

CORNWALL
HOUSING

Right to buy

Information to tenants on the Right to Buy



www.cornwallhousing.org.uk
Tel: 0300 1234 161

Right to Buy

Cornwall Housing Ltd (CHL) is committed to providing quality services and putting the customer first. This guide sets out information, which must be provided to secure tenants regarding the Right to Buy (RTB). Please be aware this information may change, so look out for updates nationally and locally.

What does this Guide do?

The guide is to tell you about the Right to Buy (RTB) process and things you should consider when deciding on becoming a home owner. We can give you information and go through an application with you.

This is free. If you use a company to help you with your application they may charge you. Please take the time to read this information carefully.

Circumstances where the Right to Buy can and cannot be exercised

There are rules which cover whether the RTB can or cannot be applied for. If you have a query contact us and we will try to help you.

- If you are a secure tenant you may have the Right to Buy.
- If you are a secure tenant, with at least five years public sector tenancy, you may have the Right to Buy.
- Your home must be your only or principal home and it must be self-contained.
- You cannot buy your home if you are an undisclosed bankrupt, have a bankruptcy petition pending against you or have made arrangements with creditors and you still owe them money.
- You cannot buy if you have a possession order from the Court which says you are to leave the property you are renting from us.

Exceptions to the RTB

Not all properties and tenancies are eligible for the RTB and therefore there are exceptions to the RTB. If you apply we will let you know within 28 days if you can or cannot buy. The exceptions that may stop you buying under the RTB are detailed at the end of this leaflet. Should we deny you the RTB on one of these grounds you may be able to appeal, so we will be very clear about why we may not give you the RTB.

Please see list of exceptions on page 9 & 10.

Procedures for claiming the RTB

If you wish to buy, contact us for a RTB application pack, which contains a number of leaflets, which may help you decide if you wish to buy. **These are all free.** You can discuss your application with us at any time and the information is also free. In summary the process is:

1. You contact us for some RTB details.
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2. We send you a RTB information pack.
↓
3. Once you have read the RTB information you contact us for an application form .
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4. We send you the application form and information.

5. You send the completed application form to us, (consider using recorded delivery or deliver by hand).
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6. We decide if you have the RTB or not.
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7. We send you the RTB2 form informing you of our decision, within 4 weeks of your application (or 8 weeks if we have to contact a previous public sector landlord).
↓
8. If you don't have the RTB we will tell you why but you can contact the Department for Communities and Local Government if you disagree.
↓
9. If we think you have the RTB we then send you an Offer Notice (section 125 Notice) within 8 weeks if you are buying a house or 12 weeks if you are buying a flat.
↓
10. You have 12 weeks to contact us to tell us what you wish to do now – continue, appeal the valuation (see the next section), or withdraw.
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11. If you don't tell us within 12 weeks, we will write to give you a final 28 days to tell us what you wish to do, after which your application will be closed.
↓

12. You should aim to let your landlord know as soon as you are ready to go ahead and buy. If we don't hear from you for a long time, you may get a warning notice. This will ask you to complete the purchase within 8 weeks or to write and tell us that you disagree with the terms of the sale.



13. If you have not completed after that we will send you a second warning notice, which after the end of the period we give you to complete, we can close your application.

You may withdraw at any time in the process, whether or not you have said yes initially, you can change your mind. However if your application is closed and you wish to buy again at a later date, you will need to complete a new application form and start again.

Price payable if you exercise your RTB

A valuer will calculate the valuation price. They will not include in the valuation price any improvements you have made which you have told us about in your application. You will not be charged for this valuation. You will be given this information in your **Offer Notice**. Should you disagree you may ask for the price to be re-determined by the district valuer.

Whatever price they decide upon will be the purchase price if you go on to complete – whether it is higher or lower than the original valuation but you can of course withdraw at any point in the process.

The valuation price will be reduced by your discount amount. Your discount is calculated on the time you have been a tenant.

Where you have 3 years qualifying period, your discount after 3 years is:

- Houses 35%, flats 50%, plus
- For every extra year as a tenant after that, you receive 1% for houses and 2% for flats, up to a maximum of 70% discount.

Please note that it does not matter what discount percentage is calculated, ***we cannot currently give you more than a £96,000 discount amount***, this information is subject to change, as set by the Government.

Please also note that if you have bought previously under the RTB, you may have your discount reduced. The purchase price is therefore the valuation less the discount, less any delay as described below. Please note that if we have spent more money on repairing and maintaining your home than the price of the valuation less discount price is, we can increase the purchase price to the amount which we have spent on your home. This is called the cost floor.

Delay Procedures

As there are timescales in the RTB process, if you think we are causing a delay, you can complete an **initial notice of delay** form. We may agree there is a delay or we may not. The delay must be described on the form and you must give us at least one month to resolve it, should we agree there is a delay.

If there is not a delay, or once we resolve your delay within the timescale, we will serve you a **counter notice**. If we don't send you a counter notice in the timescale allowed, you may then serve us with an **operative notice of delay**. This means the rent you pay from then on will be deducted from your purchase price at completion – **but you must continue to pay your rent until you complete your purchase**.

You may like to send all delay notices recorded delivery or ask for a receipt if you deliver these by hand.

Initial costs when you are buying

If you decide to go on to buy your home under the RTB, you may have a number of costs, which you will have to pay initially and then other costs which may be more regular. You should consider these carefully to ensure you can afford them. If you need help you may like to contact an Independent Financial Adviser.

Your initial costs may be:

- Valuation fees – your mortgage lender may charge you for arranging a valuation of your home as part of the mortgage arrangement. Your mortgage advisor should be able to tell you the exact fee you might have to pay **before you agree** a mortgage.
- Mortgage arrangement fee – your mortgage lender may charge you for arranging the mortgage and this may be several hundred pounds. Your mortgage advisor should be able to tell you the exact fee you might have to pay **before you agree** a mortgage.
- Survey fees – which is the cost of having a survey carried out on your home. There are different types of surveys and you may like to seek advice on which type you require as the cost and scope of these can vary greatly.

The RICS (Royal Institute of Chartered Surveyors) may be able to assist with more information on surveys. You should ensure you ask about the cost before you have someone go ahead with this.

- Legal fees – you should use a solicitor or conveyancer to help you with the legal issues of buying. The fees charged may vary greatly so please ensure you **ask about their costs before you agree** for them to work for you. There will also be additional fees for searches and registering you as the new owner.
- Stamp Duty – if your home is worth more than (currently) £125,000, you will pay a tax on the price of your home over £125,000. Some houses are within areas classified as disadvantaged areas and the stamp duty thresholds are slightly higher. The amounts payable are - **Disadvantaged Area:** £0 - £150,000 nothing to pay. Over £150,000 - £250,000 1%. **Non Disadvantaged Area:** £0 - £125,000 nothing to pay. Over £125,000 - £250,000 1%. The stamp duty is payable on the price which is paid (the discounted price).

First time buyers - £0 - £250,000 nothing to pay.

Please be aware these figures may change.

Regular costs you may have to pay

If you buy your home there may well be regular costs you have to pay. These may include costs for the following:

- Your mortgage payments and any mortgage payment protection costs you have agreed.
- Any life insurance or life assurance costs you have agreed.
- Building insurance and any contents insurance.
- Council tax.
- Water and sewerage charges.
- Utility services such as gas, oil, electricity and any others.
- All the costs of maintaining the interior of your home.
- The costs of management and maintenance described in more detail overleaf.

Please note that these costs may be in addition to any other living costs you may have. You may like to contact an Independent Financial Advisor about what you can afford.

Maintenance Costs

If you buy the freehold you will have to manage and maintain all of your property and you will have to pay the costs of any repairs and maintenance.

If you buy a lease, we generally maintain the structure and exterior of the building and the parts shared with other tenants. We may also provide the service such as electricity, cleaning and caretaking. We will insure the building. You will also have to pay a ground rent.

All of these costs will be charged through a service charge which you will have agreed to pay as part of the lease you bought under the RTB. We will also charge a management fee to manage your building.

We will have given you an estimate within your **Offer Notice** of the estimated cost we will charge you for managing and maintaining your building/estate. **Please note that these may go up.**

If you buy a lease, we will also have given you an estimate of the larger costs (major works, improvements and repairs), which we think will take place in the next 5 years and the amounts you may have to pay for those items. We cannot charge you more than the figures we estimated for those works (plus inflation) for the 5 years from completion, but after 5 years we may charge you your share of the cost of any works we undertake.

The risk of possession

If you do not keep up regular mortgage payments your home may be at risk of being repossessed. If at any time you have any problems with mortgage repayments we strongly suggest that you contact your mortgage lender as soon as possible to discuss the matter. Your mortgage lender should be able to provide you with details of what may happen and any assistance they may be able to give, when you are considering taking out a mortgage. Please take the time to consider your options before you agree a mortgage, as different lenders may offer different assistance packages and some none at all.

A Final Note

We are pleased to give you information and assistance but you may also like to talk to others you know who own their home or can give you advice such as the Citizen's Advice Bureau, before you buy.

Please take the time to think about any costs and differences which may arise after you become an owner and seek expert advice. The lists of possible costs we have provided is not intended to be complete and speaking to the people or organisations mentioned may raise other things you should consider before buying.

We hope this information has been of use and we are happy to receive your feedback on this or other services we provide, to ensure we shape our service and information around our customers' requirements.

Contact Details:

Cornwall Housing Ltd
Chy Trevail
Beacon Technology Park
Bodmin
Cornwall,
PL31 2FR

Exceptions to the RTB

- Homes suitable for occupation by the elderly;
- Homes due to be demolished;
- Sheltered housing for the elderly;
- Houses & flats on land which is to be developed on and which are being used as temporary housing;
- Tenancies of employees owned by their employers to be near work;
- Tenancies of employees whose home is inside the boundary of a school, social service home, another type of operational building or a cemetery;
- Tenancies of police forces where they are free from rent and rates;
- Tenancies of fire authority employees who live near the station where the home is provided by the employer;
- Temporary lets of homes let to employees above;
- Some houses let as part of a business or agricultural premises;
- Homes which the landlord has let from someone else and have to be given up empty when the owner wants them;
- Almshouses;

- Homes let by charitable social landlords, housing trusts or associations, certain Co-op associations, or other associations of social landlords which don't get public funds;
- Tenancies given to students for full-time courses at university or college;
- Tenancies of people moving into an area from another district to take up a job and given a temporary home while they look for permanent work;
- Tenancies for homeless people secured under s.193 of the Housing Act 1996;
- Tenancies of people who used to be squatters but now have a licence to occupy the home;
- Long term leases;
- Temporary lettings to people who were not secure tenants in previous homes which are being improved or repaired;
- Properties which are in National Parks, designated Areas of Outstanding Natural Beauty, or designated rural by the Secretary of State or Welsh Assembly for RTB purposes;
- Properties designated as defective under part 16 of the Housing Act 1985.

CORNWALL HOUSING

How to contact us

Our housing offices are located at:

Cornwall Housing Ltd
Chy Trewail
Beacon Technology Park
Bodmin
Cornwall,
PL31 2FR

You can also continue to access housing services via Cornwall Council's One Stop Shops.

You can ring us on **0300 1234 161**

You can email us at **info@cornwallhousing.org.uk**

Information about our services is available on our website **www.cornwallhousing.org.uk**



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If you would like this information in another format or language please contact us on the above telephone number or address.

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