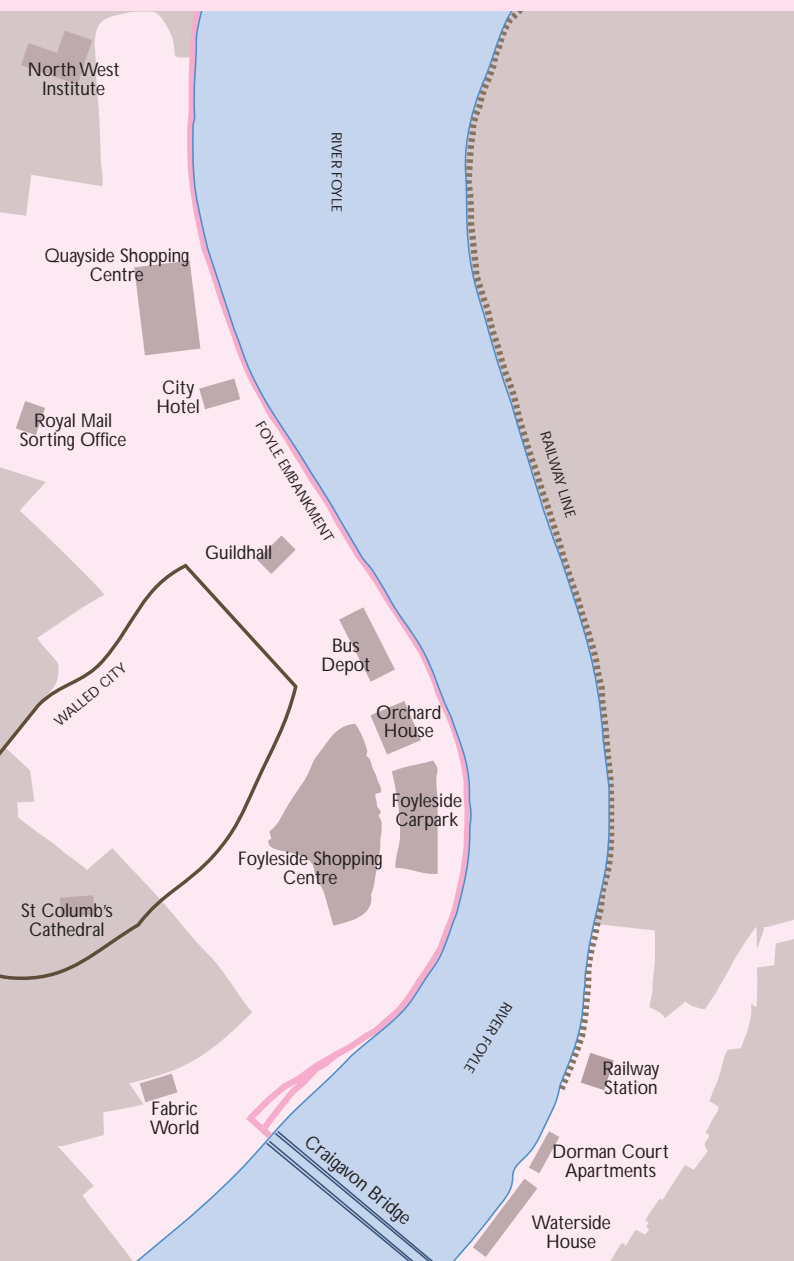


Living over the shop

How can I progress a LOTS project?

The main steps in progressing a LOTS project are:-

- a check if your property is within the LOTS area.
- b establish overall technical feasibility
- c evaluate broad costs, grants, rental returns and financial viability
- d prepare proposals
- e apply for all appropriate grants such as NIHE, UDG, THI
- f apply for all relevant approvals such as Planning Permission, Building Control, Listed Building Consent
- g receive all appropriate approvals
- h commence scheme



A small team has been set up to provide user-friendly advice and assistance in the progressing of LOTS schemes. This advice will range across technical, grant, heritage and planning issues, including details of various criteria and conditions, although all developers should seek advice from their own professional advisors.

For further information please contact the team at:-

**Northern Ireland Housing Executive
Grants Office,
Richmond Chambers,
The Diamond, L'derry,
BT48 6QP - Tel: (028) 7137 2000**

**N.W. Development Office,
Orchard House,
Foyle Street, L'derry - Tel: (028) 7131 9900**

**Walled City Partnership,
The Workhouse,
23 Glendermott Rd,
Waterside,
BT47 6BG - Tel: (028) 7134 5400**

This document is available in alternative formats.
Please contact the Housing Executive Grants Office.

www.nihe.gov.uk
August 2003

**Housing
Executive**





THE LOTS SCHEME

- Offers significant private sector investment opportunities
- Provides substantial grants and tax breaks (subject to criteria)
- Seeks to bring housing back to the City Centre
- Is set within broader strategies for the regeneration of the City Centre which will:-
 - provide clarity and direction for investors
 - provide user-friendly advice for **LOTS** schemes

LOTS is part of the recent drive for City Centre Living and is a key element of the City Vision 2020 strategy objectives.

The City Centre has a rich heritage value which is recognised by designation of its core as a Conservation Area. By breathing life into the upper floors the **LOTS** scheme can play a vital role in the long term conservation of this historic fabric. Additional grant aid may be available under THI and advice is also available on how to process applications to the best overall benefit.

FINANCIAL ASSISTANCE

The main sources of assistance are:

- 1. HOUSING EXECUTIVE GRANTS**
 - for vacant or under-used space which has the potential to be converted to create flats
 - also for the renovation of existing **LOTS** properties, if they are in poor condition
 - an 80% grant of eligible expense is available, up to a maximum of £25k for 1 flat and up to £30k if more than 1 flat is created.
- 2. THI GRANTS (Townscape Heritage Initiative)**
 - to upgrade the property with particular attention to the heritage related elements of buildings. These relate to specific addresses. Advice is available from The Walled City Partnership.
- 3. 100% CAPITAL ALLOWANCES (Finance Act 2001)**
 - tax relief on capital expenditure for renovation or conversion of vacant or under-used space to provide flats for rental.
 - through the scheme it may be possible to 'save' up to 40% of net costs, as tax relief.
- 4. VAT**
 - reduced rate VAT may be applicable. Please see HM Custom and Excise Notice 708 (sections 7 and 8).

WHAT IS THE LOTS SCHEME ABOUT?

The project is targeted at the Commercial Core, as defined in the Derry Area Plan 2011, where there is now an opportunity to provide housing in vacant or under-used upper floors above shops and other commercial premises. Generous financial assistance is available for LOTS schemes.

Properties likely to benefit should have the following characteristics:-

- be currently vacant or have under-used space on the first and / or second floors, sufficient to provide at least one self contained flat.
- have or could have separate access.

Private renting, particularly for the affordable market, is the main focus for the project.

THE BIGGER PICTURE

In promoting more residential uses, **LOTS** also contributes to the city's regeneration by providing greater vitality in the streets (especially at night), safer environments (through improved supervision), increased custom for local shops and services, a more positive image (through a reduction in vacancy and dereliction) and the enhanced protection of the city's heritage.

Financial case studies have been prepared for two typical properties. These case studies demonstrate that it may be possible to recoup capital costs within 6-10 years.

MIXED USE SCHEMES

The Department for Social Development's **Urban Development Grant (UDG)** may be available for a balanced, mixed-use scheme to upgrade the shop below and renovate or create flats above, as long as a reasonable

proportion of the overall scheme is for commercial purposes.

UDG grant aid may also be available for new-build, mixed-use schemes on 'brownfield' gap sites, for the creation of new commercial uses on the ground floor with accommodation above.

