

Your right to buy your council home

Information for secure tenants



Brighton & Hove
City Council



Who has the Right to Buy?

You probably have the Right to Buy if you are a secure tenant of the council.

You have the Right to Buy if you have spent at least three years as a public sector tenant.

You may be able to exercise the Right to Buy jointly with a partner, or members of your family who have lived with you for the past 12 months, or with someone who is a joint tenant with you.

In what circumstances would I not have the Right to Buy?

If you live in sheltered housing you will not be able to buy your home, as this type of housing is excluded from the scheme.

You cannot buy your home if a court makes a possession order which says that you must leave your home. Neither can you buy your home if you are an undischarged bankrupt.

You will not be able to buy your home if you work for the council, and your home is part of your conditions of service.

Your right to buy can be suspended or terminated if you, or someone in your household, or a visitor, engages in anti-social behaviour.

How do I exercise my Right to Buy?

In order to apply for the Right to Buy, you will need to complete an application form, and send it to:

The Leasehold Team
Brighton & Hove City Council
Housing Centre, Eastergate Road
Brighton, BN2 4QL

You can get an application form by:

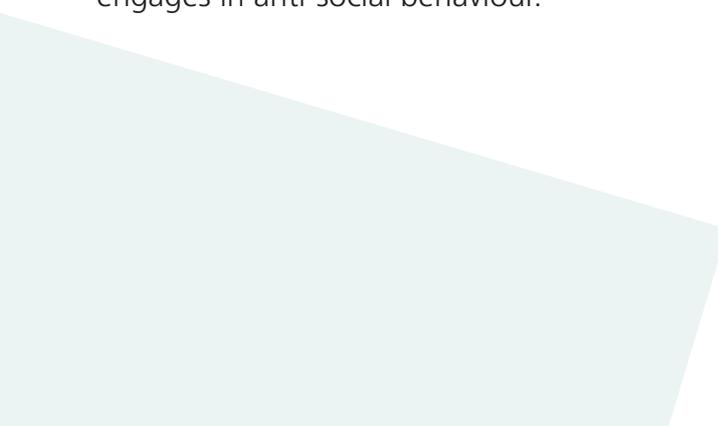
- e-mailing us your details at rtbleasehold@brighton-hove.gov.uk
- calling the Leasehold Team on 01273 293074
- making an appointment to see a Leasehold Officer

From the date of your application, the council has four weeks in which to admit or deny your right (eight weeks if you have been a tenant of the council for less than five years).

The council then has a further eight weeks (12 for a flat) in which to notify you of the purchase price and conditions of sale.

When you have decided, you must tell the council in writing within 12 weeks of receiving your offer notice. If you have asked to have your house valued by the District Valuer, you must tell the council what you want to do within 12 weeks of that valuation.

If you do not let the council know what you intend to do in time, you will be sent a reminder. If you do not reply within 28 days, your application will be cancelled.



How much will I have to pay for my property?

The Right to Buy scheme gives tenants a discount on the market value of their homes. The longer you have been a tenant, the more discount you get, up to a limit (until 5 April 2016) of £77,900 outside London. This limit will then increase on 6 April each year in line with inflation.

For a house, the discount is 35% if you've been a public sector tenant for between three and five years. After five years, the discount goes up by 1% for every extra year you've been a public sector tenant, up to a maximum of 70%. For a flat, it is 50% discount if you've been a public sector tenant for between three and five years. After five years, the discount goes up by 2% for every extra year you've been a public sector tenant, up to a maximum of 70%.

Anything above the maximum discount though will be capped, as that is the most discount you can get.

If you purchase on the Right to Buy, and want to sell on, you will have to pay back discount in the first five years.

Are there any delay procedures for landlords and tenants?

Once you have written to say that you wish to purchase your home, you can take the time you reasonably need to get a mortgage or legal advice.

If the council doesn't hear from you for a long time, you may get a warning notice. This will either ask you to complete the purchase within 8 weeks or to write and tell the council that you disagree with the terms of the sale. If you don't, the council may send you a second notice asking you to complete your purchase. If you then don't complete, your application will be cancelled.

Most sales go through quickly, but sometimes there are problems or delays. If you do not receive the notice to say whether you are eligible or not, or the offer notice, within the times mentioned above, you can fill in an initial notice of delay (Form RTB6) and send it to the council.

If you do not receive a counter notice within the time allowed, you can send the council 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. If the council delays the sale again, you can repeat this procedure.

What are the initial costs I will incur in buying my property?

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 they are going to charge. Solicitors and conveyancers may charge somewhere between £500 and £1,000 for their services.

You should also have a home buyers survey, or building survey of your home done. These can cost between £250 and £600, or more if your home has any special problems.

If you take out a mortgage loan, you may have to pay for the cost of arranging it. You will also have to pay a valuation fee (average cost £200-£300).

You may have to pay Stamp Duty, which is a tax that people pay when they become homeowners. Stamp Duty is worked out as a percentage of the price you pay for a property above a value set by the government.

What regular payments will I have to make as a homeowner?

Mortgage

As a tenant, you may be able to claim housing benefit to help with your rent. As an owner-occupier, you will not receive any housing benefit to help with your mortgage costs.

Unless you are going to buy your home with cash, you will need a mortgage. There are various kinds of mortgage which your bank or building society can tell you about. An independent advisor 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, or call the FSA Consumer Helpline.

You will have to repay the mortgage, plus interest, by instalments (usually monthly ones). Normally, mortgages have to be repaid over a period of 25 years, but the period can be shorter.

The lender may not be prepared to lend you the full amount that you need to purchase your home. If so, you will have to pay the rest from your savings. If you sell your home later, you can use the money from that sale to pay off the rest of your mortgage. But remember that the value of homes can go down as well as up, and in some cases people find themselves in 'negative equity'. This is when the mortgage on your home is larger than the amount for which you are able to sell it.

If you sell within the first five years, you will have to pay back some or all of the discount you received.

Council tax and other charges

You may pay water, gas or electricity charges as part of your rent, and perhaps your council tax as well. But if you buy your home, you will have to pay these separately, straight to the services companies and to the council.

Insurance

You will need to consider taking out insurance cover for your home and mortgage. There are four main types:

- **Buildings insurance** – to cover the cost of rebuilding your home if it were to be destroyed by fire or some other incident.
- **Contents insurance** – to insure the contents of your home against theft and other risks.
- **Life assurance** – to pay off your mortgage if you die before the end of the mortgage period.
- **Mortgage payment protection insurance** – to meet your mortgage repayments if you lost your income.

Can my home be repossessed if I do not make your regular payments?

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 council does not have to give you another tenancy if you lose your home in this way.

If you lost your income through unemployment, you would not normally receive benefits for the first nine months. The benefits you would be entitled to claim would only be for the mortgage interest payments, and may not cover the full amount.

What are the costs in keeping my property in repair if I become a homeowner?

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 have to pay service charges.

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

It is your responsibility to get advice on the condition of your home before you complete the purchase. It is therefore important that you have a survey done, and only buy your home if you are in a financial position to meet all future maintenance needs.

Buying a flat or maisonette

If you buy a house, you will purchase the freehold and will own the property outright. If you buy a flat or maisonette, you will purchase a long lease. This allows you and your successors to live in it for a fixed time, usually 125 years. The block will still be owned by the council which will be responsible for the upkeep of the building as a whole and of the communal areas and facilities.

As a leaseholder, you and other leaseholders will have to pay service charges. These will be several hundred pounds each year, or much more if the block needs major repairs or maintenance, such as a new roof or new windows, or improvements.

Your share of the council's costs is known as a service charge. These vary considerably. There are two kinds of service charges: annual charges for day-to-day maintenance or services, and 'major works' service charges, which can run to thousands of pounds, when a lot of repair or refurbishment work is needed.