

Buying your council home

A guide to your right to buy for
secure tenants



This leaflet explains:

- *what a secure tenancy is*
- *the Right to Buy scheme*
- *costs associated with home ownership.*

What a secure tenancy is

As a secure tenant you have a legal right to live at your property for the rest of your life as long as you keep to the conditions in the tenancy agreement.

The tenancy agreement is a legal agreement and only a court can decide that a secure tenant should be evicted and lose their home. You can be evicted if you have broken your tenancy agreement.

Most council tenants are secure tenants. However, if you become a tenant for the first time you will have an introductory tenancy. An introductory tenancy is for a trial period of 12 months and

an introductory tenant has fewer rights than a secure tenant. If there are no problems during the trial period, your introductory tenancy will automatically become a secure tenancy.

As a secure tenant, you may be able to buy your home under the Right to Buy (RTB) scheme after you have been a tenant for a certain amount of time.

The right to buy means you can buy your home more cheaply than if it was sold on the open market. You will get a discount based on the length of time you have been a tenant.

Who has the right to buy?

You will probably have the right to buy if you are a secure tenant.

If you had a secure tenancy before 18 January 2005, or were a council tenant before 18 January 2005, you will have the right to buy after you have been a council tenant for **two years**.

If you became a council tenant after 18 January 2005 you will have the right to buy after you have been a council tenant for **five years**.

When don't you have the right to buy?

You can't buy your council home if:

- a court says that you must leave your home
- if you are legally bankrupt – this is known as being an 'undischarged bankrupt'
- if you or anyone sharing your right to buy is about to become bankrupt
- you have arranged to pay

back your debts and you still owe your creditors money.

There are other reasons why you cannot buy your home. The main ones are:

- you are an introductory tenant
- you have been a tenant for less than two or five years (for details, see above)
- your home is due to be demolished
- you live in sheltered housing for the elderly or a property supported by an older person's support officer
- you live in a home that is particularly suitable for the elderly and it has been let to people over 60. This includes a one-bedroom ground floor flat in a two-storey block and a one or two-bedroom bungalow
- you live in a house or flat on land ready for development, which is being used as temporary housing before the development begins.

A more detailed list of reasons why you may not be able to buy your home is at the back of this leaflet.

How to claim your right to buy

You can claim your right to buy by completing the right to buy application form known as the RTB1.

You can get this application form from your local housing team or from the home sales team, Mole Street, Sparkbrook, telephone:

- 0121 303 7926,
- 0121 303 7928 or
- 0121 303 7929.

When you have completed the form, please return it to the home sales team. We will use the form to check that you have the right to buy and work out how much discount you will get.

We will send you a notice (form RTB2) within four weeks of receiving your application. This form tells you whether or not you have the right to buy.

How much will I have to pay for my home?

The starting point is how much your home would be worth on the open market. A council valuer will assess this, based on the date that we receive your application.

The price will also take into account the condition of the property and your discount. We will not include the value of any improvements you have made.

How much discount will I receive?

This will depend on how long you've been a tenant. The longer you have been a tenant the more discount you will receive. The maximum discount is £75,000.

The qualifying period for discount can include time living in different homes with different council landlords. You can also count any time you have spent living in armed forces housing.

Once you have applied to buy your home and we have confirmed that you have the right to buy, we will send you an offer notice (Section 125 notice). This will tell you the price of the property and the terms and conditions of the sale. If you live in a house we will send you this notice within eight weeks of us informing you that you have a right to buy. If your home is a flat or maisonette this will be within 12 weeks.

If you buy your home under the Right to Buy scheme you can sell it at any time. But if you want to sell it within the first few years you will usually have to repay some or all of the discount. The amount you will repay will depend on when you made your application.

If you applied for the right to buy before 18 January 2005 and you sell within three years of buying your home, you will have to repay some or all of the discount.

Property sold	Amount to be paid back
Sold within one year of purchase	The whole amount (100%)
Sold within two years of purchase	Two thirds of the discount (66.6%)
Sold within three years of purchase	One third of the discount (33.3%)
Sold after three years of purchase	None. The owner is free to sell without repaying the discount (0%)

If you applied for the right to buy on or after 18 January 2005 and sell within the first five years of buying your home, you will have to repay an amount to the council. After five years you can sell without having to repay any discount.

You need to repay a percentage of the market value which is the same amount of percentage discount you received on the original purchase. This figure is reduced by 20% for each year after the purchase date, as shown on page 7.

The amount to be repaid could be more than the original discount you received.

For example:

If your home was valued at £100,000 when you bought it from the council and you received a discount of £20,000, this means your discount is 20%.

If your home is valued at £150,000 when you come to sell it, and you want to sell it within the second year of buying it, you will have to pay back £150,000 x 20% discount x 4/5 (80%). This works out at £24,000 to be paid back to the council. This example is shown in more detail in the table below.

Property worth £150,000 when you sell it	Amount you need to pay back
Sold within one year of purchase	<p>£30,000</p> <p>The whole amount (100%) of the discount percentage</p> <p>The calculation is: $£150,000 \times 20\% \text{ discount percentage} \times 5/5 (100\%)$</p>
Sold within two years of purchase	<p>£24,000</p> <p>Four fifths (80%) of the discount percentage</p> <p>The calculation is: $£150,000 \times 20\% \text{ discount percentage} \times 4/5 (80\%)$</p>
Sold within three years of purchase	<p>£18,000</p> <p>Three fifths (60%) of the discount percentage</p> <p>The calculation is: $£150,000 \times 20\% \text{ discount percentage} \times 3/5 (60\%)$</p>

Property worth £150,000 when you sell it	Amount you need to pay back
Sold within four years of purchase	<p>£12,000 Two fifths (40%) of the discount percentage The calculation is: £150,000 x 20% discount percentage x 2/5 (40%)</p>
Sold within five years of purchase	<p>£6,000 One fifth (20%) of the discount percentage The calculation is: £150,000 x 20% discount percentage x 1/5 (20%)</p>
Sold after five years of purchase	<p>£0 The owner is free to sell without repaying the discount percentage</p>

From 18 January 2005 you will have to pay back an amount based on the above example if you agree to transfer your property to a third party:

- before you buy the property
- or within the discount repayment period.

This will be due from the date you enter into the agreement.

If you have bought under the Right to Buy scheme before,

the amount of discount you received the first time will be deducted from your discount when you buy again.

If you buy your home under the Right to Buy scheme on or after 18 January 2005, and you wish to sell or dispose of the property within 10 years, you must offer it back to the council for the full market value. This is on top of the requirement to pay back discount in the first five years of owning your home.

What to do if there are delays

Your application to buy your home should go through smoothly, as long as there are no delays from us or from you.

If there are problems with delays, there are certain legal steps you and the council can take.

If the council is delaying, you can serve these legal delay notices on us:

Section 153A Initial Notice of Delay

This enables you to serve a notice on us requiring us to act within legally agreed timescales. This is known as the Initial Notice of Delay. If we do not act, we will have to repay rent towards the purchase price. You must allow at least one calendar month for the council to respond.

We can serve a 'counter notice' in response to your Initial Notice of Delay. This enables us to refuse your claim of delay, when this is appropriate.

Section 153b – Operative Notice of Delay

If we do not serve a counter notice, any rent paid after the overdue date or date of the initial notice can be taken off the purchase price.

This notice may also benefit you when you come to sell your property. Normally you repay some of your discount to us if you sell within a certain time. This notice will mean that you won't have to pay back so much discount.

You can serve more than one delay notice during the process.

If you are delaying, the council can serve these initial delay notices on you.

The council may write to you asking for an answer to the offer notice three months after the right to buy offer is made.

If you do not accept the offer or give us the information we need, we may cancel your application to buy your home.

First (Preliminary) Completion Notice Section 140

This notice requires you to complete the purchase. For applications received before 18 January 2005 it cannot be served until 12 months after the Section 125 Notice was served.

For applications received on or after 18 January 2005 it can be issued at least three months after the Section 125 Notice was served, but it may be served later if the council wishes.

Second and Final Completion Notice Section 141

If you do not comply with the Section 140 Notice within 56 days, the council can serve a final notice requiring you to complete the purchase within a set period of at least 56 days.

If you don't respond we will consider you have withdrawn your right to buy application. You can reapply but you will need to accept a new price for the property.

What costs can you expect to pay?

When you buy your home you will pay several one-off costs such as taxes, solicitor's fees and survey fees. These are likely to be:

Stamp duty land tax – You may have to pay stamp duty land tax. This is a tax that you pay when you become a homeowner. Stamp duty is a percentage of the value of your home.

Solicitor's fees – You will need to pay for a solicitor to act on your behalf and deal with the legal aspects of buying a property. Solicitor's fees can cost several hundred pounds and you may also need to pay for searches on your property. These will highlight any problems, such as pollution or plans for large developments in the area.

Survey – We recommend that you have a survey done on your home. This can cost more than £250. There are different types of survey and you should speak to your mortgage

lender about which is the best one for you.

Mortgage arrangement fee and valuation fee – If you take out a mortgage, you will have to pay to arrange it. This is known as a mortgage arrangement fee. You will also have to pay a valuation fee. Your mortgage lender can give you details of these charges.

Land Registry fee – When the sale is complete, you pay the Land Registry to register you as the new owner.

What are the other regular costs of owning your home?

As a homeowner you will also have to make other regular payments including:

- mortgage repayments or other charges on the dwelling
- building insurance, life assurance and mortgage payment protection
- council tax
- water, sewerage, gas,

electricity and other utility services.

If you do not keep up regular payments on your mortgage, your mortgage lender may make you leave your home and sell it to pay off the mortgage. This is known as repossession.

As a homeowner you will meet the costs of keeping your home maintained and in good repair.

If you buy a house you will buy the freehold. You will have to pay for all repairs and maintenance, regardless of the condition of the house when you bought it. This is why it is important to get a survey done.

If you are buying a flat or maisonette, you will usually buy it on a long lease. This allows you and anyone you pass your home onto to live there for a set number of years, usually 125. The block will still be owned by the council and we will maintain the structure of the building and any communal areas.

As a leaseholder you will pay the council an annual service charge. This is your share of the council's bill for providing services to your block. You would pay for any internal repairs yourself.

As well as a service charge you may also have to pay towards major building works such as a new roof or new windows. The costs can run into hundreds or even thousands of pounds.

If you don't pay your service charge the council may take legal action against you. This could mean that we apply to take your lease away. It is important that you contact the council as soon as possible if you can't pay your service charge or any major building works bills. We will discuss the different ways you can pay us.

As a leaseholder you will also pay a ground rent. This is normally £10 a year.

Need more assistance?

If you would like to talk to someone about the information in this leaflet you can telephone the home sales team on:

- **0121 303 7926**
- **0121 303 7928**
- **0121 303 7929**

Other reasons why you cannot buy your home

This is a more detailed list of why you may not be able to buy your home:

- you live in a property owned by your employer, so that you can be near to work
- you live in a home on a council property such as a school or care home, or a cemetery, and you work there
- you are a police officer and your home has been provided free from rent and rates
- you work for the fire authority, you need to live near to the station you work in and you live in a home provided by your employer
- you have a temporary letting of up to three years in a home usually let to the council, the fire service or the police force
- you live in a home which is let as part of business or agricultural premises such as a farm, shop or public house
- your landlord has leased your home from someone else and it has to be left empty
- you live in an almshouse
- you live in a home let by a charitable registered social landlord, a charitable housing trust or housing association, certain co-operative housing associations or another registered social landlord, which has not received grants from public funds
- you are a student and you have your tenancy so that you can attend some courses at college or university. This rule does not apply if the tenancy continues for more than six months after you stop attending the course
- you are moving into the area from another district to take up a job and you have been given a home temporarily while you look for a permanent home. This rule does not apply if you are still living there a year later
- you are homeless, and your tenancy is secured under section 193 of the Housing Act 1996

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- you used to be a squatter but you now have a licence to live in your home
 - you have a long fixed-term lease of over 21 years
 - you are in temporary lettings and you were not a secure tenant in your previous home which is being improved or repaired
 - your home is in a national park
 - your home is in a designated area of outstanding natural beauty
 - your home is in an area designated by the Secretary of State as rural for right to buy purposes.

This is important. If you do not understand this document then please ask a friend or relative, who speaks English, to contact your local neighbourhood office or housing team on your behalf. We will then arrange for an interpreter to meet with you.

هذه الرسالة مهمة، فإن لم تفهمها نرجو أن تطلب من أحد أصدقائك أو أقربائك ممن يتكلمون الإنجليزية أن يتصل بمكتب الحي "بيبرهود أوفوس" المحلي أو فريق الإسكان نيابة عنك. بعد ذلك سنرتب للقاء بك مع وجود مترجم فوري.

ARABIC

এটা খুবই গুরুত্বপূর্ণ। আপনি এই দলিলটি বুঝতে না পারলে দয়া করে ইংরেজীতে কথা বলতে পারেন এরপর আপনার একজন বন্ধু-বান্ধব বা আত্মীয়কে আপনার পক্ষ হয়ে আপনার স্থানীয় নেইবারহুড অফিস বা হাউজিং টিম এর সঙ্গে যোগাযোগ করতে বলুন। এরপর আমরা আপনার সঙ্গে সাফাৎ করার ব্যবস্থা করব এবং এতে সহায়তার জন্য একজন ইন্টারপ্রিটার রাখা হবে।

BENGLALI

此事極為重要，如果你看不懂這份文件，請找一位會講英語的親戚或朋友代你接觸當地的鄰舍辦事處或房屋服務隊。然後我們會安排傳譯員一起見你。

CHINESE

این اطلاعات بسیار مهم است. اگر محتوی این مدرک را نمی فهمید، لطفاً از یک دوست یا خویشاوند تان که به زبان انگلیسی صحبت کرده میتواند خواهش کنید که از طرف شما با نیبرهود آفس یا هوزنگ تیم محل شما تماس بگیرد. بعداً ما برای شما مترجم فراهم می کنیم که باشما ملاقات کند.

FARSI

Message important. Si vous ne comprenez pas ce document, demandez à un ami ou à un membre de votre famille qui parle anglais, de prendre contact en votre nom avec votre bureau de voisinage ou avec l'équipe du logement. Nous prendrons alors les dispositions nécessaires pour qu'un interprète soit présent.

FRENCH

نہم دہقہ نووسینہ گرنگہ. ننگہر نم نووسینہ تیننگیشیت تکایہ نم کاتہ داوا بکہ لہ برادر نیک پان خزمیک، کہ بہ زمانی نینگلیزی دھوئی، پویوندی بکات بہ نووسینگہی ہاوسیتی "نایس ہود ٹوفیسی" ناوچکمت پان بہ تیمی خانووبہرہ لہ جیاتی تو. نم کاتہ تیمہ ہمدستین بہ ریخستنی چاوپیکم تیننگ لگمت وہ بہ نامادیونوی و مرگیزی زمان.

KURDISH

Ważne! Jeżeli nie rozumiesz treści tego dokumentu, zwróć się o pomoc do przyjaciela lub krewnego, który mówi po angielsku, aby skontaktował się w Twoim imieniu z lokalnym Biurem Środowiskowym (Neighbourhood Office) lub wydziałem do spraw mieszkaniowych (Housing Team). Złatwimy wtedy dla Ciebie tłumacza.

POLISH

ਇਹ ਗੱਲ ਬਹੀ ਜ਼ਰੂਰੀ ਹੈ। ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਪਰਚੇ ਦੀ ਸਮਝ ਨਹੀਂ ਲੱਗਦੀ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਅਪਣੇ ਕਿਸੇ ਅੰਗਰੇਜ਼ੀ ਬੋਲਣ ਵਾਲੇ ਦੋਸਤ ਜਾਂ ਰਿਸ਼ਤੇਦਾਰ ਨੂੰ ਕਹੋ ਕਿ ਉਹ ਤੁਹਾਡੇ ਵਾਸਤੇ ਸਥਾਨਕ ਨੇਬਰਹੁਡ ਔਫਿਸ ਜਾਂ ਹਾਊਸਿੰਗ ਟੀਮ ਨਾਲ ਸੰਪਰਕ ਕਰੇ। ਉਸ ਤੋਂ ਬਾਅਦ ਅਸੀਂ ਕਿਸੇ ਦੋਢਾਸੀਏ ਰਾਹੀਂ ਤੁਹਾਡੇ ਨਾਲ ਗੱਲ ਕਰਨ ਦਾ ਪ੍ਰਬੰਧ ਕਰਾਂਗੇ।

PUNJABI

داہر مهم معلومات دی۔ کہ تاسی پہ دی سند نہ پوہیڑی نومہربانی وکری دخپل یوملگری یا خپلوان نہ چہ پہ انگریزی ژہ خبری کولای شی غوبنشنہ وکری چہ سناسی لہ خواستاسی دسیمی نیبرهود آفس یا ہوزنگ ٹیم سرہ پہ تماس کی شی۔ بیا بہ مونیر ترجمان برابر کرو چہ سناسی سرہ کتنہ وکری۔

PUSHTO

Hadii aadan fahmin waxa kuqoran boog yarahan (warqadan) fadlan waydiiso qof saaxiibkaa ama qaraabadaada ah oo kuhadla afka ingiriisiga inuu kuu waco xafiiska dariska ee kuu dhow (neighbourhood office) ama kooxda guryaha asaga oo adiga kumatalaya. Markaa kadib waxaan kuu balaminaynaa aaceliye (turjubaan).

SOMALI

یہ دستاویز اہم ہے۔ اگر آپ اس دستاویز کو سمجھنے سے قاصر ہیں تو براہ کرم انگریزی زبان سے واقف اپنے کسی دوست یا رشتہ دار سے کہنے کہ وہ آپ کی جانب سے آپ کے مقامی نمبر ہوز آفس یا ہاؤسنگ ٹیم سے رابطہ کریں۔ ہم پھر آپ سے ملاقات کرنے کیلئے ایک ترجمان زبان کا انتظام کریں گے۔

URDU

If you would like this leaflet in large print, Braille, or on audio CD, please call the home sales team on 0121 303 7929.