

Your preserved right to buy or right to acquire your home

Your rights under the Housing Act 1985 (as amended) as applied by the Housing (Preserved Right to Buy) Regulations 1993 and the Housing Act 1985 (as amended) as applied by the Housing (Right to Acquire) Regulations 1997 (as amended).

Terms: Preserved right to buy (PRTB), Right to buy (RTB), Right to acquire (RTA)

Preserved right to buy

If you were a secure tenant of Wakefield Council before 21 March 2005 and you became an assured protected tenant when the ownership of your home transferred to Vico Homes, you may have the PRTB.

To qualify for the PRTB, you need to have had a minimum of three years occupation of a property as a public sector tenant. A list of public sector landlords can be found at the back of the PRTB application form, the RTB1 form or in the Government booklet.

You must live in your property as your only or principal home.

You cannot buy your home if:

- a court has made a possession order which says you must leave your home;
- you are an undischarged bankrupt;
- you have a bankruptcy petition pending against you;
- you have made an arrangement with creditors and you still owe them money;
or
- you are a tied tenant, for example, the property forms part of your job, such as a school caretaker or a warden.

Properties that are excluded

Certain properties are excluded from the PRTB scheme. These include, but are not limited to, independent living scheme properties and certain bungalows or ground floor apartments. For more information on excluded properties, please contact the PRTB / RTA team.

Demolition

You cannot apply to buy your home if it is scheduled for possible demolition. We may serve an 'initial demolition notice' that can suspend the completion of your PRTB for up to five years. A 'final demolition notice' may be served if demolition is planned within two years. This will mean your application to buy your property will end.

As our tenant, you may have the PRTB or RTA your home. This factsheet summarises how the PRTB and the RTA schemes work. Through these schemes you can get a discount against the market value of your home.

Home ownership helps to create mixed and sustainable communities. We will uphold your rights under the law to buy your home and help you to fulfil your expectations. Please be aware however that once you buy your home you will be fully responsible for all repairs and maintenance costs, insurances, utilities, council tax and water bills and if you do not keep up payments on your mortgage and your home is repossessed you may find yourself homeless.

Our service standards

We will:

provide you with detailed information and an appropriate application form within seven days of your request; and

make a decision on your application within four weeks from when we receive all relevant information and are allowed access to your home.

Antisocial behaviour

A PRTB can be suspended or ended if a tenant, or their household or visitors, is / are engaging in antisocial behaviour or threatening to do so.

How to get an application form - RTB1

You can get an application form for the PRTB, in person from any of our service access points (addresses can be found on the 'Contact us' page of our website,) or by post, write to: Vico Homes PRTB / RTA team using the address at the end of this factsheet.

Once completed, you will need to return your application to the same address to be processed. We will issue you with a receipt for the RTB1 form within seven working days.

We will let you know if you have the PRTB using form RTB2. You should receive this within four weeks of the date of your application, if we have all the relevant information and have been allowed access to your home.

If you do not have the PRTB you will be told why. If you disagree with this decision, you should get advice from a legal adviser. If your application is being refused because the property is suitable for the elderly, then you have a right of appeal to the Residential Property Tribunal Service. Information on how to do this is included with the RTB2 refusal notice.

Once you have submitted a PRTB application form you will be visited by one of our employees. Once your application has been received, you will only be able to have essential repairs carried out to your property and you will not be included in any improvement schemes that may have been planned at your home.

Once we have visited you, we will send your application, if admitted, to our valuation surveyor. A valuer will then visit your property and price it in line with the current market value, as at the date you submitted your PRTB application. The valuer will disregard any improvements you have made to your home.

For any improvements that may affect the safety or boundaries of your property, such as fencing and / or removal of walls for example, you must have already had our permission or this may cause a delay with your application. We will, however, include in the valuation any improvements carried out by ourselves or Wakefield Council.

We will issue you with an offer notice (Section 125 notice), within a further eight weeks, or twelve weeks if you are buying your property leasehold - that is, if it is an apartment or maisonette.

As a leaseholder you own the right to live in your home for a fixed number of years, up to a maximum of 125 years. If you should sell your home, the purchaser will buy the remaining years of the lease.

The 'offer notice' will contain all the relevant information you will need to help you decide if you want to go ahead with the purchase of your home. It will include:

- A description of your property, including a plan for identification purposes only
- The current market value of your home
- Discount entitlement
- The price at which you can buy your home
- The terms and conditions of sale
- Any structural defects which the landlord is aware of
- Any service charges, improvement costs and remedial works where applicable
- Improvements to your property carried out by you and disregarded in the valuation
- The energy performance certificate (EPC) which tells you how energy efficient your home is

Discount entitlement

The longer you have been a tenant, the larger your percentage of discount, subject to the valuation of the property, the cost floor figure and the discount limit. You can count time spent as a tenant with other local authorities or registered social landlords (RSLs) and time spent in the armed forces. This is not an exhaustive list.

A full list of other public bodies, from which you can use your time spent as a tenant, can be found in the Department for Communities and Local Government (DCLG) booklet 'Want to make your home your own?'. You can get this by visiting the website, communities.gov.uk and searching under 'right to buy', from any Vico Homes office or by visiting our website at www.vicohomes.co.uk

Your discount entitlement is subject to limits, which are set by the Government. These allow you a maximum of 70% discount from the property value. The percentage you will receive depends on the number of years you have been a tenant. Once you have been a tenant of a house for five years you will receive 35% discount and then another 1% for each year you've been a tenant up to the maximum of 70% or 40 years. When you've been a tenant of an apartment or maisonette for five years you will receive 50% and then 2% for each year you've been a tenant up to the maximum of 70% or 15 years.

However, the discount you can receive overall is capped at a maximum of £24,000.

Qualifying period

Applicants who were tenants with Wakefield Council when it transferred its stock to Vico Homes on 21 March 2005 and have remained assured protected tenants with Vico Homes since that time are eligible for PRTB and, for those tenants, the qualifying period is three years.

You must remember that despite the qualifying periods, the maximum amount of discount you can get is £24,000 for PRTB subject to the maximum percentage discount limits outlined above.

Cost floor

Your discount may be reduced if we have spent money on purchasing, building, repairing, improving or maintaining your property over the last 15 years.

Under this cost floor rule, the discount you receive must not reduce the selling price below what has been spent on building, buying, repairing, improving or maintaining it.

If the cost of works over the 15 year period is more than the selling price of your home, your discount will be reduced.

Defective dwellings

Certain properties have been designated as defective under Part 16 of The Housing Act 1985. This could be due to their design or construction and the value of the property will have been reduced due to the fact that the defects have become known.

If your home is designated defective, then we will tell you before you buy. You could have a problem getting a mortgage on this type of property and you should also be aware that you might have difficulty selling it on at a later date if you wish to move home.

Getting your own survey

Once you have received your Section 125 Notice, we would suggest that you consider obtaining an independent survey from a qualified surveyor or structural engineer. Before you do this, you should ask how much it will cost as you will be responsible for this fee.

Appealing the valuation

If you are not happy with our valuation you do have the right to appeal to the district valuer who acts independently of both Vico homes and you. You must make this request in writing and within three months of receiving your offer notice. The district valuer will want to visit your property and you should give him or her copies of any surveys you have had carried out.

You need to be aware that once the district valuer has valued your property, both you and Vico Homes must abide by this decision. It could be higher, lower or the same as the one reached by us. You will either have to accept this price or withdraw your application in writing.

Legal advice

Before you commit to buying your property, you may wish to take your own independent legal advice about the purchase. If you proceed, your legal adviser will need to deal with the purchase for you. You should always ask the cost before employing a legal adviser.

What to do next

After you have received your offer papers, you have a choice to make. You can either continue with the purchase or cancel your application. You must tell us of your decision within 12 weeks of the receipt of your Section 125 papers. If you fail to do this you will be sent a reminder. If you do not respond within 28 days of this reminder then your application will cancel automatically.

Delay notice procedure

If you feel when buying your property that there has been a delay in your sale because we have for example:

- not sent out your RTB2 – admitting or denying your PRTB;
- not served your offers papers within legislative timescale; or
- caused any other delay,

then you may be entitled to a reduction on this purchase price of your property. For this to happen you must serve a completed RTB6 form – Initial notice of delay. This allows Vico Homes one month to sort out the delay and send you a counter notice once the delay has been rectified. If after this period of time the delay has not been resolved and if the delay is found to have been caused by us, then you must serve a completed RTB8 form – Operative notice of delay. If the delay is due to something Vico homes have not done then your rent from the date of the operative notice of delay up until when the delay has been resolved will be offset against the purchase price once the property sale is ready to complete. These delay notices apply only to preserved right to buy and not right to acquire.

Vico Homes as your landlord can also serve delay notices referred to as completion notices if you are causing a delay in the process. The first one should be sent if you have not responded within 12 weeks from receipt of your S125 papers containing your offer giving you 28 days in which to respond. If a response is not received within the 28 day timescale, your application will be cancelled. If you haven't progressed the purchase of your property after three

months from receiving your offer notice (S125 papers) Vico Homes can serve a 'preliminary completion notice', which gives 56 days in which to complete the matter. If completion has not taken place within the 56 day timescale, a 'final completion notice' can be served, which gives a further 56 days in which to complete.

If completion has not taken place within the 56 day timescale of the final completion notice, your application will be cancelled. Please note that any delays caused by Vico Homes will be taken into consideration before serving the above notices.

Landlord completion notices apply to both preserved right to buy and right to acquire.

Right to acquire

The RTA is a scheme that gives eligible tenants of registered social landlords (RSLs) the legal right to buy their home.

If you became a new tenant with Vico Homes after the date of transfer from Wakefield Council, 21 March 2005, you can only apply for the RTA. To qualify you must have spent three years as a public sector tenant of one of the qualifying landlords as listed in the Homes and Communities Agency booklet 'Guide to the Right to Acquire'. This booklet is available from any of our Hubs, from Merefield House and also by visiting our website at www.vicohomes.co.uk

You must live in your property as your only or principal home. You will not be eligible to claim the RTA if you:

- are an undischarged bankrupt or have a bankruptcy petition pending against you;
- are subject to a formal creditor's agreement made under the Insolvency Act;
- live in a property in certain designated rural areas;
- live in tied accommodation because a RSL employs you;
- live in a home designed with special features suitable for people with physical disabilities;
- the way in which the property was funded when Vico Homes bought the property may affect your right to acquire; or
- live in a home where your landlord has published notice of its intention to demolish the property within five years or served a notice that it intends to demolish within two years.

The above list is not exhaustive and for further information contact the RTB team.

Qualifying period

For all new tenants with Vico Homes after 21 March 2005 the qualifying period will be three years and you will qualify for the RTA scheme only.

Discount entitlement

The maximum amount of discount available if you qualify for the RTA is £9,000.

Antisocial behaviour

A RTA can be suspended or ended if a tenant, or their household or visitors, is / are engaging in antisocial behaviour or threatening to do so.

How do I apply for this scheme?

If you wish to apply for the RTA, please contact us to get an application form RTA1.

These are available from the PRTB / RTA Team or any of our Hubs. Once completed, it should be returned to the PRTB / RTA office.

Buying a property through the RTA scheme is similar to that as described for PRTB so you may wish to also read the information given at the beginning of this leaflet.

Differences between the preserved right to buy and right to acquire schemes

The most important difference between the two schemes is the way in which the discount is awarded.

The discount given for the RTA scheme is a fixed amount published by the Government. The current set discount for the Yorkshire area is £9,000. This is the amount you will have subtracted from the open market value of your property. For example, if your property is valued at £85,000 the discount for this area of £9,000 will be deducted. This will then give a discounted purchase price of £76,000. You can appeal the valuation in the same way as for the PRTB scheme.

There are three other differences between the RTA and the PRTB.

With the RTA scheme:

- there is no delay notice procedure;
- there is no cost floor rule to consider; and
- if you are getting a mortgage your finance provider must be an 'approved lender'. An approved lender is one that has permission under the Financial Services and Markets Act 2000 to enter into mortgages as a lender.

Points to note for both the preserved right to buy and the right to acquire schemes

Improvement works

Once you submit a PRTB / RTA application form your home will not benefit from any of our major improvement schemes.

Costs involved in buying your property

You are not charged by Vico Homes for any work that they carry out on your behalf when you submit a PRTB / RTA application, for example, the valuation of the property.

You will however need to pay other organisations for at least some of the following.

Getting a mortgage

It will be your responsibility to get a mortgage or alternative finance to buy your property. You may wish to seek independent financial advice.

There are different types of finance to help you to buy a property including, for example, funding options available in accordance with Sharia Law.

Stamp duty

This is a tax imposed by the Government on the sale of any property within certain price brackets. Further information on current rates can be obtained by visiting www.gov.uk/stamp-duty-land-tax-rates

Legal and survey fees

You will need to contact local solicitors to obtain an estimate for legal fees.

Survey fees will depend on the type of survey you decide to have done. The survey carried out by your mortgage provider, if you have one, is for their benefit. This is so that they can be sure that the value agreed is enough to guarantee the amount of mortgage you are asking to borrow. The fee for both of these will be your responsibility.

You may decide that you would like to have a more comprehensive survey carried out. If so, you will need to contact a local firm of surveyors and arrange a fee with them. Please be aware that if you cancel your application to buy you will still have to pay all the above fees.

Before you buy, it is recommended, by the Department for Communities and Local Government, that you obtain an independent survey from a qualified surveyor.

Mortgage arrangement fees

These will be entirely your responsibility and vary from provider to provider.

Responsibilities of home ownership

Once the purchase of your property has taken place, you will become a homeowner. You will then be solely responsible for meeting continuing regular payments. These payments will include some or all of the following:

Mortgage repayments

Failing to meet your mortgage repayments could result in the repossession of your home by your mortgage provider. You may then become homeless.

Building and contents insurance

This will be your responsibility. However, if your property is an apartment or maisonette, building insurance is included in the service charge administered by us. You will still be responsible for obtaining your own contents insurance.

Life assurance and mortgage payment protection insurance

Both are optional. The former pays off your mortgage if you die during the period of your mortgage and the latter covers the payment of your mortgage if you are made redundant or on becoming ill. This should be discussed with your provider.

Council tax

This will be your responsibility.

Utility services

These include gas and electricity bills and water rates and are your responsibility.

Annual service charges and ground rent

Both these are payable annually and are always applicable if your property is an apartment or maisonette and in some cases, if it is a house, for example, grass cutting. Ground rent is payable for apartments and maisonettes. We manage certain services on your behalf for example lift maintenance and communal lighting. Your charges pay for these services and you are invoiced accordingly.

Regular maintenance costs

Your property will also need to be kept in good repair and you will be responsible for all repairs and maintenance to your home. These can be very costly and could include, for example, central heating servicing, external painting to the outside of your property and in the case of apartments and maisonettes, service charges as mentioned above.

Major repairs

Such items as water drains, boiler replacement, electrical repairs and rewiring will be your responsibility.

Remember, unlike your rent, your mortgage repayments do not include building insurance, water rates and a free repairs service. Once you buy your home, these are your responsibility.

As a homeowner you will not receive any Housing Benefit to help with your mortgage payments.

If you are elderly and own your own home, its value may be taken into account when assessing whether you are eligible for financial help with the cost of residential care.

You must also be aware of the risk of repossession of your home and potential homelessness if you do not maintain your mortgage repayments.

After you buy your home

Repayment of discount

If you wish to sell your property and you applied to buy it after 18 January 2005, the period in which you will be required to repay discount entitlement is five years. The discount that could be reclaimed will be calculated as follows and will take account of any increase in the value of your home.

- If sold within a year, 100% is repayable.
- If sold within two years, 80% is repayable.
- If sold within three years, 60% is repayable.
- If sold within four years, 40% is repayable.
- If sold within five years, 20%.

No repayment is required after five complete years, though your property must be offered back to Vico Homes for the first ten years after purchase in any event.

If you sell your property within this five year period, the amount of discount to be repaid will be a percentage of the resale value rather than the value at the time you purchased the property.

For example, if your home was valued at £80,000 when you bought it from us and purchased through the PRTB scheme and you received a discount of £20,000, this means that your discount was 25% of the value.

However, if your home is valued at £100,000 when you wish to sell it and you sell within the second year of purchase, you will have to repay $£100,000 \times 25\%$ of the value discount $\times 80\%$ which is £20,000.

For RTA if your property was valued at £90,000 and you received the fixed discount at £9,000 this represents 10% of the property value. If, when you sell the property, it is valued at £120,000 and you sell within three years of purchase, then the amount to be repaid will be $£120,000 \times 10\%$ discount $\times 60\%$, which is £7,200.

Under either scheme, if you choose to resell your home within ten years you must first offer it back to us.

If the property you have bought is an apartment or maisonette, you will be required, under the terms of your lease, to pay a service charge to cover the cost of communal repairs, major works and services provided. You lease everything within the internal walls of your apartment, and will be responsible for repairs to items within your home.

We are still your landlord and own the outside structure of blocks and the common parts / areas surrounding the apartments / maisonettes such as the gardens, and so on.

Warning

Vico Homes, together with other registered providers, are concerned that tenants do not always receive good advice when they ask private companies and individuals for help in buying their homes. There have been problems with door-to-door salesmen giving out wrong information and advice.

Some tenants are being asked to pay a lot of money for things that we will do for free.

Be sure that any advice you are getting on the PRTB and RTA schemes is correct. It could be that you are being persuaded to do something that benefits others rather than yourself. If you need information on any aspect of the PRTB or RTA scheme, contact us first.

If you are approached by a person or company offering to help you buy your home, check:

- what exactly you are paying to them;
- what they are going to do for you; and
- talk to us before signing up to any deal.

Companies cannot negotiate deals on discount entitlement or house prices.

The Government publish a leaflet called 'Want to make your home your own?' This is available from the Department for Communities and Local Government, along with information on the PRTB, visit righttobuy.communities.gov.uk

This information is to be used as a guide only.

It is a general summary and is not to be relied on as a full interpretation of the Housing Act.

If there are any specific matters that you need advice on you should contact either us or seek your own independent advice.

Preserved right to buy / right to acquire

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