

House Plots Discussion Paper – March 2013

Summary

Prior to purchase of West Harris the Trust identified 6 house plots to be sold at discounted prices to people who would live permanently in the area. After some time 5 of these plots were allocated to potential builders. There had been little interest in 6th plot at Sgarasta Mhor so it was agreed to sell this to an older couple at a higher price, but with residency conditions attached.

The plots at Luskentyre have proved more difficult to develop than expected. Originally it was intended that the purchasers would pay for water installation and moving of electricity poles after purchase but the Trust is now looking at paying up front to provide the water supply. Meanwhile, the potential purchasers of plot 2 have withdrawn due to purchase of another property.

A planning decision will be taken on Tues 19th regarding the Trust's Rubha Romagaidh development which is intended to make another 2 plots available. There are 7 applications/expressions of interest on file for house plots, the majority of whom would not have been offered a plot in the original allocation exercise due to having no children/grown up children.

In-principle decisions are required on re-offering the Luskentyre plot and on the marketing of the 2 Rubha Romagaidh plots.

Current Plot Status

Luskentyre

Plot 1 – The couple allocated this plot are having difficulty financing a build and may withdraw.

Plot 2 – Vacant following the withdrawal of the couple allocated the plot

Plot 3 – The couple allocated this plot are returning within the next 2 months and wish to progress to build as soon as possible

Horgabost

Both purchasers are intending to build in 2014.

Sgarasta Mhor

The couple allocated this plot recently expressed concern that their budget might not be sufficient but are currently looking at options for reducing development costs which could include moving the plot slightly. A site meeting will take place with the couple on the 19th and an update given at the board meeting.

Luskentyre Water & Power

Duncan MacKay & Sons priced 3 different options for supplying water to the 3 plots varying from £15-21,000. (The plots were offered at £15k each, rather than £17.5k for Horgabost because of the need to install water) Following a survey by MacIver Consultancy MacKay's are re-pricing for a slightly different solution. Once this is received MacIver's will check that the Trust is happy with the proposed cost before submitting the proposed scheme to Scottish Water.

The purchaser of plot 2 has approached SSE regarding the cost of redirecting the power lines to behind the sites.

Points for decision/discussion

1. What is the maximum price the Trust would be happy with to provide water to the plots?
2. If the Trust pays to install water what should be the revised cost of plots 1&3?
3. Does the Trust wish to assist with the cost of moving the power lines?
4. Does the Trust wish to re-offer plot 2 now or wait until water is installed? On what terms should plot 2 be offered?

Rubha Romagaidh

The masterplan for the site includes the provision of 2 plots for self-build. It is likely that these will be approved without conditions because of the provision of 6 affordable house units elsewhere on site. This therefore leaves it open to the directors to decide whether or not to offer the plots at discounted rates and with permanent residency conditions.

The rationale for opting to sell 1 or both plots without conditions would be that the Trust could use the capital gained to invest in other projects; specifically housing ones e.g. the money from the sale of the 2 plots could be used to match government grant and mortgage funds to build 2 units for rent. An in-principle decision to sell on this basis would still enable the Trust to screen potential purchasers. Clients could come from those who have already contacted the Trust and those known to architects.

Points for decision/discussion

5. Is the Trust willing, in principle, to sell one or both plots to those who would not qualify for a discounted plot?

UK Residency & Plot Sales

A couple who do not currently have UK residency status have expressed keen interest in moving to Harris to live and bring up their family. However it appears that they may be eligible for a work visa under the Tier 1 Highly Skilled Migrant category. They are keen to build a house and are therefore interested in a discounted plot. It appears that they are very much the kind of family that the Trust would like to attract to the area.

In this kind of situation there is the danger that the Trust could offer to sell/sell a plot to the couple in question only for them to be forced to leave the country at a later date when their visa runs out.

Point for decision/discussion

6. What conditions should the Trust place on potential purchasers who at the time of applying do not have a permanent right to remain in the UK?