

# THE HIGHLANDS SMALL COMMUNITIES HOUSING TRUST

MAKING  
AFFORDABLE  
RURAL HOMES  
A REALITY

**The Achabeag Partnership Development**  
(Ardtornish Estate Company Ltd. (AEC) and  
The Highlands Small Communities Housing Trust (HSCHT))



## The History

- ❖ Agreement between HSCHT and Ardtornish Estate securing 6 plots under Section 75 agreement.
- ❖ Change in legislation by SG which allowed Rural Housing Bodies to enter into leases of over 20 years thereby enabling access to private finance.
- ❖ Planning Officer took a flexible and innovative approach to allow HSCHT to use one of the plots to provide 2 units for rent under the lease scheme.
- ❖ Scottish Government Innovation Fund Award granted for Partnership bid on long lease arrangement
- ❖ Total Development costs fixed and Partnership Funding package agreed.
- ❖ Template Lease and Minute of Agreement agreed between partners (SLE legal services advised HSCHT).
- ❖ Replicable model developed which can be used with businesses and Estates



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## Partnership Development Finance – 2 homes

Innovation and Investment Fund Grant (IIF) (Scottish Government)	£50,000
Ardtornish Estate Company Limited Share	£100,000
The Highlands Small Communities Housing Trust's share (repaid at year 21)	£70,000
<b>Total project costs for 2 homes</b>	<b>£220,000</b>
(Highland Council Development Loan provide temporary funding)	£110,000

## Development Costs – 2 houses

Design and Build contract	£200,000
Total Partner costs	£20,000
<b>Total Development Costs</b>	<b>£220,000</b>

## Project Management

RJ Architects were employed to design and oversee the project. As an opportunity to exhibit their versions of affordable houses and to promote the suppliers they used in the construction they secured donated materials and services to the value of £40,000 to each unit.

## Lease Agreements

- ❖ AEC Ltd enters into a 21 year lease with HSCHT for £1,000 per property per year
- ❖ HSCHT lets the properties on a SSAT under the terms of their allocation policy
- ❖ Rents are set between Social and Mid-market Rents
- ❖ At end of 21 year lease period AEC Ltd repays HSCHT's initial investment of £70,000 and takes full ownership of the properties.

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## Current Position

The houses were officially opened on Thursday 5th September.

On receipt of the Completion Certificates:

AEC Ltd has 10 days to enact the lease to HSCHT

HSCHT can claim the IIF Grant

Both houses have been allocated to local people who are in housing need and currently live and work in Lochaline.



HSCHT September 2013