

SECURE RIGHT TO BUY ("RTB") INFORMATION NOTE

We are a charitable housing association and you do not have the statutory right to buy. However, if the conditions set out below apply to you then you will be able to exercise a right to buy as if the statutory right to buy applied to you. This is because when we became a charitable housing association we put in place a Voluntary Sales Policy to protect your rights. Where in this note we refer to the right to buy ("RTB") we are referring to the RTB as a voluntary sale under that policy.

This information is produced to satisfy the requirements of the Housing (Right to Buy) (Information to Secure Tenants) (England) Order 2005 as applied by section 171 of the Housing Act 1985. It is for tenants who have "housing association tenancies" (i.e. were, and remain, tenants of ours prior to 15th January 1989).

1. WHO HAS THE RTB?

1.1 You may exercise the RTB if you:

- were a tenant of ours before 15th January 1989 and have remained so (there are additions / exceptions if you were at that time a tenant of another public sector landlord – please ask), and
- have spent a minimum total period of 2 years in social housing or armed forces accommodation, and
- occupy your house as your only or principal home; or
- are the joint tenant of a tenancy with a person who satisfies all the above; or
- were assigned the tenancy by a member of your family who immediately before the assignment satisfied all of the above; or
- became the tenant of your house under divorce legislation in place of a person satisfying all of the above; or
- are a family member of a previous sole tenant who satisfied all of the above in respect of your home who inherited the tenancy; or
- are the former spouse or co-habitee of a deceased tenant who acquired the RTB by succession.
- There can be only one succession.
- Please note a family member can join in the RTB if they can prove they have resided in your home for at least 12 months before you apply. This 12-month period does not apply to spouses.

1.2 You may not exercise the RTB if:-

- we are not your landlord; or
- you have not spent a minimum total period of 2 years in social housing or armed forces accommodation (see above); or
- you do not occupy the property as your main or principal home; or
- your home is let to you in connection with your employment; or
- your home is designed and has features making it suitable for people who are physically disabled, or for occupation by people suffering from a mental disorder or who have special needs or is particular suitable for elderly residents, and in each case is one of a group such properties; or
- your home was first let before 1st January 1990, has features particularly suitable for elderly persons (but not in a group) and in each case satisfies other requirements we will outline on request; or
- we have served you with a notice that we intend to demolish your home within 2 years (note we may serve you with a notice that we intend to demolish your home within 5 years in which case you may make an application to exercise the RTB but we are not obliged to complete) ; or
- a court order is made obliging you to vacate your home by a specific date or the terms of a suspended court order are breached; or
- you are or are about to be declared bankrupt or you have an arrangement in place with your creditors; or
- you are the subject of an Anti-Social Behaviour Order and your tenancy is temporarily demoted to an assured shorthold tenancy. At the end of the demotion period you will not regain your RTB.

2. HOW TO CLAIM THE RTB

- We will supply you with an application form on request.
- You must complete the form return it to us
- We will let you know in writing if you qualify for the RTB within 4 weeks of receipt of your application (8 weeks if the qualifying period includes time with another landlord)
- If you qualify for the RTB a valuer will contact you and arrange to visit your home to carry out an open market valuation
- Within 8 weeks (if you live in a house) or 12 weeks (if you live in a flat) we will send you a written offer notice setting out the sale terms.
- If you wish to proceed on the terms set out in the offer notice, you must advise us no later than 12 weeks from the date of the offer notice that you wish to proceed.

3. PRICE PAYABLE

- The valuer will tell us the open market value of your home
- If you qualify for the RTB you are entitled to a discount on the open market value
- The price payable for your property is the open market value of your home less the discount
- The minimum qualifying period for a discount is 2 years in social housing / armed forces accommodation. This entitles you to a 44% discount if your home is a flat or 32% if your home is a house. For each additional year above the minimum qualifying period you are entitled to further 2% discount for a flat and a further 1% discount for a house.
- The discount can be no more than 70% of the open market value if it is a flat and 60% if it is a house. However, discount entitlement can never be more than a maximum determined by the Secretary of State. This depends on the region in which your home is located. Contact us for the current figure. Previous discounts under the RTB / Right to Acquire / Preserved Right to Buy also affect the amount to which you are entitled.
- If you are not happy with the open market valuation you can ask us to instruct the District Valuer to undertake a final valuation. You must tell us no later than 3 months from the date of your offer if you want a revaluation. The District Valuer's valuation is final and will be the value used to calculate the purchase price even if it is higher than the first valuation. We will let you know the final valuation.
- If your home is a flat (or a house that benefits from communal facilities) you will also pay service charges. You will pay a general service charge as a contribution to day-to-day expenses (lighting, cleaning etc). You may also be required to contribute to substantial major works and improvement costs (lift repairs, roofing repairs etc) that will add to the value of your home. Your offer notice will contain details of service charges, and for certain service charges there are limits for the first 5 years of your ownership.

4. DELAY NOTICE PROCEDURE FOR YOU

We must:

- Admit or deny your RTB within 4 / 8 weeks of receipt of your application form
- Send you an offer notice within 8 weeks (if your home is a house) or 12 weeks (if your home is a flat) of admitting the RTB
- Not delay unduly throughout the conveyancing process

If we exceed these time limits, you can serve a notice of delay on us.

4.1 The First Notice of Delay

- You must complete form RTB6 (your legal advisor will supply this) with details of outstanding matters on our part and send it to us
- If we respond within 28 days with a valid counter notice adequately explaining the reason for outstanding matters, then the first notice of delay that you serve has no further effect. If we create further delay at a later point, you must complete a new form RTB6.

4.2 The Operative Notice of Delay

- If we don't respond within 28 days, you can serve an Operative Notice of Delay.
- You must complete form RTB8 (your legal advisor will supply this) stating that we did not respond to your First Notice of Delay within 28 days
- If we respond within 28 days with a valid counter notice adequately explaining the reason for outstanding matters, then the first notice of delay and Operative Notice of Delay have no further effect. If we create further delay at a later point, you must complete a new RTB6
- If we do not respond to the Operative Notice of Delay within 28 days, any rent that you pay from the date by which we should have served a counter notice until we serve a counter notice will be credited against the purchase price of your property under the RTB. We will calculate credit due and account for this on completion of your purchase.

5. DELAY NOTICE PROCEDURE FOR THE LANDLORD

5.1 Acceptance of sale terms

- You must respond to the offer notice confirming whether or not you wish to proceed with your application within 12 weeks of the date of the offer notice
- If you do not respond within 12 weeks we can write to you to advise that if you do not confirm that you wish to proceed or not within a further 28 days, your application will be withdrawn
- If you advise us within 28 days that you wish to proceed your application may continue
- If you do not advise us within 28 days your application will be automatically terminated and you will need to re-apply

5.2 First Notice to Complete

- If you do not complete the purchase of your home within 3 months of the date of the offer notice, we will serve you with a First Notice to Complete.
- You will have 56 continuous days from this First Notice to Complete your purchase.

5.3 Final Notice to Complete

- If you do not complete your purchase within this 56 continuous day period, you will be served with a Final Notice to Complete.
- You will have a final 56 continuous days period to complete your purchase.
- If you do not complete your purchase within this final period, your application will be withdrawn and you will need to re-apply to exercise the RTB.

6. UNPAID RENT AND OTHER SUMS OUTSTANDING TO US

- If you owe any money to us which has been due for 4 weeks or more (e.g. rent arrears) we are not obliged to complete the sale to you. You must pay any such outstanding sums to us before you are able to purchase your home.
- You must therefore continue to pay your rent and any other sums until you complete your purchase.

7. INITIAL COSTS CONNECTED WITH YOUR PURCHASE

You will have to pay other costs to other people. In addition to the purchase price of the property, you will need to pay some or all of the following:-

- Mortgage arrangement fee and valuation fee to your lender if you are taking out a mortgage
- Legal fees to your solicitor, plus the cost of searches of the property (enquiries of the local authority, environmental search, drainage search, etc). Most solicitors will provide a full estimate of all these amounts free of charge.
- Land Registry registration fee. The fee depends on the value of your property.
- Stamp Duty Land Tax ("SDLT"). If the price payable for your property is over £120,000.00 and below £250,000.00 you may have to pay 1% of the price in tax. In some areas no SDLT is currently payable if the price of the property is £150,000 or below. You can check to see if your post code falls within such an area at http://www.hmrc.gov.uk/so/pcode_search.htm
- Surveyor's fees to investigate the condition of your property. This fee will vary depending on the grade of survey that you have undertaken.

8. ONGOING COSTS OF HOME OWNERSHIP

Once you have purchased your home, you will need to pay the running and maintenance costs of your home. These will include:-

- Regular mortgage payment to your lender;
- Council Tax;
- Household utility bills (gas, electricity, water, etc)
- Service charges (see above)
- Maintenance / repair costs
- Insurances (buildings insurance, life insurance, etc)

9. CONSEQUENCES OF FAILING TO MEET YOUR MORTGAGE PAYMENTS

The consequences to you as a homeowner will be very serious if you do not meet your mortgage payments. You may be at risk of losing your home if your lender takes possession proceedings against you because you have not paid your mortgage.

10. FURTHER INFORMATION

Further information is contained in the Office of the Deputy Prime Minister booklets *Your Right to Buy your Home* and *Thinking of Buying a Council Flat?* The booklets are also available at www.odpm.gov.uk

Dated 16th September 2005