

A guide to buying your council or housing association home

January 2011

Contents

| | |
|---|----|
| Part 1: 10 point summary | 2 |
| Part 2: Right to Buy – council tenants | 3 |
| Part 3: Right to Acquire – housing association tenants | 7 |
| Part 4: Social HomeBuy | 10 |
| Part 5: Glossary | 11 |

Part 1: 10 point summary

This guide can be used by residents of England, Wales, Scotland and Northern Ireland.

1. Decide which scheme is most appropriate for your needs:
 - i. [Right to Buy](#)
 - ii. [Right to Acquire](#)
 - iii. [Social HomeBuy](#)
2. Ensure your property can be sold under the scheme and that your individual circumstances allow you to apply
3. Unless you are paying for your property with a one-off payment, ensure you can arrange a mortgage and keep up with repayments
4. Ask your landlord ([definition](#)) to give you the application forms – these can also be found online for [Right to Buy](#) and [Right to Acquire](#). You'll need to talk to your local council for the Social HomeBuy scheme.
5. Fill in the application forms and send them to your landlord
6. Your landlord will tell you if you can buy your property and how much it is worth
7. If you disagree with the valuation you must arrange for a district valuer to value your home – their decision is final
8. You will then need to confirm if you wish to go ahead with the purchase
9. Once you've agreed to continue with the purchase you will need to arrange a survey and contact a solicitor
10. The sale then continues just like if you were buying your property on the open market

Please note: whilst [reallymoving.com](#) makes every effort to guarantee the accuracy of information contained within this document, it accepts no liability for any inaccuracies and visitors who rely on this information do so at their own risk.

Part 2: Right to Buy scheme guide

What is the Right to Buy scheme?

The Right to Buy scheme allows council house tenants to buy their home at a discount. If you rent your home from a Housing Association and want to buy your house you'll need to use the [Right to Acquire](#) scheme.

Who can apply for the scheme?

As of January 18th 2005 you must have been resident for at least five years in accommodation provided by:

- The council
- A local authority landlord
- The armed forces
- Other public sector bodies (a list is available on the application form)

You only need to have lived in your property for two years if:

- Your tenancy began or was agreed by or before January 18th 2005
- You were a tenant in accommodation provided by one of the above on January 18th 2005 and remained so until the start of your current tenancy

Tenancies taken out under the name of a current or former spouse may be considered in some cases.

Who can't apply for the scheme?

You can't buy through the scheme if:

- The property is not your main home
- The property is not self-contained e.g. it has a shared kitchen
- A court order says you must leave your home
- You are being declared bankrupt – if you have previously been made bankrupt you may still be accepted
- You owe money to creditors
- You are an 'undischarged bankrupt' i.e. you are unable to borrow money

What types of properties can be bought under the Right to Buy scheme?

Your landlord will tell you if your property can be sold through the Right to Buy scheme. If it can't, they must clearly explain why.

Your landlord may refuse to sell you the property if it:

- Is provided for specific purposes e.g. police houses
- Provides sheltered housing (homes that include a warden and common room for all residents) for older or disabled people
- Is owned by a charity that doesn't receive public funds
- Is rented to you so you can be closer to where you work
- Is rented to you so you can study full-time at university
- Is rented to you as a temporary home (less than three months)
- Is in the grounds of a public building e.g. a school
- Is on land that has been purchased for development

- Is let as part of a business, such as a flat above a shop
- Has been let from a private landlord

Properties for older people

A landlord doesn't have to sell you a property that is particularly suitable for older people or has been let to you by a person over 60 years of age.

A property may be suitable for older people if:

- It has easy access e.g. a lift
- All rooms are on one level
- There are no more than two bedrooms
- There is heating for at least a living room and one bedroom
- There is easy access to local shops and public transport

Demolition

You may not be accepted if your landlord has sent you a notice saying they are planning to knock down your home. This notice is called an 'initial demolition notice' and lasts for seven years. If your landlord sends a 'final demolition notice' any Right to Buy applications on your property will end. If a demolition notice is served after you have applied for the Right to Buy scheme, you have three months in which to claim compensation for any legal fees you've spent on buying your home.

Properties in the countryside

If you live in the countryside your landlord can set rules on who you can and can't sell your home to at a later date. They may, for example, say that you must sell your home to someone who has lived and worked in the area for at least five years. These rules can affect the success of your Right to Buy application if your home is in:

- An area of outstanding natural beauty
- A national park
- An area the Government says is rural (in the countryside) in relation to the Right to Buy scheme

Are there any times I shouldn't use the Right to Buy scheme?

If your home has been classified as a 'defective dwelling' you may not want to buy it. This means the property is badly built or requires a lot of maintenance work. If you buy a property classified as a 'defective dwelling' it can be hard to sell it later because buyers may find it hard to get a mortgage.

You may wish to get a survey done on your home so you know the main issues it faces and what maintenance work is required. Your landlord must tell you if your property has been classified as a 'defective dwelling' when you apply through the Right to Buy scheme.

What should I do if my landlord says I cannot buy my property?

You can only appeal against your landlord's decision if they've said your property cannot be sold because it is particularly suitable for elderly people.

You must appeal to the [Residential Property Tribunal](#) (RPT), an independent legal organisation that allows you to settle issues without going to court. If you live in Wales, your Right to Buy appeal will be handled by the Welsh Assembly.

Your appeal must be received by the RPT within 56 days of being rejected by your landlord. After this date you lose the right to appeal. You must fill in an appeal form which can be found [here](#).

Free advice is available from the [Citizen's Advice Bureau](#). A solicitor can also help you but they will charge you for their time.

What options do I have if I can't use the Right to Buy scheme?

Secured tenants or those with assured tenancy and a registered social landlord may be able to use the Right to Acquire scheme. You can find out if you are a secured tenant or have assured tenancy by looking at your tenancy agreement. The Right to Acquire scheme can only be used for properties built using public funds on or after 1 April 1997.

Social housing tenants may be able to use the Social HomeBuy scheme, which allows you to buy a share in your home if you can't afford to buy the home outright. You will receive a discount on any share you buy.

Can I share a Right to Buy application with other people?

Yes. 'Joint applications' can be made with a non-relative who shares your tenancy or with members of your family. They must have lived with you for the past 12 months.

Is a discount available on the price of my home?

Yes. If your application for the Right to Buy scheme is successful you will receive a discount on the market value of the property. The market value is the price your home would receive if it were sold on the open market. This discount is considered on an individual basis and is based on:

- How long you have been a tenant
- Where in the country you live
- The type of property you are buying i.e. a flat or house

If you have previously been offered financial help to help you buy your council home then the amount you were awarded may be taken off your new Right to Buy discount. This will depend on personal circumstances.

How do I raise the money to buy my home?

Unless you can buy your home in cash, which you may do after receiving an inheritance, you'll need to apply for a mortgage. Make sure you'll be able to keep up with monthly mortgage repayments in addition to other outgoings, such as council tax and electricity bills.

If you cannot meet the monthly repayments on your mortgage, your mortgage provider (generally your bank) can take you to court and take your home away from you. If this happens, the council does not have to find you another home because you will no longer be a tenant.

Will my Right to Buy application go through quickly?

In most cases buying your home through the Right to Buy scheme is quick and easy. However, certain things can delay the process, such as if you don't agree with your landlord's valuation: if this happens a district valuer will provide a final value after visiting the property. By law, there are deadlines that must be met when using the Right to Buy scheme. Please see [here](#) for more details or ask your landlord.

How do I apply and what happens next?

Applying for the Right to Buy scheme is very straightforward.

- Your landlord will send you an RTB1 application form which you must fill in and return
- You'll receive an RTB2 form from your landlord which tells you if your application has been successful and how much of a discount you will receive. You can appeal if you are unhappy with the response
- Within 12 weeks of you submitting the RTB1 form, your landlord will send you a Section 125 notice. This will tell you the description of your property, the amount you will need to pay for it, details of the service charge you will be required to pay over the next 5 years, information on any property defects, and terms and conditions that apply to the property being sold
- If you disagree with the valuation in the Section 125 notice you must appeal to the district valuer within three months of the notice being served. The district valuer's decision is absolutely final
- You then have 12 weeks to tell your landlord if you want to buy your home. Following this you can proceed as if buying any other property by arranging a survey and talking to a solicitor

What happens if I want to sell my home purchased through the Right to Buy scheme?

If you sell your property within ten years of buying it through the Right to Buy scheme, you must offer it to your original landlord. In many cases this will be the council, or another social landlord in the area.

You must offer your home at the full sale price, agreed between you and the landlord. If you can't agree on a price then a district valuer will say how much your home is worth and will set the price it must be sold for. This valuation is free.

You can sell your house on the open market if your original landlord does not buy it within eight weeks.

Are there any extra costs I'll have after I've bought my property?

Yes. Unless you pay for your property in cash you'll also have to pay monthly mortgage repayments. If you do not pay these you could lose your home. You may wish to take out insurance cover to ensure these will still be paid in the event of illness or job loss.

You'll also be liable to pay a 'service charge' if you buy a flat. If a lot of maintenance work is required on the property this charge can be expensive so it's important you have savings available.

Council tenants will generally pay one rent which includes council tax and water. If you buy your property you'll have to pay these costs separately. You'll need to get buildings insurance, to protect you in the case you cause damage to the property itself. You may also wish to get contents insurance to protect your belongings, if you don't have it already.

Will purchasing my property affect my housing benefit?

Generally speaking housing benefit will no longer be available once you have purchased your property. Income support may be available –you won't receive any money for the first 39 weeks after you submit your application.

Part 3: Right to Acquire scheme guide

What is the Right to Acquire scheme?

The Right to Acquire scheme allows you to buy your home at a discount if you rent it from a housing association – this differs from the [Right to Buy](#) scheme which is for those who rent their home from the council.

Who can apply for the scheme?

You can apply for the Right to Acquire scheme if you have been a public sector tenant for five years. This means that for five years you will have lived in properties provided by the council, a housing association, the armed forces, or other public sector landlords. You should contact your landlord to ask if you can apply for the scheme, or view a list of public sector landlords [online](#).

Who can't apply for the scheme?

You can't buy through the scheme if:

- You are being made bankrupt - if you have previously been made bankrupt you may still be accepted
- You rent your property through the council – you may be able to use the Right to Buy scheme
- A court has ordered you to leave your home

What properties can be bought through the scheme?

Your property must be let through a housing association or a housing company that is registered with the [Tenant Services Authority](#). The Tenant Services Authority regulates landlords who provide social housing.

To qualify for the scheme, your property must also:

- Have been built or bought by a housing association using public funds on or after April 1st 1997 or transferred to a housing association from a local council after April 1st 1997
- Self-contained (no shared rooms)
- Your only or main home

What properties can't be bought through the scheme?

Properties can't be bought under the Right to Acquire scheme if:

- They are provided to people aged 60+
- They are provided to disabled people or those with special needs
- They are provided as part of your job
- Your landlord has published an 'initial demolition notice' to knock down the property within seven years
- Your landlord has published a 'final demolition notice' to knock down the property within two years

There are other types of property that don't qualify for the scheme. Your landlord can provide you with more details.

What should I do if my landlord says I cannot buy my property?

If your landlord says you cannot purchase your property through the Right to Acquire scheme, they must tell you why. You can't appeal against their decision as the law says your landlord does not have to sell their property if they don't want to.

How do I apply for the scheme and what happens?

Ask your landlord for Right to Acquire application form RTA1 or download the [form](#) (PDF, 552k). Fill it in and send it to your landlord. Make sure you keep a copy for yourself.

After you've sent the form, your landlord will:

- Reply within four weeks telling you if your application has been accepted
- Reply within eight weeks if they need to check how long you've been a housing association tenant with a different landlord

If your application is successful, your landlord will give you the choice to buy your home or another empty property they own. This property may be in another area and so will attract a different discount. You do not have to accept a different property.

Your landlord will then send you an offer notice (RTA3) within eight weeks if your home is a house and you are buying it freehold, or twelve weeks if your home is a leasehold flat or maisonette.

Freehold properties, and the land they are built on, will be owned permanently by you if you go through with the purchase. Leasehold properties will be owned for a set amount of time, such as 100 years, but you will not own the land.

The offer notice (RTA3) will include:

- The value of your property and how your landlord has worked this out
- Your discount and how it has been decided
- A description of the property and any land included in the sale price
- Terms and conditions of the property sale
- Known problems with the structure of the property
- Estimates of 'service charges' that will need to be paid for the first five years – this charge is normally payable on flats and goes towards the upkeep of the building

If you disagree with the valuation given in the offer notice (RTA3) you must ask your landlord to ask the district valuer to make an independent valuation. The district valuer's decision is final.

You must reply to the offer notice within three months of receiving your offer notice, using the 'Tenant's Notice of Intention' sent by your landlord. If this is not done your landlord may serve a first notice (RTA5), which provides a reasonable time for you to complete your purchase. After this time the landlord can serve a final notice (RTA6). This again gives a reasonable period of time for you to complete your purchase, after which your landlord may assume you are no longer buying your home.

Will I receive a discount and how much will I get?

You will receive a discount on the price of your property of between £9000 and £16000. The amount you receive will depend on where in the country you live. You can find out what discount you will receive [here](#) (PDF, 89K). If you have previously received a discount to help you buy a home, this may be taken off the discount you receive in the Right to Acquire scheme.

What happens if I want to sell my home purchased through the Right to Acquire scheme?

You may be required to pay back some or all of the discount you received.

How do I raise the money to buy my home?

Unless you can buy your home in cash, for example if you've received an inheritance, you'll need to apply for a mortgage. Make sure you'll be able to keep up with monthly mortgage repayments in addition to other outgoings, such as council tax and electricity bills.

If you cannot meet the monthly repayments on your mortgage, your mortgage provider (generally your bank) can take you to court and take your home away from you. If this happens, the council does not have to find you another home because you will no longer be a tenant.

What options do I have if I can't use the Right to Acquire scheme?

If your property is provided by the council you may be able to apply for the Right to Buy scheme. Social housing tenants may be able to use the Social HomeBuy scheme, which allows you to buy a share in your home if you can't afford to buy the home outright through another scheme. You will receive a discount on any share you buy.

Are there any extra costs I'll have after I've bought my property?

Yes. Unless you pay for your property in cash you'll also have to pay monthly mortgage repayments. If you do not pay these you could lose your home. You may wish to take out insurance cover to ensure these will still be paid in the event of illness or if you find you cannot work.

You'll also be liable to pay a 'service charge' if you buy a flat. If a lot of maintenance work is required on the property this can be expensive so it's important you have savings available.

Council tenants will generally pay one rent which includes council tax and water. If you buy your property you'll have to pay these costs separately. You'll need to get buildings insurance, to protect you in the case you cause damage to the property itself. You may also wish to get contents insurance to protect your belongings, if you don't have it already.

Part 4: Social HomeBuy scheme guide

What is the Social HomeBuy scheme?

The Social HomeBuy scheme allows tenants in social housing to buy a share in their home. It gives people the chance to own a part of their home when they cannot afford to buy the entire home through the [Right to Buy](#) or [Right to Acquire](#) schemes. You will receive a discount when you buy a share of your home.

Who can apply for the scheme?

You qualify for the Social HomeBuy scheme if:

- You are a 'secure' or 'assured' council or housing association tenant – you can find out what tenancy you've got by looking at your tenancy agreement
- Your landlord is taking part in the scheme
- You live in a property that qualifies for the scheme
- You have been a social tenant for at least five years – these do not have to be one after another and can include all tenancies with public sector landlords including councils, housing associations and public bodies such as the NHS

Who can't apply for the scheme?

You cannot apply for the scheme if:

- You have an 'assured shorthold' tenancy which is also known as a 'starter tenancy'
- You are being made bankrupt - if you have previously been made bankrupt you may still be accepted
- You have been ordered by a court to leave your home
- You are facing legal action for anti-social behaviour, breaking your tenancy agreement or for rent owed that has not been paid

How do I apply for the scheme and what happens?

Applications for the Social HomeBuy scheme must be sent directly to your landlord. Contact your landlord, which will be either your local council or your housing association, and ask for the application form. Your landlord will take a look at your income, spending, and any debts you may have and will then tell you how much of a share you can afford, which will also take into account your discount.

What options do I have if I cannot use the Social HomeBuy scheme?

If you have the money to buy your home then you can apply for the Right to Buy or the Right to Acquire schemes. If your property is provided by the council you'll need the Right to Buy scheme. Tenants who have their properties provided by a housing association should use the Right to Acquire scheme.

Part 5: Glossary

Definitions in this glossary have been provided to help readers better understand the information provided in the document as a whole. They are in no way exclusive or all-encompassing.

Assured shorthold tenancy – assured shorthold tenants are given limited protection. Their landlord has the right to terminate the tenancy with a 'section 21' notice which can be served at any time, and results in a minimum notice period of two months

Assured tenants – assured tenants may not be evicted without a reason and their rent will often fall under the supervision of a Rent Assessment Commitment. This protects them in the event of a dispute

Citizens Advice Bureau – a nationwide charity providing advice to citizens on a wide range of issues including finance and housing

Defective dwelling – homes classified as 'defective dwellings' may be badly built or in need of extensive repairs

District valuer – a representative of HM Revenue & Customs that has the final say on the valuation of a property being purchased in the event of a dispute between landlord and tenant

Landlord – the person from whom you rent your property, generally a Housing Association or the Council. Private landlords are not eligible for the Right to Buy, Right to Acquire and Social HomeBuy schemes

Residential Property Tribunal – an independent body that settles disputes between landlord and tenant

Secured tenant – secure tenants have the right to stay in the property they let as long as they keep to the tenancy conditions agreed with the landlord. They can't be removed unless ordered by a court of law

Service charge – if you buy your council flat you may be required to pay a yearly service charge which goes towards the upkeep of the building

Starter tenancy – *see assured shorthold tenancy*

Tenancy – refers to the contract between tenant and landlord

Tenant – the person or persons living in a property provided by the Council or Housing Association

Tenant Services Authority - regulates landlords who provide social housing