

INFORMATION FOR ALLIANCE HOMES TENANTS RIGHT TO BUY ONLY



BEFORE YOU BUY

The decision to buy a home is probably the biggest financial decision most people will ever make, and it is a decision that should not be taken lightly. There are a number of important factors that anyone considering buying their home should take into account. These include:

- Can you afford the mortgage repayments and associated costs of running your own home? Remember, unlike your rent, your mortgage repayment will not include buildings insurance and a free repairs service – if you buy your home you will have to pay for these things yourself.
- Are you eligible for Housing benefit? Remember, as an owner-occupier you will not receive any housing benefit to help with your mortgage costs.
- If you are elderly and own your own home, its value may be taken into account in assessing whether you are eligible for financial help with the cost of residential care.
- If you are buying a leasehold flat/maisonette, remember you will have to pay a service charge. Information in respect of these charges will be provided with your Section 125 Offer Notice.
- **BEWARE OF 'RIGHT TO BUY' SALES PEOPLE WHO MAY TRY TO GET YOU TO SIGN DEALS ON THE DOORSTEP! ASK WHAT IS IN IT FOR THEM, AND ALWAYS GET INDEPENDENT FINANCIAL ADVICE. NEVER SIGN ANY LOAN AGREEMENT UNLESS YOU HAVE READ THE TERMS AND CONDITIONS, YOU ARE SATISFIED WITH THEM, AND YOU ARE FULLY AWARE OF THE COMMITMENT YOU ARE ENTERING INTO.**
- Remember, Right to Buy advice is available for FREE from Alliance Homes.

HOW TO APPLY

Application forms (Form RTB1) and a booklet explaining the process can be obtained from our website or by telephoning 01275 398156. If you require a home visit to help you fill in the application please call 01275 398156.

WHEN WILL I LEARN IF I HAVE THE RIGHT TO BUY

We will acknowledge receipt of your application if you request it.

We will inform you whether or not you have the Right to Buy your home using form RTB2 within four weeks of receipt of your application. If you do not have the Right to Buy you must be told why. If you disagree with our explanation and decision you can get advice from the Citizens Advice Bureau, a Solicitor or you can write to the Communities and Local Government department.

WHEN WILL I RECEIVE DETAILS OF THE PRICE AT, WHICH I CAN BUY MY HOME?

An Offer Notice (section 125 notice) will be issued to you within eight weeks of your RTB2 if your property is a house and you are buying the freehold. If the property is a flat or maisonette being purchased on leasehold terms, a section 125 notice will be issued to you within twelve weeks.

The section 125 notice will describe the property for which you have the Right to Buy, detail the price at which you can buy your home and the terms and conditions of the sale. It will also describe any structural defects, which the landlord knows about, and detail any estimates in respect of service charges or improvement costs that may be applicable in respect of leasehold properties.

Your offer notice will include your discount entitlement, which may allow you to buy your home at a price below its 'market value'. The longer you have been a tenant (of a Council, Registered Social Landlord or living in Armed Forces accommodation) the bigger your discount entitlement, subject to a maximum of £78,600. If you live in a house you will get between 35% and 70% off the market value. If you live in a flat/maisonette then your discount will be between 50% and 70% (further details about discount entitlement can be found in the booklet 'Your Right to Buy Your Home').

GETTING A SURVEY

After you receive your section 125 notice we would strongly advise you to obtain an independent survey from a qualified surveyor or structural engineer. You should ask how much it costs before you ask anyone to go ahead with the survey. Your lender may be able to assist you in this.

WHAT IF I DISAGREE WITH THE OFFER PRICE?

If you think your landlord has valued your home too highly you have the right to request an independent valuation from the District Valuer. You must request this through your landlord and must do so within three months of your section 125 notice. You will then have four weeks to put your case to the District Valuer. If you have had a survey done, you can send a copy of your own surveyor's report to the District Valuer. The District Valuer will also want to inspect your home. The District Valuer's valuation will be final even if it is higher than that of your landlord. You will either have to accept it or withdraw your application.

GETTING LEGAL ADVICE

Before deciding whether to buy, you should get legal advice, particularly if you have worries about the terms of the sale. You should always ask how much it would cost before you employ a solicitor or licensed conveyancer.

DECIDING WHAT TO DO NEXT

Once you receive your section 125 notice you will have several choices to decide upon, and you must advise your landlord of your decision within 12 weeks. If you fail to do this your landlord will send you a reminder, which you must reply to within 28 days or your application will be withdrawn. If you have a valid reason why you cannot decide within the permitted time you should inform your landlord who may allow you further time to decide.

GETTING A MORTGAGE

Once you have decided whether to proceed with your Right to Buy, if you need a mortgage it will be at this point when you should talk to a bank or building society. Useful information about mortgages is available from the website of the Financial Services Authority at <https://www.moneyadviceservice.org.uk/en>

COMPLETING THE HOUSE PURCHASE

If you are happy with your landlord's terms for selling your home to you, and you have arranged to raise money, you are ready to go ahead and buy. You should tell your landlord that you are ready and ask your solicitor for advice on the legal documents making your payment.

FREQUENTLY ASKED QUESTIONS

Q. HOW WILL STOCK TRANSFER AFFECT MY RIGHT TO BUY? (THE PRESERVED RIGHT TO BUY)

- A. If you were a secure tenant of the council, living in your property on the day it transferred to a registered social landlord, you may have what is known as the preserved right to buy.

Q. CAN I INCLUDE ANYONE ELSE IN MY APPLICATION?

- A. You may be able to buy your home jointly with members of your family who have lived with you for the past 12 months, or with someone who is a joint tenant with you.

Q. WHAT IF I HAVE PURCHASED BEFORE?

- A. If you have purchased under the Right to Buy scheme before, the amount of discount you received then will usually be deducted from your discount when you buy again.

Q. WHAT HAPPENS IF I WANT TO SELL MY HOUSE LATER?

- A. You can sell your home whenever you like, but if you applied for the Right to Buy before January 2005 and you wish to sell within three years, you will have to repay some or all of the discount that you received.

If your application was received on or after 18 January 2005 you may have to repay some or all of the discount within the first five years following completion of the sale; however in such cases any discount to be repaid will be based upon the resale value of your home less the value of improvements you have carried out following your purchase. In addition, for those applications received on or after 18 January 2005, should you choose to sell your home within ten years of buying you will first have to offer the property back to your landlord or other local social landlords who may choose to purchase from you.

Q. I HAVE RENT ARREARS AND OTHER DEBTS TO ALLIANCE HOMES. CAN I STILL BUY MY HOME?

- A. If Alliance homes have obtained a court order for possession in respect of your arrears, your right to buy may be denied at anytime prior to completion of the sale. You will not be allowed to complete a sale unless any arrears or other debts to Alliance Homes are cleared in full.

Q. ONCE I APPLY TO BUY CAN I STILL ACCESS THE FREE REPAIRS SERVICE?

- A. Only emergency repairs will be provided whilst your application is being processed. If you complete the sale then you will be responsible for any repairs to your property. In the event your application is withdrawn then you will be able to access Alliance Homes' normal repairs service again.

Q. IF I HAVE CARRIED OUT MY OWN IMPROVEMENTS WILL THESE BE INCLUDED IN THE RIGHT TO BUY VALUATION?

- A. Provided you detail any improvements you have made in your application, these will not be included in the valuation.

Q. CAN MY RIGHT TO BUY BE AFFECTED BY ANTI-SOCIAL BEHAVIOUR?

- A. Yes. If you, members of your household or visitors to your home are responsible for anti-social behaviour then your right to buy may be denied or suspended in certain circumstances.

Q. CAN I BUY THE ROOF SPACE IF I LIVE IN A TOP FLOOR FLAT?

- A. No, you will retain the right to use the loft for storage but the roof space is not included in the purchase.