

## RIGHT TO ACQUIRE ("RTA") INFORMATION NOTE

This information is produced to satisfy the requirements of the Housing (Right to Buy) (Information to Secure Tenants) (England) Order 2005 as applied by sections 16 and 17 of the Housing Act 1996

### 1. WHO HAS THE RTA?

#### 1.1 You may exercise the RTA if:

- you are an assured tenant of us, and
- you have spent a minimum total period of two years as a secure tenant of a local authority, in armed forces accommodation, or as an assured tenant of a Registered Social Landlord ("RSL") such as ourselves (this increases to 5 years where your tenancy commenced on or after 18<sup>th</sup> January 2005), and
- you occupy the property as your only or principal home, and
- your home is a self-contained property, and
- your home was built or purchased by an RSL funded on or after 1<sup>st</sup> April 1997 through social housing grant provided by the Housing Corporation or a local authority, or transferred from a local council to an RSL on or after 1<sup>st</sup> April 1997 or certain other public funding (we will confirm in respect of your home on request).
- Please note a family member can join in the RTA 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 RTA if:-

- we are not your landlord; or
- you have not spent a minimum total period of two years as a secure tenant of a local authority, in armed forces accommodation, or as an assured tenant of an RSL (or 5 years where this period of tenancy is commenced on or after 18<sup>th</sup> January 2005), or
- your tenancy is a lease for more than 21 years; or
- your property is in a rural area designated by order of the Secretary of State; 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 persons of pensionable age, and in each case is one of a group such properties; or
- your home is valued at or below our loan on your home; 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 RTA 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 (you may however be able to exercise the RTA at the end of the demotion period)

### 2. HOW TO CLAIM THE RTA

- We will supply you with form RTA1 on request.
- You must complete form RTA1 return it to us
- We will let you know in writing if you qualify for the RTA within 4 weeks of receipt of your application if we were your landlord during the qualifying period (or 8 weeks if you were the tenant of another landlord during the qualifying period)
- If you qualify for the RTA 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 RTA 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 amount of the discount is fixed and is published by the Government (the discounts currently range from £9000 to £16000) depending on where in the country your home is located. Contact us for the current figure for your area. Please note however that in all cases the amount of the fixed discount can never exceed 50% of the open market value of your home. If the fixed discount exceeds 50% of the open market value of your home, it will be limited to 50% of the open market value. We will tell you the fixed discount applicable to you home.
- 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. Previous discounts under the RTA / Right to Buy / Preserved Right to Buy also affect the amount to which you are entitled.
- If your home is a flat (or in some cases 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 ownership.

### 4. DELAY NOTICE PROCEDURE FOR YOU

- There is no delay procedure with the RTA

## 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 automatically be 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 or tell us in writing if there is anything you are waiting for from us, you will be served with a final notice to complete.
- You will have a final 56 continuous day period to complete your purchase.
- If you do not complete your purchase within this period, your application will be withdrawn and you will need to re-apply to exercise the RTA.

## 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 postcode falls within such an area at [http://www.hmrc.gov.uk/so/pcode\\_search.htm](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 and contents 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 on the RTA and the costs and legal implications of buying your own home is contained in the Office of the Deputy Prime Minister booklet *Thinking of Buying a Council Flat?* available at [www.odpm.gov.uk](http://www.odpm.gov.uk) and the Housing Corporation *Guide to the Right to Acquire* available at [www.housingcorp.gov.uk](http://www.housingcorp.gov.uk)

Dated 16<sup>th</sup> September 2005