



# **SELF-BUILD**

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@SelfBuildFund

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# THE HIGHLANDS SMALL COMMUNITIES HOUSING TRUST

## COMMUNITY

- ▶ Work with community groups, community development companies and community landowners to enable affordable housing.
- ▶ Assess local community housing needs through various options including surveys and surgeries.
- ▶ Reach out and share information with others.
- ▶ Be innovative, positive and forward looking.

## DEVELOP

- ▶ Create serviced house plots for sale at a discount.
- ▶ Build highly sustainable, affordable rural homes for sale.

## PARTNER

- ▶ Work closely with a range of partners in Highland.
- ▶ Help others to achieve affordable housing on their land e.g. estate owners, community landowners or development groups.

COMMUNITY  
DEVELOP  
PARTNER

THIS IS  
**WHAT  
WE DO**

## CREATE

- ▶ Develop solutions, such as the Rural Housing Burden to protect the affordability of a home when it's sold on.
- ▶ Manage a training project, the Cairngorm Construction Skills Project.
- ▶ Find ways to provide housing through a range of housing and funding models, new ones are being developed regularly.

## PROVIDE


- ▶ Find and buy land for affordable housing.
- ▶ Provide a range of key worker housing for rent.
- ▶ Provide information and support schemes for individuals and communities e.g. the Self-Build Initiative Fund.
- ▶ Help with fundraising for projects.

## SUSTAIN

- ▶ Help to retain and attract people to rural communities through housing opportunities.
- ▶ Support the use of local building materials, local labour, home working, reducing fuel poverty, grow your own and diverse, self reliant communities.
- ▶ Support economic and social growth.

CREATE  
PROVIDE  
SUSTAIN

# THE HIGHLANDS SMALL COMMUNITIES HOUSING TRUST



**Experience with self-build projects since trust formed.**

**HSCHT purchase land from the likes of private landowners, estates, farmers, developers, housing associations, forestry commission etc.**

**Providing affordable plots to individuals and families.**

**Over 46 self-build plots so far.**

**Rural Housing Burdens attached.**

**Equity Shares.**

**Deferred Plot Payments.**

# SELF-BUILD

**Main form of procurement in Highlands. As well as much of the rest of Scotland.**

**In Highland 2007/2008 – 1845 completed builds, 1,000 self-procured. (54%)**

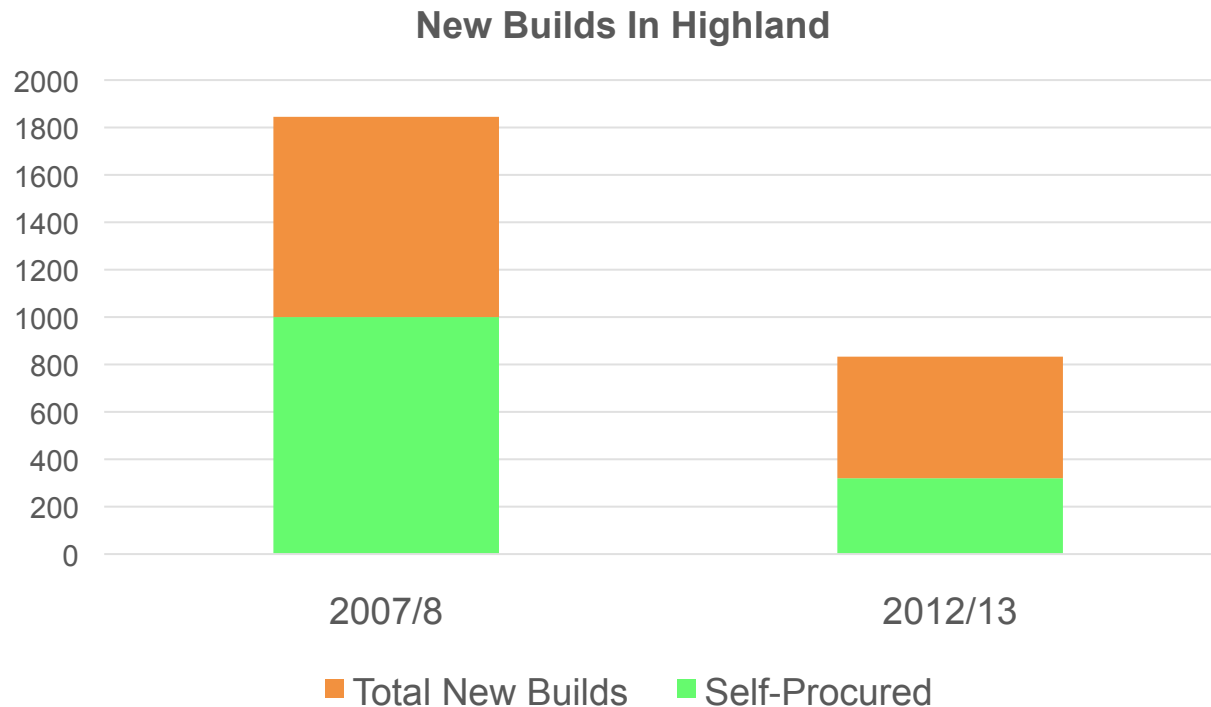
**In Highland 2012/2013 – 833 completed builds, 320 self-procured (38%)**

**Reduced economic activity of £97,500,00.**

**4,500 Job opportunities lost each year.**

**Massive reduction in economic activity in construction industry all over Scotland.**

**Particularly damaging to rural communities that rely heavily on self-build.**



# SELF-BUILD FINANCE

**Massive reduction in finance available over recent years.**

**Lenders withdrawing from Self-Build market.**

**Some high-street lenders still provide self-build mortgages. Although very limited.**

**Prohibitive restrictions mean many applicants do not qualify.**

**Many attempt to use own income to build.**

**Often building over a number of years, when financial situation allows it.**



# BENEFITS

## For the Self-Builder

Save money by managing project yourself.  
Can choose your subcontractors.  
Can undertake work yourself.

## For the Community

Rural communities retain families.  
Maintains or increases school role.  
Rural services benefit.  
Keep skills within community.  
Stronger rural economy.  
Reduced strain on social housing provision.  
Little or no public subsidy required.  
Land sitting unused now given new life.  
Community landowners who many not have the finance to develop their site can provide plots to self-builders.

## For the Crofter

Can use plots within woodland crofts.  
Live adjacent to your croft land.  
Financial assistance from Croft House Grant Scheme.  
Can use timber etc. from woodland croft.

# HIGHLAND SELF BUILD LOAN FUND

**New Scottish Government Fund.**

**Addressing market failure.**

**Pilot scheme.**

**Administered by The Highlands Small Communities Housing Trust.**

**Launched April 2016.**

**Revolving fund.**

**£4 million available to self-builders in Highland Council region.**

**Loans of up to £175,000 available.**

**Providing boost to self-build sector.**

**Demonstrating the demand for self-build in the area.**

**A great method for obtaining housing in rural areas.**



# HOW IT WORKS

**Required to own plot of land.**

**Many applicants own crofting land, farm land, were gifted land or purchased plots through private sales.**

**Planning permission required.**

**Borrow maximum of £175,000.**

**Build cost cap of £175,000.**

**Complete new build projects.**

**Mid-construction new build projects requiring final boost in finances to complete.**

**SG Loan repaid by mortgage.**

**1<sup>st</sup> ranking security**





# APPLICATION PROCESS

**2 Stage application process.**

**Look at build costs, cash flow, programme, project management, supervision.**

**Financial assessment.**

**Project specific drawdowns.**

**Mortgage Promise/Decision In Principle required.**

**Land Titles.**

**£595 arrangement fee.**

**Applications Available At: [www.hscht.co.uk/highland-self-build-loan-fund](http://www.hscht.co.uk/highland-self-build-loan-fund)**

# THE BUILD

## ON-SITE

Drawdowns when money required to pay contractors/ buy materials.

Professional consultants monitoring build progress.

Annual interest rate of 5.5%.

Default interest rate of 9%.

Applicants liaising with mortgage lenders.

## COMPLETION

Completion Certificates etc. in place.

Architects Certificates/ Structural Warranty.

Applicants approach lender of choice.

Lender may undertake own valuation of property.

SG Loan is repaid by mortgage.

Security passed from SG to mortgage lender.

# ROTHIEMURCHUS SAWMILL SITE PROJECT



**Example of self-build working within co-housing set-up.**

**4 local households unable to secure appropriate housing within their community.**

**Negotiating with landowner (Rothiemurchus Estate).**

**Cross-subsidy model.**


**4 affordable units, cross subsidised by 2 open market plots for landowner.**

**Consultation with CNPA Affordable Housing Officers and Planning Officials.**

**Land purchased by HSCHT before plots sold to individuals with Rural Housing Burden attached.**

**Builds funded by the Highland Self Build Loan Fund.**

## CASE STUDIES



*“It has been an easy process, and our actual house build from the time of sorting legals to completion should be less than a year. I would go so far as to say it is definitely a road to self build worth exploring!”*

***“An amazing initiative, we are so thankful to HSCHT and the Scottish Government for this initiative. Without it we would not be sitting in our brand new family home just now. Thankyou.”***



***“The HSBLF has helped us, when we had all but given up building our own house. HSCHT have been amazing in all they have done to help us from the outset, nothing was too much to ask... making a stressful time much easier. This fund has let us build on our Croft, meaning we can work it properly and be near both our families. Thank you”***



***“We approached HSBLF after we had exhausted all other avenues to obtain funds to finish our housebuild. The HSBLF is a lifeline for people who wish to build but have trouble for various reasons in obtaining a loan from the high street lenders. We cannot praise them enough for their help. We would have no hesitation in recommending the scheme to others who are looking to self build or like us have started and run out of funds.”***



# FUTURE OF SELF-BUILD



**Provide benefit to self-builders.**

**Over 1,500 enquiries.**

**Prove to lenders there is a strong self-build market in Scotland.**

**Scottish Government monitoring and evaluating the pilot scheme.**



# HIGHLAND SELF BUILD LOAN FUND



[www.hscht.co.uk/highland-self-build-loan-fund](http://www.hscht.co.uk/highland-self-build-loan-fund)



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