

Right to Buy - Frequently asked questions

Do I qualify for the Right to Buy?

The Right to Buy allows you to purchase the home that you live in, but you must be a secure tenant (your tenancy agreement will tell you which type of tenancy you have). If you have held a public sector tenancy for a minimum of three years, you may qualify for the Right to Buy.

Can my Right to Buy application be rejected?

Your Right to Buy may be denied if:

- You do not have a secure tenancy
- The secure tenant has not applied
- A joint tenant hasn't given their consent for the other tenant to buy without them
- We're unable to verify your identity
- The property isn't your main home
- The property is adapted for special use i.e., disabled, elderly etc.
- The property isn't self-contained (has a shared kitchen or bathroom)
- There's a court order saying you must leave your home
- You're an 'un-discharged bankrupt'
- You're being declared bankrupt
- You've made a composition or arrangement with creditors i.e., an individual or company voluntary arrangement
- The court has suspended your Right to Buy
- We plan to demolish your home and you've been served a Demolition Order

How Much discount will I get?

The maximum discount for tenants in Midlands is £87,200 (April 2022) If you live in a house, you get a 35 percent discount if you've been a public sector tenant for three to five years. This discount increases by 1 percent for every extra year you've been a public sector tenant. No matter how long you've been a tenant, the most you can get off your home's price is 70 percent.

If you live in a flat, you get a 50 percent discount if you've been a public sector tenant for three to five years. This discount increases by 2 percent for every extra year you've been a public sector tenant. No matter how long you've been a tenant, the most you can get off your flat's price is 70 percent.

I have Immigration status 'leave to Remain;' Can I purchase?

Yes, if you satisfy the criteria.

Can I use the discount as a deposit for a mortgage?

You will need to discuss this with lenders directly. Many lenders will consider the discount you receive as being a form of deposit. Once you receive your offer notice, you can start formally approaching lenders.

Can I buy my home in cash?

It's up to you how you fund the purchase, whether by cash or mortgage. However, we will ask you to declare how you intend to do so. We will also carry out security checks for money laundering purposes. You may wish to seek professional financial advice before going ahead with the purchase.

Can I buy a different property to the one I live in?

Under the Right to Buy you can only purchase the home you live in. You will not be able to purchase any other council property.

Will there be any other costs?

You are responsible for financing the purchase of your own home. It may be a good idea to seek advice from a Financial Advisor.

Regular costs include:

- Mortgage / Interest Repayments
- Council tax
- Water charges
- Buildings insurance
- Contents Insurance
- Life assurance (needed to pay your mortgage if you die before the end of the mortgage period)
- Mortgage payment protection insurance (to help meet your mortgage payments if you lost your income through unemployment or ill health)
- Repair and maintenance costs
- Service charges if you purchase a leasehold property

If you do need a mortgage, you should speak with mortgage lenders early on to make sure they are willing to lend you the money to buy your home. This could save you having to unnecessarily pay one-off costs associated with buying a property i.e., Solicitor and Surveyor's fees.

Details of additional costs such as service charges, repairs, maintenance, and major works will be included in your offer notice.

Is there any charge for applying for the Right to Buy?

We will NOT charge you anything for applying for the Right to Buy. However, you will incur some fees if you decide to go ahead with the purchase, such as solicitors' fees, surveyors' fees, a mortgage fee, stamp duty and Land Registry fees.

Can I withdraw my application once I've submitted it?

You can withdraw your application at any time before you complete the purchase. You can apply again whenever you choose.

An individual tenant can withdraw from an application and give their consent for the purchase to continue in the name of the remaining tenant(s). However, at least one of those remaining must be a secure tenant of the property. Otherwise, the application will be withdrawn entirely.

Can I share my Right to Buy with anyone I like?

You can share the Right to Buy with up to 3 family members (a maximum of four people in total). You can share your Right to Buy with a spouse, civil partner, or partner, provided they are currently living with you at the property. If your partner is not your spouse or civil partner, they must have been living with you for at least 12 months.

You can also share your Right to Buy with other family members, provided they have been living with you for at least 12 months. Qualifying family members include a parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece.

My family member doesn't live with me. Can they still share my Right to Buy?

No. Family members sharing the Right to Buy must be living at the property. If they are not your Spouse or Civil Partner, they must have been living with you for at least 12 months.

We have a joint tenancy, but only one of us wants to buy. Is this allowed?

Yes, the other tenant providing the tenant not wanting to buy gives their consent on the application form (Form RTB1) by signing in the appropriate place.

Only one joint tenant has made a claim and the other tenant has not signed to agree. Can one party purchase?

If the other tenant does not sign the agreement, then the other tenant will not be able to exercise their RtB and the application will be denied.

I currently have a Bankruptcy Order when can I apply?

One the term of the order has been satisfied.

How long will the entire Right to Buy process last?

Once you've submitted your application, we'll either admit or deny your Right to Buy within 4 weeks.

We'll then serve your offer notice with the next 8 weeks if you live in a house, or 12 weeks if you live in a flat or maisonette.

You will then have 12 weeks to decide what you want to do.

If you accept the offer, it could take at least 3 further months for the sale to complete.

Each application is different. It will usually take around 6-9 months from submitting your application to completing the sale. However, it could take much longer depending upon what you decide to do and the circumstances surrounding your application.

Once I've submitted my application, what happens next?

We'll acknowledge your application in writing with 5 working days and arrange to visit you for an interview. The interview will help us to verify your identity, your address and eligibility for the Right to Buy. All applicants must attend. We will let you know in writing whether your Right to Buy is admitted or denied within 4 weeks of the date you submitted the application. If we deny your application, we'll explain why. If it's admitted, we will have your property valued.

Can I sell or let my property straight away?

You can rent out your property as soon as you complete the purchase. However, you must let us know and give us an alternative contact address for you.

If you sell your property in the first five years, in most cases you will be required to repay all or some of the discount you received. To work out how much you must repay, first calculate the discount you originally received as a percentage of the market value of your house or flat at the time you purchased. Then calculate the amount this percentage will be, of the price for which you will sell the property.

For example, if the original market value was £200,000 and you received a discount of £100,000, your discount is 50%. That means you will have to pay back 50% of whatever you sell your property for. If you sell within the first year of purchase, you must repay this amount in full. If you sell:

- after one year, you must repay 80% of the amount.
- after two years, you must repay 60% of the amount.
- after three years, you must repay 40% of the amount; and
- after four years, you must repay 20% of the amount.

After five years you can sell the property without repaying any discount.

If you want to sell the property within the first ten years of the purchase, you must first offer to sell it back to us. However, we are not obligated to purchase it from you.

I think my home has been over-valued, what can I do?

If you feel your home has been over-valued, you have the right to have its value determined by the District Valuer. The District Valuer is independent of us. However, if the value is deemed higher than the amount you will pay.

If you wish to exercise this right, you must put your request to us in writing within 12 weeks of the date of your offer notice. If you request a determination after this time, your request will be declined.

When we receive your request, we will pass your details to the District Valuer who will contact you directly.

Once the District Valuer has given their determination of the value of your home, we will serve you a revised offer notice.

There are no statutory time frames for the District Valuer process. It can often take a few months before you receive your new offer notice.

I'm about to complete a mutual exchange, will I have the Right to Buy when I move into the new property?

The same rules will apply. You must become the secure tenant of the property you move in to and you must have spent at least 5 years as a public sector tenant yourself. You will need to speak with your current landlord if you are uncertain whether you are currently a public sector tenant.

For Right to Buy, you will not inherit the years of tenancy from the person you're exchanging with. But you will keep the years you have already spent as a public sector tenant yourself.

The property itself must also be suitable to be sold. We may not be able to sell the property if:

- it is adapted for special use i.e., disabled or elderly,
- it isn't self-contained (has a shared kitchen or bathroom), or
- we do not hold sufficient interest in the property i.e., if we don't own the freehold but have been granted a lease for the property with a remaining term of less than 50 years for a flat or less than 35 years for a house.

For further information the government website is.

<https://www.gov.uk/right-to-buy-buying-your-council-home>