

CORNWALL COUNCIL Empty Property Loan Policy (Private Sector Housing Renewal Policy – Appendix B) – Amendments (Approved 22 March 2019)

Purpose of loan	Eligible properties and works	Eligible applicant	Level and amount of assistance	Repayment terms	Conditions
<p>To reduce the number of long-term empty properties by enabling their (re)use as residential accommodation; maximising opportunities to create additional residential units and a net gain in homes where possible and appropriate.</p> <p>For the purposes of this policy, a long-term empty property is defined as a property which has been vacant and unused for six months or more.</p>	<p>Eligible properties - Existing vacant dwellings but also non-residential properties (including vacant or underused space) where planning permission exists for residential use.</p> <p>Eligible works - Renovation, conversion or redevelopment of long-term empty properties (including the demolition and rebuild of outworn properties) to facilitate their (re)use as residential accommodation.</p> <p>The Council has discretion to determine which applicants, properties, proposals and specific works are eligible for financial assistance through the loan scheme.</p> <p>Empty properties where a loan is already secured under this or previous Private Sector Housing Renewal policies will only be considered eligible for further financial assistance in exceptional circumstances.</p>	<p>Owners of long-term empty properties who are entitled to carry out proposed works.</p> <p>Applicants must:</p> <ul style="list-style-type: none"> • Have no outstanding debts to the Council; • Evidence any necessary planning permission and/or Building Regulation/ other consent/s for proposed works; • Evidence and maintain suitable and adequate insurance for the empty and/or other secured property; • Evidence a satisfactory business case for loan funding. 	<p>100% loan up to the following maximum amounts:</p> <ul style="list-style-type: none"> • For buildings comprising only a single self-contained dwelling unit: <ul style="list-style-type: none"> ➢ £60,000 • For other proposals (including conversion of building): <ul style="list-style-type: none"> ➢ £30,000 per self-contained dwelling unit; ➢ £210,000 per multi-unit proposal. 	<p>Loan repayable immediately on sale of the empty property (or other secured property) or within two years from the agreed date for completion of eligible works.</p> <p>Where the empty property is to be converted into separate self-contained units of residential accommodation and there is a disposal of one or more of the units, on each such disposal the applicant must repay the lesser amount between the gross sale proceeds and the amount of the loan outstanding. Outstanding loan amounts will be repayable on the sale of subsequent units or within two years from the date set for completion of eligible works as stated in the issued formal notice of approval.</p> <p>The Council will require full repayment of the outstanding loan and any associated fees upon breach of the loan conditions where the secured property is not:</p> <ul style="list-style-type: none"> • Covered by suitable and adequate buildings insurance; • Made available for sale within 12 weeks of the agreed date for completion of works to the empty property as stated on the issued formal notice of approval. 	<p>The Council will charge a fee to cover its costs of setting up the loan agreement, with the option to either pay up front or deduct from the agreed loan amount.</p> <p>The Council will require to be satisfied that there is sufficient equity in the existing value of the empty property (and/or other secured property) to ensure that the Council's loan funding is secure.</p> <p>Loan to be secured via the Land Registry as either:</p> <ul style="list-style-type: none"> • First legal charge on the title for the empty property (and/or other suitable property); or • Second legal charge where the relevant property is subject to a mortgage/other existing charges. <p>The Council will charge interest on the loan at a rate determined by its Treasury Management Policy.</p> <p>Repayment conditions applied to a loan agreement will become null and void on full repayment of the outstanding loan and any associated fees, for example where the loan applicant secures additional funding against the improved property and repays the Council's loan prior to the sale of the property (for instance if the applicant has decided to occupy or let the property).</p>