

Section 6: Other opportunities for Low Cost Home Ownership

Communities Scotland has a grant, known as the GRO-grant, available to private housing developers, housing trusts (not registered housing associations) and building societies to go towards the cost of providing houses for owner occupation. The housing for sale provided by such a grant may be new build or provided following the renovation of existing buildings.

There are three types of projects, which Communities Scotland may be prepared to support:

1. Projects which contribute to tenure diversification by introducing or increasing owner occupation in priority housing estates or neighbourhoods, as part of an area-based regeneration programme;
2. Projects which contribute to regeneration programmes in older urban neighbourhoods, particularly where these are characterised by a limited supply of good quality houses for owner occupation and/or by limitations in the range of available house sizes and types relative to demand; and
3. Projects which contribute to the provision of housing for owner occupation at affordable prices in pressured market areas (usually in rural locations) where the supply of such housing is limited in quantity, or access for lower income households wishing to become occupiers is constrained by market forces.

The grants may be conditional on priority being given to Council or Housing Associations tenants or those on their waiting lists, those on low income and first time buyers.

Grants are limited to the minimum necessary to secure the success of the project. The internal rate of return to the developer must fall within 8 to 12 per cent. Grants of up to 40 *per cent* of the total project costs are available, although the overall average grant approved is about 25 *per cent*. Each project is appraised by Communities Scotland on its own merits.

A comprehensive information pack is available from: -

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