

FAQ's Empty Property Loans

Q. What are Empty Property Loans?

A. Empty Property Loans are loans being made available through the No Use Empty Campaign to enable the renovation and improvement of single properties or the conversion of empty properties into a number of units so that they are suitable for use as residential accommodation.

Q. Who can apply for a loan?

A. Persons and companies can apply for a loan if they already own an empty property or are considering buying an empty property.

Q. For how long must a property have been empty before I can apply for a loan?

A. Loans can only be made available for properties that have been empty for at least six months or more.

Q. Does the property have to be an existing dwelling to be eligible for a loan?

A. No. We will consider applications for loans to convert empty commercial properties into residential accommodation. However it is very likely that you will need planning permission for the conversion and so you are strongly urged to contact the local planning department to discuss your proposals.

Q. What is the maximum amount of loan I can apply for?

A. The maximum amount loan you can apply for is £25,000 per property or unit, up to a total maximum of £175,000. E.G if you are applying for a loan to convert one building into four units the maximum loan you can apply for is £100,000. If you were applying for a loan to convert a property into ten units the maximum amount of loan would be £175,000. The actual amount of loan that will be approved will be dependant on the actual cost of the works, e.g. if the works are calculated to cost £10,000 this is the most the loan will be approved for.

Q. What do I have to do with the property or units after completion of the works?

A. You can either let the property/units or you can sell the property/units to a new owner.

Q. Do the works/conversion have to be carried out to any sort of standards?

A. Yes. All work must be carried out in accordance with any planning permissions or building regulation approvals made in respect of the property. Additionally the property/units must comply with the decent homes standard on completion of the works. Further details about the decent homes standard are contained in the loans information booklet and on the No Use Empty website.

Q. Are there any conditions attached to approving the loan?

A. Yes: -

- You must carry out the conversion/repair works within an agreed amount of time.
 - The property/units must be either sold or let within a reasonable amount of time after completing the works. If the property/units are not occupied by March 2008 the loan will be cancelled.
 - The loan must be repaid either on or before the date given to you when the loan is approved.
 - You will also be required to sign a form to confirm that the property/units will be maintained in a satisfactory condition until the loan is repaid. A copy of this form will be sent to you if you decide to apply for a loan.
 - A financial charge will be made on the property for the lifetime of the loan.
- More information about the conditions can be found in the loan information booklet, the No Use Empty website and from the No Use Empty team.

Q. Are the loans secured loans?

A. Yes. All loans approved must be secured by a financial charge being placed on the property. More information about how the loan will be secured can be found in the loan information booklet, or by contacting the No Use Empty Team.

Q. Will the district council where the property is situated also be involved in approving the loan?

A. Yes. The district council will be asked to confirm if the works/conversion will require planning permission or building regulation approval. If these are required we will need confirmation from them that planning permission and/or building regulation approval has been granted. We will also ask the district for more information on the following: -

How long the property has been empty.

What works are required to the property to achieve the decent homes standard.

How long the works/conversion are likely to take.

Any relevant information regarding persons applying for a loan.

Q. I am interested in applying for a loan, what do I do next?

A. You will need to complete an enquiry form. This will ask for: -

- Your name, address and contact details
- The address of the property for which you would like to apply for a loan
- A brief summary of the works to be undertaken
- The anticipated cost of the works
- How many units of accommodation the conversion/renovation works will provide on completion.
- If the property/units will be sold or made available for letting on completion of the works.
- How the loan will be repaid.

Enquiry forms can also be down loaded through the No Use Empty website

Q. What is the interest rate for the loan?

A. All loans under this scheme are interest free, subject to the loan conditions being complied with.

Q. When will I have to repay the loan?

A. This will depend on what you intend to do with the property on completion of the works.

- If you are renovating a single property, which is to be sold, the loan must be repaid when the property is sold or two years from the date of the loan approval, whichever is the sooner.
- If you are converting a property into a number of units, which are to be sold on completion of the works, it is expected that the loan must be repaid on sale of the first unit, or two years, whichever is the sooner. However we will endeavour to arrange a mutually agreeable repayment schedule.
- If the property/units are to be made available for letting the loan must be repaid within five years or by March 2011, whichever is the sooner.

All loans can be repaid earlier if the applicant wishes to do so.

Q. How do I get more information about the loan scheme?

All persons making an enquiry will receive a booklet, which explains in more detail the application procedure. The loan information booklet can also be down loaded from the No Use Empty website. Copies of the loan application form and all other documents that need completing by the applicant will be included with the loan information booklet, but can be downloaded from the No Use Empty website.