

The Right to Buy



Information for Maidstone Housing Trust tenants

Introduction

This leaflet will help you understand the Right to Buy and explains whether you might be eligible to buy your home, how to do it, and things to consider before you buy your home.

Tenants who have the Preserved Right to Buy are able to purchase their homes. We refer to this as 'the Right to Buy' in this leaflet.

If you are a former tenant of Maidstone Borough Council, who transferred to Maidstone Housing Trust on 2 February 2004 and you have remained a tenant of the Trust since then, you may have the Right to Buy. In this case you will have an Assured Protected tenancy.

Which Maidstone Housing Trust tenants have the Right to Buy?

As mentioned above, you may have the Right to Buy if

- you were a former secure tenant of Maidstone Borough Council and you were living in the property when it transferred to the Trust
- you are an Assured Protected tenant
- the property is one that transferred across from Maidstone Borough Council to the Trust
- the property is your only or principle home

You can apply to buy with up to 3 members of your family, if they have lived with you for the past 12 months and the property is their only or principle home.

How long do I have to be a tenant before I can apply for the Right to Buy?

If your tenancy started before 18 January 2005, you must have been a tenant for at least 2 years. If your tenancy started after 18 January 2005, you will need to have spent 5 years as a tenant before you apply for your Right to Buy.

You do not have the Right to Buy if

- you were not a former tenant of Maidstone Borough Council who transferred to the Trust on 2 February 2004
- you live in a sheltered housing scheme or a property specifically suitable for elderly people, having regard to the location, size, design, heating systems and other features of the property
- you live in a property specifically designed for physically disabled people
- you have not paid your rent and a court has made a possession order which says you must leave your home
- you are an un-discharged bankrupt, have a bankruptcy petition pending against you, or have made arrangements with creditors (people you owe money to) and you still owe them money
- your tenancy, under the provisions in the Anti-Social Behaviour Act 2003, is in a demoted status
- the property was let to you in connection with your employment with the Trust
- the Trust has served a demolition notice on your property

The Right to Buy procedure

You can ask us for an application form (Form RTB1) free of charge. Be wary of companies offering you application forms, especially if they ask you to pay for them.

To request an application form please contact The Home Ownership Officer, Maidstone Housing Trust, Whatman House, St Leonards Road, Allington, Maidstone, Kent, ME16 0LS or call 01622 212630.

An application form is also available from our Area Housing Office.

With your application form you will receive a booklet called 'Your Right to Buy your home' which gives advice and information. If you are buying a flat, you will also receive a booklet called 'Thinking of buying a council flat'.

When we receive your application form we will check your tenancy status and length of tenancy.

- you will receive acknowledgment of your application by letter within 10 days

We will arrange an appointment to visit you in your home to explain the process of Right to Buy and answer any questions you may have.

- we will send you a notice (Form RTB2) telling you whether or not you have the Right to Buy within 4 weeks from the date we received your

application form (or 8 weeks if you have been a tenant with other Landlords and we have to check your tenancies with them)

We will then instruct an independent valuer, which we pay for, to contact you and arrange a convenient time to come and value your home. The valuer will then submit a report to the Trust. The valuer will deduct an amount for any improvements to your home that you have paid for.

We will then deduct the discount you are entitled to.

The Right to Buy discount rules

The discount you are entitled to depends on your 'qualifying period'. This is the total time you have spent as a public sector tenant. This may include time spent with other Councils or Housing Associations. If you lived with your parents and then later became the tenant of that home, you may be able to include time from the age of 16.

Tenancies started before 18 January 2005

You must have at least two years as a tenant. The basic discount after two years is

- Houses – 32% rising by 1% for each complete year up to a maximum of 60%
- Flats and Maisonettes - 44% rising by 2% for each complete year up to a maximum of 70%

Tenancies started after 18 January 2005

You must have at least five years as a tenant. The basic discount after five years is

- Houses – 35% rising by 1% for each complete year up to a maximum of 60%
- Flats and Maisonettes – 50% rising by 2% for each complete year up to a maximum of 70%

If you have previously bought a property under the Right to Buy scheme, the discount you received for that purchase will be taken off the discount on a subsequent Right to Buy purchase.

The maximum discount you can receive in the Maidstone area is £38,000

- We will issue you with a sale offer called a Section 125 Landlord's Offer Notice which will tell you how much you have to pay and the terms and conditions of the sale, within eight weeks of you receiving your RTB2 form if you are buying a house, or within 12 weeks if you are buying a leasehold flat or maisonette

There is a rule called the 'cost floor' which may apply to your home and can limit the amount of discount you receive. We will advise you of this in your Offer Notice if your property is affected.

If you disagree with the valuation, you have the right to have the valuation redetermined by the District Valuer. You have three months from the date of your Offer Notice to request the redetermination.

Once you receive the S125 Offer Notice you must write to us within 12 weeks (we will provide a form called a 'Notice of Intention') and tell us if you want to go ahead and buy your property. If we do not hear from you we will send you a reminder notice, giving you a further 28 days to respond. If we still do not hear from you, your application will be withdrawn. You can submit a fresh application at any time.

If you decide to go ahead and buy your property we would advise you to

- start to make arrangements for a mortgage
- have a full structural survey carried out – your mortgage lender may be able to help you arrange this
- choose a Solicitor to act for you in the legal process

You must tell us, on the Notice of Intention, who your Solicitor and mortgage lender is.

We will send your file to our Solicitors who act on the Trust's behalf and they will contact your Solicitor to arrange for the completion of the purchase.

What happens if there is a delay?

If you delay the sale

As mentioned above, you must reply to inform us of your intention within 12 weeks of the date of the offer notice. If you do not, we will send you a reminder, giving you a further 28 days. If we still do not hear from you after the 28 days, your application will be cancelled.

If within three months of the S125 Offer Notice, the sale is not complete, our Solicitors will send you a section 140 notice called 'A Prior Notice to Complete' which will give you a further 56 days to complete the sale.

When that time has expired, our Solicitors will send you a section 141 notice, called 'A Final Notice to Complete'. This gives you a further 56 days to complete the sale.

If the sale is not complete within this time the application will be withdrawn. You cannot complete your purchase if you have rent arrears.

If Maidstone Housing Trust delays the sale

We aim to provide you with your form RTB2 (the notice telling you if you have the Right to Buy) and the Section 125 Offer Notice within the times mentioned

previously, but there could be problems or delays. If you feel the Trust is delaying the sale, you may be allowed a reduction in the purchase price.

You first need to fill in an initial notice of delay (Form RTB6) and send it to the Trust. You must give us at least one month to take the next step in the sale process. We may send you a counter notice if there is no action that can be taken to speed up the sale or if we have sent you the necessary notice.

If we do not send you a counter notice within the time allowed, you can send us an operative notice of delay (Form RTB8). The rent you pay while the delay goes on will then be taken off the price you have to pay for your home.

Financial responsibilities and costs of home ownership

Buying your home is a major financial commitment. Apart from paying for it, you will then have to maintain it. If you buy a flat on a long lease you will also have to pay service charges.

One off costs of buying your home

You should employ a solicitor or licensed conveyancer to look after the legal side of buying your home. Before employing anyone, always ask how much the advice will cost.

You should have a survey of your home done. A RICS (Royal Institute of Chartered Surveyors) Home Buyers' Survey and Valuation is a report and valuation which will tell you of all significant defects, but not minor ones. It is likely to be adequate for most properties and provides a guide to the value. This may cost between £250 and £600.

A Building Survey involves a detailed examination of all the visible parts of the property. It is a good idea to have this survey done if the property is old or obviously in need of repair or if you are considering making alterations. This may cost £600 or more.

For more information about both of these surveys contact the Royal Institute of Chartered Surveyors on www.rics.org or 0870 333 1600.

If you take out a mortgage loan, you may have to pay the cost of arranging it. You will also have to pay a valuation fee (average cost £200-£300). Your mortgage lender may ask the Trust for a reference including information on your rent payment history.

When a sale is completed, you must pay the Land Registry to register you as the new owner. Your Solicitor will arrange this for you.

You may have to pay stamp duty. Stamp duty is worked out as a percentage of the price you pay for your home if this is more than £125,000.

Regular Payments you may need to make as a Home Owner

Mortgage Payments: There are various kinds of mortgage, which your bank or building society can tell you about. An independent adviser may also be able to help. See the free Financial Services Authority (FSA) Guide to Mortgages for information on the different types of mortgage available – call the FSA Consumer Helpline on 0845 606 1234.

You will have to pay the mortgage, plus interest, by instalments (usually monthly ones).

The risk of repossession of your home if regular mortgage payments are not made: If you can't keep up the repayments on your mortgage, the lender may go to court and ask to take over your home. The Trust or Maidstone Borough Council does not have to give you another tenancy if you lose your home in this way.

Buildings Insurance: This is essential as it is needed to cover the cost of rebuilding your home if it were to be destroyed by fire or some other incident. In the case of flats or maisonettes this is arranged by the Trust and the cost is included in your service charge.

Contents Insurance: You should insure the contents of your home against theft and other risks such as fire and flood.

Life Assurance: This is needed to pay off your mortgage if you die before the end of the mortgage period.

Mortgage Payment Protection Insurance: You need to think seriously about how you would meet your mortgage repayments if you lost your income. Mortgage Protection Insurance could give you security in this situation.

Council Tax: You will have to pay your council tax direct to the Council.

Water, Sewerage, Gas, Electricity and Other Utility Services: you may pay some of these charges in your rent at the moment. If you buy your property you will have to pay these charges separately, straight to the supplier.

Cost of keeping your property maintained and in good repair

If your home is a house and you buy it you will be responsible for the cost of all repairs and maintenance, regardless of the condition of the property when you bought it.

Service Charges: If you are buying a flat, on a long lease, you will have to pay service charges. These charges are for any day-to-day services, maintenance and management the Trust carries out. These services include caretaking, cleaning, communal lighting, grounds maintenance, minor repairs and others

as they apply to your block. You will see an estimate of how much these will be in your Section 125 Offer Notice.

Paying towards major repairs and improvements: If you are buying a leasehold flat, the Trust remains responsible for the upkeep of the exterior of the building. You will contribute to the cost of these works under the terms stated in your lease. These costs can be high especially if the block needs work such as a new roof, new windows or a new lift. You will see an estimate in your Section 125 Offer Notice of how much these costs may be over the next five years, once you have bought your property.

You should consider the cost of service charges and contributions towards major repairs and improvements very carefully when you are deciding to buy a leasehold flat. You must make these payments each year on top of your mortgage payments, insurances and other home owner costs.

Repayment of discount if you sell your home

You can sell your home whenever you like, but if you sell within the 'discount repayment period' specified below, you will usually have to repay some or all of the discount.

If you applied for the Right to Buy before 18 January 2005 then you may have to repay some or all of the discount if you sell within three years. After three years you can sell without repaying any discount.

If you apply for the Right to Buy from 18 January 2005 onwards then you may have to repay some or all of the discount if you sell within five years. After five years you can sell without repaying any discount.

Further information available

If you are interested in finding out more about the Right to Buy Scheme contact our Home Sales Team on 01622 212630 or email homeownership@maidstonehousing.org.uk

An information booklet is available called 'Your Right to Buy your home' this is published by the Department for Communities and Local Government and is available to download at www.communities.gov.uk or from our website at www.maidstonehousing.org.uk

This information sheet contains the information the Trust is required to provide about the Right to Buy under Sections 121AA and 121B of Part 5 of The Housing Act 1985 (as amended by S189 of The Housing Act 2004)

This document is also available in other languages, large print, braille and audio format upon request.

Sipas kërkesës, ky dokument gjithashtu gjendet edhe në gjuhë të tjera, me shkrim të madh dhe në formë dëgjimore.

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

این مدرک همچنین بنا به درخواست به زبانهای دیگر، در چاپ درشت و در فرمت صوتی موجود است.

Ce document est également disponible dans d'autres langues, en gros caractères et en cassette audio sur simple demande.

आ दस्तावेज विन्ती करवाथी बीछ भाषाओ, मोटा छापेवा अक्षरो अथवा ओडिओ रचनामां पक्ष भणी रहेशे.

अनुरोध पर यह दस्तावेज अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

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