

The Main Providers in Angus are:

Angus Housing Association Ltd
93 High Street,
Arbroath,
Angus,
DD11 1DP.
Tel: (01241) 879537

Hillcrest Housing Association,
North Grimsby,
Arbroath,
DD11 1NU.
Tel: (01241) 434333

Gowrie Housing Association Ltd
21 South Tay Street,
Dundee,
DD1 1NR.
Tel: (01382) 202050

Angus Council ACCESS Offices are located at:

Arbroath

Old Parish Church, Kirk Square, Tel: (01241) 434212

Brechin

36 Bank Street, Tel: (01356) 622184

Carnoustie

26 High Street, Tel: (01241) 853335

Forfar

Municipal Buildings, Tel: (01307) 464966

Kirriemuir

5 Bank Street, Tel: (01575) 572845

Montrose

Town House, Tel: (01674) 673280

Monifieth

81 High Street, Tel: (01382) 534900

To contact any council service telephone
the ACCESS Line on: 08452 777 778.

email: housing@angus.gov.uk website: www.angus.gov.uk

This leaflet can be translated, on request, into
other community languages.

For people with visual impairment, large print,
audio or braille versions can also be provided.

Transfer/Allocation Housefacts Leaflets TA1 - TA9

- TA1 A Guide to the Allocation of Council Housing in Angus
- TA2 Mutual Exchanges
- TA3 Stock/Turnover of Council Housing
- TA4 Transfer Incentive Packages
- TA5 Alternative Social Landlords
- TA6 Alternative Social Landlords (Sheltered/Amenity Housing)
- TA7 Low Cost Home Ownership - Explained
- TA8 Specialised Housing Provision (Sheltered/Amenity Housing)
- TA9 Special Needs and Medical Priority

You have the right to make a complaint about a council service to the Scottish Public Services Ombudsman. Any such complaint must be submitted within 12 months of the day when you first had notice of the matter you wish to complain about.

Scottish Public Services Ombudsman
4 Melville Street, Edinburgh, EH3 7NS.
Tel: 0870 011 5378, Fax: 0870 011 5379.

email: enquiries@scottishombudsman.org.uk
website: www.scottishombudsman.org.uk

Housefacts TA7



Low Cost Home Ownership Explained

Published by:
HOUSING
William Wallace House
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Orchardbank Business Park
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What is Low Cost Home Ownership?

Low cost home ownership schemes are designed for people who would like to own a house or flat but who, at this point in time, cannot quite afford the normal cost of owner-occupation.

Households can access low cost home ownership in three ways: through shared ownership; housing provided by private developers with GRO Grant assistance; or by grants to individuals in rural areas.

Shared Ownership

Shared Ownership schemes are usually available through Housing Associations or, in some areas in Scotland, Housing Co-operatives. These schemes enable people to buy as much of a house as they can afford and pay rent for the rest. Once they are able they can then buy another part of the house. This can continue until the house is owned outright. The house or flat is sold in "tranches" and each one of these is equal to a quarter share in the house or flat. Initially one, two or three of these "tranches" can be bought allowing the shared owner to buy from 25% to 75% of the house. These "tranches" will usually be paid for with a mortgage and rent being paid on the remaining quarter(s). The house/flat price will be set by an independent valuer and when deciding how much to buy, purchasers should take into account the other costs of buying a house. These include legal costs, survey costs, house contents insurance and removal expenses. The amount of rent they will have to pay can be calculated, when the purchaser has decided how much of the property they can afford to buy. Rents will be set by the Housing Association or Co-operative according to their policy and will reflect inflation and changes in interest rates. The combined mortgage and rent payment is generally less than an outright purchase, but higher than

straightforward renting (see example below). The purchaser will also be responsible for repairs and may also have to pay a service charge for ground maintenance etc.

Example

Cost of House - £46,000

Shared Ownership Ratio = 25%: 75%

(purchaser owns 1/4, pays rent on 3/4)	£
Rental per month	150.00
Less 15% because purchaser pays for repairs	-22.50
Net monthly rental	127.50

(75% of this figure is what the purchaser would pay in rent)

ACTUAL MONTHLY RENT PAYMENT 95.63

Mortgage Costs 25% of £46,000

Monthly mortgage over 25 years

(Capital repayments and interest at 8%) 74.98

TOTAL MONTHLY PAYMENT 170.61

Once the purchaser can afford a greater share of their house they can buy further "tranches" by increasing their mortgage. Housing Associations and Co-operatives will never press people to do this, although studies suggest that many shared owners eventually buy all of their property. The house, whether bought outright or not, can be resold at any time. If the property is owned solely by the purchaser it can be sold on the open market. If only part of the house is owned then the Housing Association or Co-operative must be informed of the intention to sell so that they can have the first opportunity to buy back the shares in the house/flat. The price they buy it back at will be the current market value of the property. If the Association does not want to buy any "tranches" these can then be sold on the open market and the proceeds of the sale would be split with the

Housing Association or Co-operative depending on their shared owner ratio (i.e. how many "tranches" have been bought).

GRO Grant System

GRO Grants are grants for rent and ownership given to private developers to enable them to provide housing for rent and sale at a price that is affordable to local people. The purchaser would buy the property in the normal way, e.g. with a mortgage and, as with shared ownership, would have to meet the usual initial costs of buying a house, e.g. legal fees.

Rural Home Ownership Grants

Rural Home Ownership Grants (RHOGs) are grants to individuals to increase home ownership in rural areas. They allow individuals in rented or overcrowded accommodation to acquire suitable property which they would otherwise not be able to afford, by adding the RHOG to the mortgage amount the individual can afford. RHOGs are directed towards rural areas with high house prices and generally lower levels of incomes. The grant is reclaimed if the house is sold within ten years. Further information on RHOGs can be obtained from: Communities Scotland, Nethergate Business Centre, Dundee (01382 427500).

Low Cost Home Ownership Schemes in Angus

A number of schemes are being provided in Angus by Housing Associations and private developers. If you are interested in the idea of Low Cost Home Ownership please contact your local ACCESS Office for details of the developments in your local housing area.