

Findhorn Ecovillage Land & Housing Trust

Housing Support Policy

for Rural Housing Burdens

Date of Consultation: October 2022 to October 2023

Version Number: 1

Approved: October 2023

Reviewed:



Table of Contents

1. Definitions.....	1
2. Scope.....	2
3. Background.....	2
4. Principles and Support Mechanism.....	2
5. Properties.....	3
6. Criteria.....	3
6.1. Community Criteria.....	3
6.2. Duneland’s Criteria.....	4
6.3. Any Additional criteria.....	4
7. Allocations.....	4
8. Explanation of Policy.....	5
8.1. Financial Value of the Support.....	5
8.2. Allocation of Value.....	5
9. Review of Policy.....	6
10. Appendices.....	6
10.1. Example of a Rural Housing Burden.....	6
10.2. Example of a Personal Guarantee.....	6
10.3. Indicative House Prices.....	7
10.4. Advertising a Vacancy.....	7
10.5. Assessing the Applicants and Awarding the Tenancy.....	8
10.6. Timeline.....	9
10.7. Indicative Schedule of Payments.....	10

1. Definitions

Ekopia	Ekopia Social Investments Ltd.
L&HT	The Findhorn Ecovillage Land and Housing Trust, a Division of Ekopia created to hold amenity land in trust and provide subsidies to members of the community seeking affordable housing.
Allocations Policy	A method of determining the suitability or otherwise of applicants for Housing Support.
Housing Support	Financial support by the Land Trust for the provision of housing.
Rural Housing Burden	A legal instrument by which the issuer shall have a continuing stake in a property for which it offers Housing Support on behalf of the community.

House This shall be interpreted to include 'flat' 'unit' or other essentially self-contained form of housing.

Phase 3 Co-Housing Cluster The housing cluster being developed by Duneland Ltd. to which this policy currently refers.

2. Scope

This policy describes the method by which an applicant may receive support from the L&HT. It does not set out to describe the circumstances in which an individual may apply to receive support from the L&HT – this is contained in the Allocations Policy.

3. Background

Housing Support has been created by Duneland Ltd. making land available at less than market value. This creates an opportunity for relatively low cost home ownership. Purchasers of land will need to engage in a design/build contract with a suitable developer.

The Rural Housing Burdens have been created with the additional assistance of the Scottish Government's Rural Housing Fund.

The Rural Housing Burdens will be issued by Ekopia. An indicative example is appended. Applicants are encouraged to seek suitable professional advice in order to fully understand the implications of this form of contract. The burden will form part of the title deeds of the property.

Successful applicants will be required to sign a personal guarantee to ensure they meet these obligations when they come to sell the property involved. An indicative example is appended.

Once the house construction is completed the relationship the owner-occupier has in relation to the Rural Housing Burden will be with Ekopia. Duneland's involvement will effectively cease once the land is sold and the design/build contract signed by the relevant parties.

4. Principles and Support Mechanism

Housing Support made by the Land Trust shall be undertaken through a Rural Housing Burden according to the following **general principles**:

- a) that the issuer of the burden shall have a continuing stake in the property and
- b) That this "continuing stake" shall be calculated as a percentage of the initial cost of the property.
- c) that the value of the Housing Support on redemption shall grow in line with the increasing (or decreasing) value of house prices in general.

The purpose of the Rural Housing Burden is to ensure that if a property is sold, then the value of the housing support is made available to the next purchaser of the property assuming they meet the relevant criteria. If no prospective purchasers meet

the criteria then in theory the value of the burden can be redeemed and used to support community housing elsewhere. However this is not an outcome that is recommended. Ideally therefore the value of the burden will be sufficiently large to attract new applicants in the event of a sale.

Individuals or families who are in a position to purchase suitable accommodation outright should not normally be considered for housing support.

In the case of a joint application the obligations of the Rural Housing Burden shall fall on all parties.

Any significant changes to the property contemplated by the owner may in some circumstances affect the value of the Rural Housing Burden. The issuer of the burden should therefore be contacted in advance of any proposed works.

5. Properties

Subject to a successful approach to the Rural Housing Fund, the properties available are:

* 1-bedroom units, nos 616, 617 and 618 to with an internal floor are of approximately 43m² plus a 25m² loft. These are all 1.5 storey units.

No. 618 is built to enhanced accessibility standards and would be most suitable for those with mobility challenges.

* 2-bedroom units, nos 626, 627 and 628 are on two storeys and with an internal floor area of approximately 70m².

Indicative information, which may be subject to change, with indicative costs for the above units is provided in an Appendix.

The first two units to be made available are nos 616, which is a one-bedroom unit and 626 which is a two-bedroom unit.

6. Criteria

6.1. Community Criteria

As a result of the extensive consultation undertaken in 2016 and by Findhorn College in 2018 the L&HT Committee are encouraged to continue to prioritise those who fall into the category of being in financial need (as defined in the Allocations Policy) and also to prioritise those who have significant health or care needs.

Applicants are expected to make a full disclosure of their financial circumstances to Ekopia and the Land & Housing Trust Committee indicating how they intend to purchase the relevant property. Candidates who, in the opinion of Ekopia and the L&HT Committee, are capable of purchasing a unit at market rates without housing support, shall be disqualified.

The Allocations Policy states that length of service to the community with an organisation affiliated to the Ecovillage shall also be one of the key selection criteria. The details as to how this shall be interpreted are set out in that document.

It has also been agreed that the L&HT Committee be asked to take into consideration “the applicant’s fit with the community and their capacity to contribute.”

The L&HT Committee were also encouraged to use a points system, reflecting these priorities to screen candidates, followed by an attunement process. The L&HT Committee are given broad latitude to interpret these criteria and they may request community input into priorities and changing needs from time to time.

6.2. Duneland’s Criteria

In the past, housing support has been implemented by Duneland Ltd. both voluntarily and by obligation. At each phase of development land has been made available at less than market value and in some cases with an additional direct subsidy of build costs.

With the opportunity presented in the Phase 3 Co-Housing cluster, and in collaboration with Ekopia, Duneland seeks to:

- increase the number of affordable housing units over and above its Section 75 requirements, and
- support social design through its Co-Housing Policy below.

Co-Housing can be defined as a group of discrete dwellings which share some common facilities..

Duneland has striven to support Co-Housing as a model for all of its housing developments. For the Phase 3 Co-Housing cluster, Duneland as overall developer will create a formal structure of governance for the residents/homeowners to support social sustainability, cooperation, and a sense of community.

This intention has informed the design of the Properties, part of the aim of which is to encourage a diversity of age ranges within the cluster as a whole.

Priority for Unit no 618 (see above) should be given to those with mobility challenges. For other units, the applicant’s capacity to contribute should be stressed.

Candidates with limited mobility will need to obtain the support of the Caring Community Circle for their application. They will have to be able to prove that they will be able to access and live in the unit and sign a declaration that they will be responsible for their own health or care needs.

6.3. Any Additional Criteria

This section has been left available to add any selection criteria that may be requested by The Moray Council or the Rural Housing Fund.

7. Allocations

The allocation process is carried out jointly by the L&HT committee and Ekopia. The roles of these different groups in the process are explained in the appendices.

At the end of the assessment and allocation, the L&HT Committee will supply a ranked list of candidates who are acceptable to Ekopia who may only allocate units to people on the Committee's ranked list.

This ranking is valid for 6 months. If in that time period anyone offered a unit declines the offer, then Ekopia can move to the next person on the list. Similarly, if another similar unit becomes available in that timeframe Ekopia could offer it to the next person down the list, without recourse back to the L&HT.

Given the substantial stake that the community has invested in such properties the role of the L&HT Committee is to recommend individuals for this form of support to Ekopia for approval. Ekopia shall always take cognisance of this advice but may carry out further investigation of the circumstances.

If Ekopia is party to additional information that may change the candidate rankings, or exclude certain candidates, they should revert back to the L&HT chair with details of what additional information they would like the L&HT committee to consider. The L&HT committee is then recalled and this new information is integrated into the full analysis. The committee will revise recommendations if appropriate.

8. Explanation of Policy

8.1. Financial Value of the Support

Housing Support is currently available through the reduction in the price of land offered by Duneland Ltd. and support from the Rural Housing Fund for land and build costs. The value of this support, less various costs such as taxes and legal fees will be allocated to various properties at the development at Phase 3, North Whins.

Applicants will be required to state which plot they are interested in purchasing and, if successful, will be required to sign a design/build contract for the housing unit with Duneland's appointed contractor. This contract will spell out the required payments.

Successful applicants will also be required to sign the relevant rural housing burden and a personal guarantee. The value of the total housing support available via a rural housing burden is expected to be in the region of £80,000 per unit.

8.2. Allocation of Value

It is the task of the Committee to receive and assess applications for housing support based on the Allocations Policy.

Each successful applicant will be allocated a proportion of the total value available. This amount will reduce the purchase price of the completed building.

Successful applicants may not repay any part of the Housing Support they receive save potentially on the sale of the property – but see also 'Principles and Mechanism' above.

9. Review of Policy

This Policy shall be reviewed by the Land Trust Committee whenever a house subject to this policy is placed on the market.

10. Appendices

The appendices are for guidance only and do not form a part of the Housing Support Policy.

10.1. Example of a Rural Housing Burden

See separate document. Please note that an RHB is not a form of security but rather a right of pre-emption, giving Ekopia the right to either buy back the property when the home owner decides to sell it or pass the value of the burden onto the next owner.

10.2. Example of a Personal Guarantee

DRAFT PERSONAL BOND

by[insert name and address of purchaser of plot] (hereinafter referred to as the "First Party")

in favour of

EKOPIA SOCIAL INVESTMENTS LIMITED, a company incorporated under the Companies Acts (Company number SC174358 and having their registered office at 434 The Field, The Park, Findhorn, Forres IV36 3TA (hereinafter referred to as the "Second Party")

WHEREAS the Second Party has sold to the First Party the subjects known as [] (hereinafter referred to as "the subjects")

(ONE) The First Party hereby undertakes and obliges himself and his successors or assignees whomsoever to occupy the subjects as his only or principal place of residence.

(TWO) The First Party hereby undertakes and obliges himself and his successors or assignees whomsoever not to lease the subjects under any form of tenancy whatsoever without the prior written permission of the Second Party.

(THREE) If the First Party validly contracts to sell the subjects to a third party, then on the delivery to the Second Party of a Personal Bond and Standard Security in terms mutatis mutandis to this Personal Bond and the Standard Security granted in security hereof by the First Party validly securing the obligations contained herein and correctly incorporating the Title Number of the subjects to allow registration of the Standard Security in the Land Register of Scotland, the Second Party shall within fourteen days thereafter provide the First Party with a discharge of the Standard Security granted by the First Party in favour of the Second Party securing the obligations in this Personal Bond.

(FOUR) Save as provided for in Clause (THREE) above, the parties agree that the First Party shall have no right to discharge or redeem this security and condition 11 of the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act, 1970 shall be varied (so far as lawful and necessary) to that effect.

(FIVE) The Parties hereto consent to registration of these presents for preservation: IN WITNESS WHEREOF

10.3. Indicative House Prices

NB the following exclude:

- i) conveyancing and any other professional fees that the owner-occupier will incur.
- ii) A fee to Ekopia for its legal expenses in setting up the rural housing burdens and associated documents, estimated at £4,000 per unit.

Two Bedroom units

Land price - £65,000
Build Cost - £156,100
Total Market Value £221,100

Less housing support of c. £94,500
Total Net Cost £126,600 (excluding the above fees)

Value of the Housing Burden: c. 42% of market value (excluding above fees).

For a One Bedroom unit the Total Net Cost, excluding fees will be about £107,300 with the Housing Burden being of the same value as the above and equating to c. 46% of market value.

NB Some units have different land values and construction costs and the above is indicative only, not a confirmed price..

A proposed Schedule of Payments is available as Appendix 10.7. **NB The initial payment from a successful Purchaser who has been allocated one of these affordable units shall include a non-refundable deposit.**

10.4. Advertising a Vacancy

Ekopia is responsible for advertising any vacancies, for collating applications, and forwarding them to the L&HT Committee.

Advertisement

This shall contain:

- The date any applications must be in by and state that late applications will not be considered.
- Details about charges such as how the Hoco and cluster charges are levied.
- Common assets and responsibilities of occupants in relation to them.
- An up-to-date version of the application form shall be made available as a Word document on the Ekopia website. This shall make it clear to whom completed applications should be forwarded (normally an Ekopia appointee). Electronic applications only will be accepted.

A model advertisement is included below.

Distribution

- NFA members by email
- Foundation and NFD employees by email

- Ekopia members by email
- Duneland members by email
- Trees for Life employees by email
- Article placed in the Rainbow Bridge
- Advertisement in the Forres Gazette (if required).

Typical Advertisement

OPPORTUNITY FOR AFFORDABLE HOME OWNERSHIP AT NORTH WHINS

New build one-bedroom and two-bedroom houses will become available at North Whins, The Park, Findhorn. The purchase price for these units will be reduced from market value by approximately 40%.

If you are interested please contact the sales team at Duneland Ltd as soon as possible. All units have are designed to a high eco specification and should have low running costs.

If you would like to apply for one of these units please contact [] and look at the relevant documentation provided by Duneland, especially the housing support policy which details how the reduced price will be delivered. Ekopia reserves the right to charge an application fee for any formal applications.

If you wish to proceed please apply to info@ekopia.org.uk in electronic form by noon on 6th November. N.B. Late applications will not be considered. If you have any questions about your application or the application process, please contact this email address.

An application form will be available from the Ekopia website at <http://www.ekopia.org.uk/ecovillage/affordable-housing/>

Also on this Ekopia page you can read:

- * the Allocations Policy document
- * the Housing Support Policy for Rural Housing Burdens

10.5. Assessing the Applicants and Awarding the Tenancy

Ekopia will review the applicant's financial details and check their references.

Candidates with limited mobility will need to obtain the support of the Caring Community Circle for their application.

The Land and Housing Trust Committee is responsible for assessing the applicants' suitability for the tenancy. Usually this is done by screening against the criteria in the Allocations and Housing Support Policies, short listing of applicants and then an attunement. Ideally this will come up with a ranked list of applicants, so that if for any reason the first choice candidate turns down the tenancy, the next candidate on the list can be notified. If further clarification / information is required on a particular applicant, the Committee will contact the applicant directly for this information.

The Committee will advise Ekopia of the ranked list of successful applicants and the list of unsuccessful candidates. In this communication, the Committee will confirm to Ekopia that all the conditions of the Allocations and Housing Support Policies have been met, so that these bodies can discharge any responsibilities they have in this matter with Moray Council and the Rural Housing Fund (if applicable). Ekopia is responsible for communicating the outcome of the application process to the applicants, and carrying out any further checks on the successful applicant, if required.

10.6. Timeline

A timeline is included here to give applicants and people involved in the process an idea what is involved in the whole allocation process, and why particular steps take a certain time.

Key dates for the Applicant

Application deadline: 6th November 2023

Expect response to your application – which will be considered by Ekopia and the L&HT: 15th December 2023.

Deadline for land purchase from Duneland, which will include the requirement to sign a design/build contract and commit you to using a Rural Housing Burden as financial support for this property: by 31.01.24 .

Anticipated date for completion of these housing units [date].

Full list of actions

Preparation Stage

Ekopia and LHT chair to liaise and finalise the following by 1st October 2023:

Final version of this housing support policy

Points template and application form

Wording of advertisement

Ekopia to issue advertisements

by 9th October 2023

Application Stage

Opening date

9th October 2023

Closing date

6th November 2023

Allocations Stage

Ekopia to complete initial review 17th November 2023

L&HT Committee review allocations and submit names of successful candidates to Ekopia 8th December 2023

Subject to final approval by Ekopia, they notify candidates of results by 15th December 2023

Final Stage

Successful applicants complete land purchase agreement by 31.01.24.

10.7. Indicative Schedule of Payments

The following schedule is indicative only. Full details will be found in the Duneland sales pack. Staged payments will likely be more numerous than the three shown below and the timings of any grant support are notional.

North Whins Phase 3 Outline Finances for Housing Units with a Rural Housing Burden		Schedule of Payments					
West Cluster	Pre-Land Purchase Legals & Fees	Initial Land	RHF Support	Payment 1	Construction Phase Payment 2	Payment 3	TOTALS
		Purchase					
Duneland		29.00					29.00
Ekopia	3.69		55.00	-33.00	-22.00		0.00
End Purchaser	-3.69	-29.00		-11.43	-22.43	-44.43	-107.30
Contractor				44.43	44.43	44.43	133.30
RHF			-55.00				-55.00
Incremental value of RHB		39.50	94.50				94.50
East Cluster	Legals & Fees	Initial Land	RHF Support	Payment 1	Payment 2	Payment 3	TOTALS
Duneland		25.50					25.50
Ekopia	3.69		55.00	-33.00	-22.00		0.00
End Purchaser	-3.69	-25.50		-19.07	-30.07	-52.07	-126.70
Contractor				52.07	52.07	52.07	156.20
RHF			-55.00				-55.00
Incremental value of RHB		39.50	94.50				94.50