

## MULL AND IONA COMMUNITY TRUST: RURAL HOUSING BODY

Mull and Iona Community Trust is a Rural Housing Body, designated by Scottish Ministers on 29<sup>th</sup> October 2014.

MICT became a Rural Housing Body to facilitate the community purchase – and subsequent sale – of a plot of land at Ulva Ferry. The plot was donated by a local farmer, free of charge, as part of the funding package to build two affordable rental houses on a second plot of land purchased by MICT on behalf of the Ulva School Community Association (USCA). Combined, these plots are contributing to reversing the long-term trend of population decline in the area, and ensuring a more sustainable future for the community.

To give assurance to this landowner that no-one would take unfair advantage of their generosity in years to come, and to give the community assurance that the house built on the plot would remain affordable to local people if it is sold in the future, it was agreed to place a Rural Housing Burden on the plot. This approach was also favoured by two main grant funders of the Housing Project (Argyll & Bute Council and the Scottish Land Fund).

MICT received advice from the Highlands Small Communities Housing Trust (HSCHT) regarding applying the Burden and crucially what percentage of the plot MICT would own. Calculations are based on sale price, build costs, and subsequent house valuation. It was agreed that MICT would own 25% of the plot (on behalf of USCA), and therefore 25% of any future sale price, and be offered first refusal should the house be sold. These conditions stay in the property's title forever.

Therefore, the Rural Housing Burden protects the community's long-term interest in affordable local housing whilst allowing the purchaser of the plot to make a good home for themselves, along with a modest return on their investment, should they need to sell up in the future.

