of full purchase price	£8,100	(5%)
Owners' equity stake	£121,500	(75% stake)
Scottish Ministers' Equity Stake	£32,400	(20% stake)

Guidelines advise that your monthly costs (mortgage, service charges and fees) are no more than 45% of your net disposable income; in this case Jack and Sally's mortgage will be 25% of their monthly income.

### Case study two

Robert and Michelle are looking to buy their first property. They have heard a radio advertisement from a developer for three bedroom properties being built in an area that they want to live in. The homes are available under the Help to buy (Scotland) scheme.

The house they would like to buy is priced at £249,995. They have saved a deposit of around £17,500 and they both have a joint income of £55,000.

Robert and Michelle's application has been assessed and they are eligible for assistance under the Help to Buy (Scotland) Scheme.

Gross Household Income	£55,000
Value of Property	£249,995
Deposit of 5% of full purchase price	£12,500
Outstanding Credit Card Balance	£1,500
Monthly mortgage payment	£1,098.00
Owners' Equity Stake	£205,000 (82%)
Scottish Ministers Equity Stake	£44,995 (18%)

Since Robert and Michelle have a household income after tax of £3,541, their mortgage is easily affordable at just over 31% of that income.

### What percentage of a home can I have?

In all cases, you will be expected to maximise your contribution to a reasonably affordable level. Your mortgage lender is likely to require that you provide a deposit of 5% of the full purchase price of a new build home and this amount together with your mortgage must cover a combined minimum of 80% of the total purchase price.

Typically, your mortgage will be based on a multiple of up to 4.5 times your household income for a single person and up to 3.5 times for a couple. The agent will write to you to inform you what percentage of the property you will be expected to buy.

You cannot choose to take a lower mortgage if your affordable income multiple suggests that you can afford and maintain a higher one. This is because the Scottish Government wishes to assist you by giving you the help that you need but not more than that to buy a new home. **You should be aware that the assistance provided by the Scottish Government is not to assist you with providing a deposit to your lender.** You are required to provide this by yourself. The equity stake funded by Scottish Ministers is to assist with the purchase price of the home.

### What responsibilities do I have as a shared equity owner?

When you buy through the Help to Buy (Scotland) Scheme you own the property outright – you will have full title to the property. Like other home owners you will be responsible for all maintenance, insurance and repair costs, as well as making your mortgage repayments and paying Council tax to your local authority. You are responsible for keeping your property in a good state of repair. If the property has common and shared areas, flats for example, you will be responsible for paying any common maintenance or service charges. You will need to take costs of this nature into account

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when assessing whether you can afford to buy a property and should therefore seek more detailed independent financial and legal advice on the responsibilities that come with being a home owner.

### **What happens if I wish to purchase additional equity in my home (often referred to as 'staircasing')?**

The Help to Buy (Scotland) Scheme allows you to repay all or part of the equity stake held by the Scottish Government. You will have the option to increase your equity share by a minimum of at least 5% in any one year and you may increase your share up to 100% if you choose to do so. Any increase is subject to you paying all valuation and other legal costs and expenses.

There is no set deadline by which purchasers must repay to Scottish Government the equity support which they receive through the Help to Buy (Scotland) Scheme. The Scottish Scheme runs on indefinitely and purchasers can decide to acquire all or some of Scottish Government's retained equity stake in their home at a time of their own choosing. Alternatively, the equity support will be repaid upon the occurrence of certain events, the most common one being when the purchaser decides to sell their home.

### **What happens when I want to sell my property?**

When you sell your Help to Buy (Scotland) Scheme home (unless you have chosen to repay your equity loan earlier), you must repay the assistance you received from the Scottish Government from a share of the sale proceeds. If, for example, you have an 85 per cent stake in your property when you want to move, then you will get 85 per cent of the selling price when it is sold. The Scottish Government will receive the remaining 15 per cent of the selling price. Therefore, if the value of your house increases, you will benefit from 85 per cent of the increase. The remaining 15 per cent of the increase will go to the Scottish Government.

#### **Example**

##### **An example of when the value of your property increases**

Initial property value	£150,000
Your stake - 80 per cent	£120,000
Scottish Government's stake - 20 per cent	£30,000
Sale price	£180,000
You receive 80 per cent	£144,000
Scottish Government receives 20 per cent	£36,000

In this example, the value of your stake has increased from £120,000 to £144,000.

If you have made any improvements to your home, these will be reflected in the valuation. You will not be reimbursed for the cost of any improvements made at your own expense. The amount you sell your house for will be split in proportion to the stakes held by you and the Scottish Government.

### **How do I apply?**

In the first instance, you will need to contact a participating home builder. The home builder will in most cases let you see the show home at the new build development. You will then be referred to an independent financial advisor who will put you in touch with one of the agents who administers the scheme so that you can request an application form. You will need to complete an application

form and submit it to one of the agents administering the scheme. You will then be contacted by the agent to let you know if your application is eligible.

It is important that you speak to an independent financial advisor to discuss your current financial position before you proceed with applying to the scheme. Your application to the scheme cannot proceed unless you have spoken to an independent financial advisor.

You will likely need to pay a reservation fee to the home builder and you will need to speak to your independent financial advisor about how much of a deposit you will need to contribute.

The following agents administer the scheme in the area you live in and they will assess your application form to determine if you are eligible to participate in the scheme.

<b><i>Albyn Enterprises Limited</i></b> 68 MacLennan Crescent INVERNESS IV3 8DN  Telephone: 01463 259895	Highland
	Eilean Siar
<b><i>Grampian Housing Association Limited</i></b> Huntly House 74 Huntly Street ABERDEEN AB10 1TD  Freephone: 0800 1214496	Aberdeen City, Central, North and South Aberdeenshire and Moray
<b><i>Hjaltland Housing Association Limited</i></b> 2 Harbour Street Lerwick SHETLAND ZE1 OLR  Telephone: 01595 694986	Shetland Islands
<b><i>Link Homes</i></b> Watling House Callendar Business Park FALKIRK FK1 1XR  Telephone: 08450 020 163 Mobile 03303 0300 23	Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife
	Angus, Clackmannanshire, Dundee, Falkirk, Perth & Kinross and Stirling
	Glasgow, East Renfrewshire, Renfrewshire, East and West Dunbartonshire, Inverclyde, North and South Lanarkshire, North, South and East Ayrshire, Argyll & Bute and Dumfries & Galloway
<b><i>Orkney Housing Association Limited</i></b> 39a Victoria Street Kirkwall ORKNEY KW15 1DN  Telephone: 01856 875253	Orkney Islands

### What happens next if I make an application and I am eligible to participate in the scheme?

- The agent administering the scheme will write to you to let you know if you are eligible to participate in the scheme.
- If you are eligible to participate in the scheme, you will receive an 'Authority to Proceed' from the agent assessing your application. Your independent financial advisor will then be able to submit a full mortgage application on your behalf.
- The 'Authority to Proceed' will be accompanied by instructions to your solicitor. Your solicitor will advise you on the legal documents that you will be required to sign. These documents require to be registered in the Books of Council of Session.
- Your solicitor will check that your mortgage offer, property price, and available funds are all consistent with the terms of the 'Authority to Proceed'. Your solicitor will advise you of your legal rights and obligations.
- At the completion stage, your lender provides its funds and the Scottish Government will makes its funds available. Once completion has taken place, you will be able to move in to your new home.

### What else do I need to know?

You are strongly advised to take independent financial and legal advice before agreeing to take part in the scheme.

### Further Information

For further information on a variety of tenancy rights visit Shelter Scotland at – <http://scotland.shelter.org.uk/>

For further information on housing purchase schemes, visit the Scottish Government at – <http://www.scotland.gov.uk/Topics/Built-Environment/Housing>

You will find some more general information about the Open Market Shared Equity Scheme and general information on the house buying process at: [www.scotland.gov.uk/LIFT](http://www.scotland.gov.uk/LIFT)

For further information on buying and selling property, visit the Law Society of Scotland at – <http://www.lawscot.org.uk/forthepublic/buying--selling-a-property>

For further information on housing statistics in Scotland, visit the Scottish Government at – <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS>

### Sources





