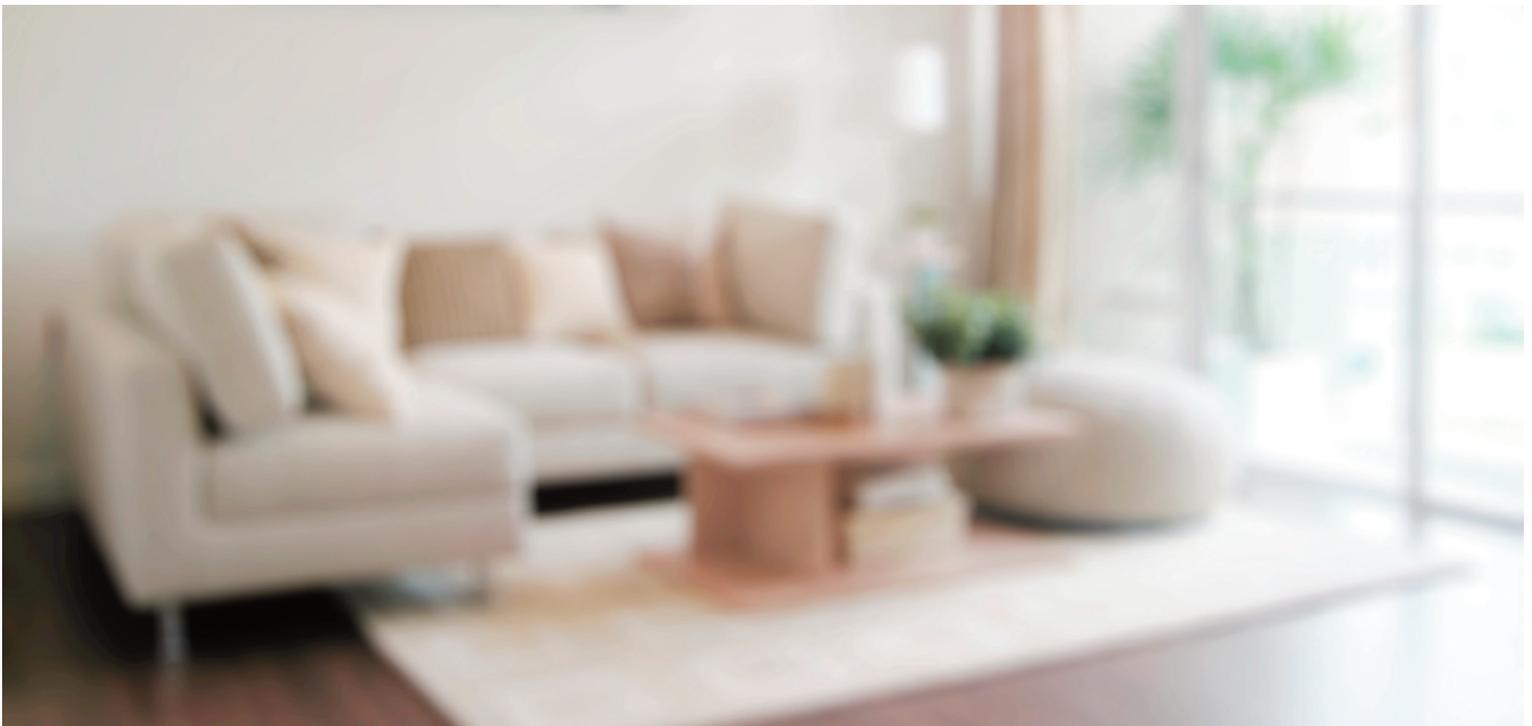


RIGS

RENTAL INCOME GUARANTEE SCHEME APPLICATION FORM

OCTOBER 2017



CONTENTS

GLOSSARY	3
GENERAL INFORMATION	5
SECTION ONE – MANDATORY REQUIREMENTS	6
SECTION TWO – APPLICANT INFORMATION	7
Part A: Applicant Details	7
Part B: Statement Relating to Good Standing	14
SECTION THREE - DEVELOPMENT INFORMATION	16
Part A: Development	16
Part B: Specifications	23
Part C: Annual Rental Income Forecast	27
Part D: Business Plan	28
SECTION FOUR – INSTRUCTIONS TO APPLICANTS	29

GLOSSARY

Applicant	means the developer or promoter of the RIGS Units in respect of which this Application Form has been submitted, and unless otherwise confirmed, that Applicant is taken to be the Beneficiary in terms of the Guarantee;
Application Templates	means the RIGS Excel Application Templates in the form available for download from www.rigs.rent from time to time;
Core Rent	means the annual all inclusive gross core rent which is forecast to be generated by the RIGS Units, as stated in the Applicant's completed Application Templates. Notes: <ol style="list-style-type: none">1. Core Rent is the minimum income the Applicant expects to generate from rents payable;2. For the avoidance of doubt, Core Rent is exclusive of any additional income which may be generated by optional extra services offered to tenants in exchange for fees which are in addition to Core Rent;3. Core Rent is stated after adjustment for forecast initial let-up void; ongoing void allowance; bad debt allowance and annual indexation;
Development	means the Applicant's proposed development on the Site, including the relevant RIGS Units;
EISR	means the Environmental Information (Scotland) Regulations 2004 together with any guidance and/or codes of practice issued by the Scottish Information Commissioner or relevant government department in relation to such legislation;
FOISA	means the Freedom of Information (Scotland) Act 2002 and any subordinate legislation made under such Act from time to time together with any guidance and/or codes of practice issued by the Scottish Information Commissioner or relevant government department in relation to such legislation;
Guarantee	means the rental income guarantee and indemnity in the form available for download from www.rigs.rent from time to time;
Information Note	means the RIGS information note in the form available for download from www.rigs.rent from time to time;
Local Authority	means the Local Authority within which the Site is located;
Mandatory Requirements	means the mandatory requirements set out in Section 1 of this Application Form;
Property Advisor	means the property advisor appointed by SFT and who has been assessed by SFT as holding the requisite skills and experience necessary to provide SFT with advice in connection with the assessment of completed Application Forms;

RIGS Documents	means the Guarantee, the Information Note and the Application Templates;
RIGS Risk Group	means the group comprised of senior SFT staff members not involved in the application process;
RIGS Units	means each unit in the Development which has been purpose built to be operated by (or on behalf of) the Applicant as long - term, professionally managed privately rented homes which are intended to generate the rental income for which a Guarantee is sought;
Site	means the site on which the Development will be situated;
SFT	means Scottish Futures Trust Limited, a company incorporated in Scotland with registered number SC381388; and
Target Commencement Date	means the date which is anticipated to be the Commencement Date in terms of the Guarantee.

GENERAL INFORMATION

1. Introduction

- 1.1 Scottish Government is keen to support the development of a "Build to Rent" sector across Scotland which will deliver purpose built, professionally managed and institutionally funded accommodation for private rent.
- 1.2 Following extensive market engagement, the Rental Income Guarantee Scheme ("RIGS") has been developed by Scottish Government as a key component of a wider set of measures and positive interventions designed to facilitate the growth of the Build to Rent sector in Scotland, and the delivery of the desired standard of accommodation for private rent.
- 1.3 In summary, during any year of the guarantee period, if the actual annual rental income generated by RIGS Units as a percentage of an agreed annual rental income forecast ("the ARIF") for that year is less than 95% but greater than or equal to 75%, Scottish Ministers will pay the Beneficiary an amount which is equal to 50% of the difference between (i) 95% of the ARIF for that year; and (ii) the actual annual rental income generated by the RIGS Units for that year. Alternatively, if the actual annual rental income as a percentage of the ARIF is less than 75%, Scottish Ministers will pay an amount which is equal to 10% of the ARIF for that year.
- 1.4 Full details of RIGS and the wider Build to Rent opportunity in Scotland can be found in "The Build to Rent Opportunity in Scotland" document available [here](#), and in the Information Note.
- 1.5 RIGS will be managed by SFT of behalf of Scottish Government. The Guarantee will be provided by Scottish Ministers.

2. RIGS Documents

Before completing and submitting this Application Form, Applicants should review the RIGS Documents to gain a full understanding of RIGS.

3. Evaluation Process

- 3.1 Applicants should send their completed Application Form together with all supporting documentation to SFT by email to applications@rigs.rent.
- 3.2 Only Application Forms which SFT deem to (i) provide the information necessary to allow an assessment to be completed; and (ii) meet the Mandatory Requirements, will be assessed by SFT. Applicants who are currently unable to meet the Mandatory Requirements but who consider that they will be able to do so in the near future should contact SFT by email at info@rigs.rent to discuss their Development.
- 3.3 Completed Application Forms will be assessed by SFT taking into consideration all information provided in the Application Form and the advice of the Property Advisor who will also review the completed Application Form.
- 3.4 The final decision on whether a Guarantee will be offered to an Applicant, and the commercial terms of that Guarantee, will be made by either the RIGS Risk Group, or in certain circumstances, by Scottish Ministers. The decision will be based on SFT's recommendation following completion of the assessment process.

**SECTION ONE
MANDATORY REQUIREMENTS**

Please complete Mandatory Requirements compliance checklist:

Mandatory Requirements

	YES	NO
1. The Development is in Scotland.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. The Development includes at least 30 RIGS Units which are projected to be delivered on a single Target Commencement Date.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. The Applicant can demonstrate that it has, or will have prior to the Target Commencement Date, good and marketable title to the Site.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. The Site benefits from at least outline planning permission for the Development.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. The intended management and maintenance provider of the Development is (or will be prior to the Target Commencement Date) registered as a managing or letting agent with the relevant Local Authority under applicable legislation, an accredited letting agent with Landlord Accreditation Scotland or any replacement body, and complies with any applicable Letting Agent Code of Practice.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. The completed Application Templates (including financial model and sensitivity analysis) demonstrate the long-term financial viability of the RIGS Units.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7. The Applicant has reviewed the terms of the Guarantee and knows of no reason why it will be unable to comply with those terms.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**SECTION TWO
APPLICANT INFORMATION
PART A: APPLICANT DETAILS**

1 Applicant Summary

1.1 Registered company name, address and registration number of the Applicant (being the intended beneficiary of the Guarantee). If the Applicant is a different entity to the owner of the Site, please also provide the owner's details.

1.2 Address for all correspondence

1.3 Contact name

1.4 Contact position

1.5 Contact's landline telephone number

1.6 Contact's mobile number

1.7 Contact's e-mail address

1.8 Website address (if applicable)

1.9 Nature of Applicant (e.g. Plc, Partnership etc.)

1.10 Names of the Directors or Partners

1.11 If the Applicant is a company which is a subsidiary or holding company of another company, or a subsidiary of such holding company (as the terms "subsidiary" and "holding company" are defined in section 1159 of the Companies Act 2006), please give the name, address and company number of that company.

1.12 VAT Registration Number (or alternative EU registration number)

1.13 Registered company name, address and registration number of any construction sub-contractors (if any)

1.14 Details of outstanding Applicant approvals required before the Applicant could validly execute the Guarantee (including Board, partner and funder approval as appropriate).

2 Consortium Details

If the Applicant is a consortium please complete the following sections for all consortium members.

Note: where the Applicant is a consortium, a special purpose vehicle should be established for the purposes of holding the Beneficiary's interest in the Guarantee.

2.1 Name and address / registered company name, address and registration number.

2.2 Name and address / registered company name, address and registration number.

2.3 Name and address / registered company name, address and registration number.

3 Development Experience

Applicant to provide details of relevant experience of delivery of developments of similar type and scale to the Development.

Note: responses should be with reference to relevant developments completed over the past 5 years (maximum 400 words), which may take the form of three case studies (maximum 200 words each).

4 Management and Maintenance Arrangements

Provide details of the intended management and maintenance provider for the Development and their respective experience. Where the Applicant intends that the services will be delivered by more than one entity, details should be provided for all entities involved.

Note: responses to questions 4.2 and 4.3 should be with reference to relevant services provided over the past 3 years (maximum 400 words), which may take the form of three case studies (maximum 200 words each).

4.1 Registered company name, address and registration number.

4.2 Experience of undertaking residential property management function (letting or marketing and management of residential tenancies).

4.3 Experience of both internal and external repairs and maintenance functions.

4.4 Providers of management and maintenance services are required to be registered as a managing or letting agent with the relevant Local Authority under applicable legislation, be an accredited letting agent with Landlord Accreditation Scotland or any replacement body, and comply with any applicable Letting Agent Code of Practice.

Please provide details of the intended provider's relevant registration and accreditation and evidence of compliance with the Letting Agent Code of Practice (maximum of 200 words).

5 Finance Approach

Please provide details of the project finance arrangements for the Development including details of funders / investors and the status of funding approvals.

6 Guarantee Term

Please select the guarantee term requested:



3 years



5 years

**PART B: STATEMENT RELATING
TO GOOD STANDING**

This Part B must be submitted by:

- **the Applicant;**
- **and**
- **if the Applicant is a consortium, the lead consortium member and all other consortium members.**

PROJECT TITLE: RENTAL INCOME GUARANTEE SCHEME

We confirm that, to the best of our knowledge, the Applicant or its directors or any other person who has powers of representation, decision or control of the named organisation has not been convicted of any of the following offences:

- (a) the common law offence of conspiracy where that conspiracy relates to participation in a criminal organisation as defined in Article 2(1) of Council Joint Action 98/733/JHA or an offence under sections 28 or 30 of the Criminal Justice and Licensing (Scotland) Act 2010;
- (b) corruption within the meaning of section 1 of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption as defined in Article 3 of the Council Act of 26th May 1997 and Article 3(1) of the Council Joint Action 98/742/JHA;
- (c) bribery or corruption within the meaning of sections 68 and 69 of the Criminal Justice (Scotland) Act 2003 where the offence relates to active corruption, or bribery within the meaning of sections 1 or 6 of the Bribery Act 2010;
- (d) the common law offence of incitement to commit a crime;
- (e) fraud, where the offence relates to fraud affecting the financial interests of the European Communities as defined by Article 1 of the Convention relating to the protection of the financial interests of the European Union, within the meaning of:
 - (i) the offence of cheating the Revenue;
 - (ii) the common law offence of fraud;
 - (iii) the common law offence of theft or fraud;
 - (iv) fraudulent trading within the meaning of section 458 of the Companies Act 1985 or section 993 of the Companies Act 2006;
 - (v) defrauding the Customs within the meaning of the Customs and Excise Management Act 1979 and the Value Added Tax Act 1994;
 - (vi) an offence in connection with taxation in the European Community within the meaning of section 71 of the Criminal Justice Act 1993;
 - (vii) the common law offence of uttering; or
 - (viii) the criminal offence at common law of attempting to pervert the course of justice;
- (f) money laundering within the meaning of the Money Laundering Regulations 2003; or
- (g) any other offence within the meaning of Article 45(1) of the Public Sector Directive (Directive 2004/18) as defined by the national law of any relevant state.

We also confirm that the Applicant:

- (a) being an individual is not bankrupt or has not had a receiving order or administration order or bankruptcy restrictions order made against that individual or has not made any composition or arrangement with or for the benefit of creditors or has not made any conveyance or assignment for the benefit of creditors or does not appear unable to pay, or does not have no reasonable prospect of being able to pay, a debt within the meaning of section 268 of the Insolvency Act 1986, or article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has not granted a trust deed for creditors or become otherwise apparently insolvent, or is not the subject of a petition presented for sequestration of that individual's estate, or is not the subject of any similar procedure under the law of any other state;
- (b) being a partnership constituted under Scots law has not granted a trust deed or become otherwise apparently insolvent, or is not the subject of a petition presented for sequestration of its estate;
- (c) being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002 has not passed a resolution or is not the subject of an order by the court for the company's winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, or has not had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company's business or any part thereof or is not the subject of the above procedures or is not the subject of similar procedures under the law of any other state;
- (d) has not been convicted of a criminal offence relating to the conduct of that economic operator's business or profession;
- (e) has not committed an act of grave misconduct in the course of that economic operator's business or profession;
- (f) has fulfilled obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the relevant State in which the economic operator is established;
- (g) has fulfilled obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which the economic operator is established;
- (h) is not guilty of serious misrepresentation in providing any information required of that economic operator under this regulation; and
- (i) in relation to procedures for the award of a public services contract, is licensed in the relevant State in which the economic operator is established or is a member of an organisation in that relevant State when the law of that relevant State prohibits the provision of the services to be provided under the contract by a person who is not so licensed or who is not such a member.

Signature:

Name:

Position:

Date:

**SECTION THREE
DEVELOPMENT INFORMATION
PART A: DEVELOPMENT**

1 Development Proposal

The Development Proposal must not exceed 1,000 words (excluding plans).

1.1 How many RIGS Units are in the Development?

Note: the rental income to be guaranteed must be generated by a minimum of 30 RIGS Units.

1.2 How many Guarantees does the Applicant require?

Note: if a Guarantee is requested for rental income to be generated by units with different Target Commencement Dates, these can be grouped into phases, provided that each phase includes at least 30 RIGS Units which have the same Target Commencement Date. A separate Guarantee will be granted for each phase, subject to each phase being assessed independently of the other relevant phases by SFT, and thereafter approved by SFT or the Scottish Ministers, as appropriate.

1.3 How many residential units are included in the Development?

Note: this is the total number of units to be developed on the Site, including the RIGS Units and any other residential units.

1.4 How many of the units in the Development are intended for the private rental sector, but are not RIGS Units?

1.5 How many of the units in the Development are intended for private sale?

1.6 How many of the units in the Development are intended to be Affordable Housing?

1.7 If any of the units in the Development are intended to be Affordable Housing please provide details of the nature of the Affordable Housing (i.e. are the relevant units being developed for social or mid – market rent housing, as sheltered or retirement housing, as affordable or low cost homes for home ownership, or any other affordable tenure).

1.8 If any of the units in the Development are intended to be Affordable Housing, provide details of the ultimate Registered Social Landlord owner(s).

1.9 If any of the units in the Development are intended to be Affordable Housing, what is the intended completion date of the Affordable Housing?

1.10 How many of the units in the Development are intended to be student accommodation?

1.11 If any of the units in the Development are intended to be student accommodation, provide details of the intended operator.

1.12 If any of the units are intended to be for student accommodation, what is the intended completion date of the student accommodation?

1.13 If the Development includes any non – residential elements, provide details of the nature of these, i.e. whether there is an element of retail, leisure, etc.

1.14 If the Development includes any non-residential elements, provide details of the intended operator(s) of these, including the details of any retail and / or leisure pre-let or development agreements.

1.15 What is the intended completion date of the non-residential elements?

1.16 Provide any other relevant information about the Development.

Note: This should include any additional detail which has been a relevant consideration in the forecasting of the Core Rent.

2 Development Detail

2.1 Provide a copy of the Development project programme.

Please identify the relevant document here.

2.2 Has full planning permission for the Development been granted? If not, what is the status of the application and anticipated date of completion?

2.3 If, as a condition of the grant of full planning permission a Section 75 Agreement is required, provide details of the status of negotiations with the Local Authority and the anticipated date of completion.

2.4 Has a building warrant for the Development been granted? If not, what is the status of the application and anticipated date of completion?

2.5 Have all necessary utilities and other statutory consents (if any) been granted? If not, what is the status and anticipated date of completion?

2.6 Has a construction contract been signed? If not, which is the status of negotiations and the anticipated date of completion?

2.7 What is the intended commencement date of construction on the Site?

2.8 What is the projected date for delivery of habitation certificates for all RIGS Units?

2.9 Confirm the projected date of practical completion and handover of the RIGS Units.

3 Site and Development Conditions

- 3.1 Confirm the nature of the Applicant's interest in the Site, i.e. whether it holds a heritable (ownership) interest or a long leasehold interest.

- 3.2 Provide details of any specific conditions relevant to the Site, including any abnormal ground conditions, environmental conditions, construction complexities and / or planning conditions.

- 3.3 Provide details of any other dependencies such as third party funding approvals, shared on or off Site infrastructure subject to third party approvals/control, and / or additional elements required as a prerequisite to commencement of works on Site.

4 Plans

- 4.1 Provide a plan of the Development identifying all residential units, non - residential elements, common areas etc., and highlighting the location of the RIGS Units.

Please identify the relevant document here.

- 4.2 Provide a location plan showing the completed Development in its surrounding locale.

Please identify the relevant document here.

- 4.3 Where a Development is to be delivered in phases, provide Site layout plans identifying each phase separately, and identifying the RIGS Units in each phase and any common features or services delivered with each phase which will benefit the whole Development.

Please identify the relevant document here.

- 4.4 Provide floor plans for each of the proposed RIGS Unit types.

Please identify the relevant document here.

**PART B: CONSTRUCTION METHOD
AND SPECIFICATIONS**

1. Construction Method

Applicants must provide a summary of the intended Development construction method here.

2. Development Specification

Applicants must complete the following table specifying key components included in the Development building specification. Any additional elements an Applicant considers necessary may also be included.

Note: Applicants may be asked to provide additional information requested by the Property Advisor.

Building Element	Applicant's Specification (including materials to be used)
Roof	
Frame & Upper Floors	
External Walls	
Internal Walls & Partitions	
Windows	
External Doors	
Internal Doors	
Ironmongery	
Stairs, Lifts and Circulation Areas	
Internal Wall Finishes	
Floor Finishes	
Ceiling Finishes	
Curtains / Blinds	
Painting & Decoration	
Kitchen Fittings	
Kitchen Appliances	

Bathroom Fittings & Appliances

Water Installations

Heating Source

Space Heating

Extract Ventilation

Electrical Installations

Stair & Common

Area Lighting

Dwelling Lighting

Power Installations

Entry Systems

Gas Installations

Fire Detection Installations

Television Installations

Telephone and Broadband
Installations

Lighting of External Walkways

External Works
(e.g. bin-stores, bike stands etc.)

Other Features

**PART C: ANNUAL RENTAL
INCOME FORECAST**

1 Annual Rental Income Forecast

1.1 Provide a completed set of Application Templates.

Note: Application Templates are available [here](#). When completed, the Application Templates should detail the Core Rent for the RIGS Units on a unit by unit basis over the intended period of the Guarantee.

Please identify the relevant document here.

1.2 Provide a rental income valuation report in support of the Core Rent.

Note: this should include analysis of the local housing market conditions, the location of the Site, the Development (including any unique features or existing facilities or services), the immediate local amenities, local services and transport links, and any other relevant considerations.

Please identify the relevant documents here.

PART D: BUSINESS PLAN

1 Financial Viability

Provide a development appraisal and a financial model demonstrating the financial viability of the RIGS Units.

Note: the development appraisal should include development costs including fees, contingencies and finance, against gross revenue income less revenue costs over the long term with a more detailed analysis, including appropriate sensitivity analysis, covering the intended guarantee period. The sensitivity analysis should identify and test the Core Rent / net operating income required to achieve breakeven, target margin and to meet any funder cash cover requirements.

Please identify the relevant document here.

2 Business Plan

Provide a business plan detailing the Development marketing and letting strategy (for both the let-up period and subsequently), operational performance forecasts and the proposed approach to management and maintenance.

Note: it is assumed that where the Development includes RIGS Units and units which are intended for the private rental sector but which are not RIGS Units, the business plan will be equally relevant to both. Where this is not the case for any reason, this should be highlighted and any intended variance explained. The business plan should include as a minimum the following:

- description of the target tenant group;
- details of any optional services not provided in exchange for payment of Core Rent, together with details of applicable charges payable in addition to Core Rent;
- description of how proposed rent levels and growth assumptions have been determined;
- intended marketing approach, including any intended tenant incentives;
- intended method of rent collection;
- intended approach for dealing with rent arrears;
- intended approach for dealing with void management;
- intended approach for carrying out repairs (planned and reactive maintenance); and
- intended life cycle maintenance approach.

Please identify the relevant document here.

SECTION FOUR INSTRUCTIONS TO APPLICANTS

1. General

Clarifications should be requested from SFT by emailing the RIGS mailbox: information@rigs.rent.

2. Timetable

Applications will be assessed in the order of submission and following the indicative timescales set out in the Information Note.

3. Confidentiality

- 3.1 All material issued in connection with RIGS shall remain the property of SFT and/or Scottish Government.
- 3.2 SFT and Scottish Government may disclose detailed information relating to RIGS to its officers, employees, agents or advisers (including the Property Advisor) and Scottish Ministers. SFT and Scottish Government may also make completed Application Forms and Guarantees available for private inspection by its or their officers, employees, agents or advisers and to Scottish Ministers.

4. Freedom of Information

- 4.1 In accordance with the obligations and duties placed upon public authorities by FOISA and the EISR, SFT and Scottish Government, acting in accordance with Scottish Ministers' Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of FOISA or the EISR may be required to disclose information submitted by the Applicant.
- 4.2 In respect of any information submitted by an Applicant that it considers to be commercially sensitive the Applicant should:
 - 4.2.1 clearly identify such information as commercially sensitive;
 - 4.2.2 explain the potential implications of disclosure of such information; and
 - 4.2.3 provide an estimate of the period of time during which the Applicant believes that such information will remain commercially sensitive.
- 4.3 Where an Applicant identifies information as commercially sensitive, SFT and Scottish Government will endeavour to maintain confidentiality. Applicants should note, however, that, even where information is identified as commercially sensitive, SFT and Scottish Government may be required to disclose such information in accordance with FOISA or EISR. SFT and/or Scottish Government are required to form an independent judgment concerning whether the information is exempt from disclosure under the FOISA or the EISR and whether the public interest favours disclosure or not. SFT and Scottish Government cannot guarantee that any information marked 'confidential' or 'commercially sensitive' will not be disclosed.

5. Acceptance of Terms of the Guarantee

The Applicant in submitting its completed Application Form undertakes to execute the Guarantee in the form provided or in such amended form as may subsequently be agreed within 14 days of being called upon to do so.

6. Disclaimers

- 6.1 Whilst the information in this Application Form and the Information Note has been prepared in good faith, it does not purport to be comprehensive nor has it been independently verified.
- 6.2 Neither SFT, Scottish Ministers nor their advisors, nor their respective directors, officers, members, partners, employees, other staff or agents:
 - 6.2.1 make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of this Application Form or the Information Note; or
 - 6.2.2 accept any responsibility for the information contained in this Application Form or the Information Note or for the fairness, accuracy or completeness of that information nor shall any of them be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.
- 6.3 Any persons considering making a decision to enter into contractual relationships with SFT and/or Scottish Ministers following receipt of this Application Form should make their own investigations and their own independent assessment of SFT and/or Scottish Ministers and its requirements and should seek their own professional advice (including financial and legal advice). For the avoidance of doubt the provision of clarification or further information in relation to this Application Form or any other associated documents is only authorised to be provided following a query made in accordance with paragraph 1.