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Section 1 - Welcome to our Right to Buy Guide

This Guide is intended to be an easy guide for Leeds City Council tenants who are thinking about buying their homes under the right to buy (RTB) process.

The Right to Buy Guide sets out what steps you and the council need to take during that process, and answers questions on the RTB process frequently asked by tenants. For example, it explains how the council works out the discount that you're entitled to, and what you can do if you don't agree with what the council's valuation of your home.

The Right to Buy Guide also contains a basic explanation of the legal documents which we send to you, and which you'll be asked to sign. **The Right to Buy Guide is for you to keep, and you don't need to pass this on to your lawyers.** However, you're welcome to pass it on to them if you wish, and you'll see that we've also included answers to questions frequently asked by lawyers.

When you complete the purchase of your home you will be sent a questionnaire asking for your views on the process. Please remember to fill this in and send it back to us. We want to improve the RTB process wherever we can, and would therefore welcome your feedback on our service.

This Right to Buy Guide is a basic explanation of the legal RTB process. It does not set out the law in full. Also, although we try to ensure that the explanations set out in this Right to Buy Guide are correct, we can give no guarantees in this respect and you should not rely on them. We therefore advise you to obtain your own independent legal advice from a lawyer (a solicitor or licensed conveyancer) in respect of buying your home.

IMPORTANT NOTE: If you're asking a lawyer (e.g. solicitor or licensed conveyancer) to help you with buying your home (which we recommend that you do), please pass to him or her all of the other documents that we've sent to you.

IMPORTANT NOTE: Although we'll do our best to answer any queries you might have, if you want legal or financial advice about buying your home you should raise this with your lawyer or financial adviser.

Section 2 – Our Service Standards

Set out below are our standards for dealing with right to applications:

1. We will be friendly and helpful at all times. We will listen to you and deal with your enquiries quickly and efficiently.
2. We will speak and write in plain English, using terms that are clear and easy to understand.
3. All council leaflets and information can be made available in other languages, large print, audio tape, or Braille, if needed.
4. If English is not your first language we can arrange for an interpreter if needed.
5. We aim to answer all internal or external telephone calls in line with the council's guidelines. Our normal office hours are **9.00am to 5.00pm Monday to Thursday**, and **9.00am to 4.30pm Friday (bank holidays are excluded)**. If at any time we are unable to take your calls we will use an answering machine to inform you of changes in our service.
6. If you make a complaint we will acknowledge it within 3 working days and provide a full response within 15 working days from the date that it was received.
7. We will acknowledge your e-mails within 2 working day and provide a full response as early as possible, but certainly within 10 working days.
8. We will respond to your letters and faxes within 10 working days.
9. If we have to pass your enquiry to another member of staff for response, we will tell you who will be dealing with your enquiry, and how to contact them.
10. We will try to ensure that we meet the legal time limits in dealing with your right to buy application. If we do not meet the time limits we can advise you of what steps you can take, if you ask us to.
11. We will comply with the law in respect of any of your personal data that we hold and will try to respond to any Freedom of Information or Subject Access requests made by you within the legal time limits.

Section 3 - Warning (Cold Callers)

Please take a moment to read this section.

In the past the council's home ownership team have been told by some tenants that they have had people calling at their homes claiming to be from the council.

All tenants should be wary of this possibility and we would suggest that:-

1. If any people come to your door claiming to be from the council, ask them to show their council identity badges. If they cannot show you these, the safest thing to do is to assume that they are not from the council and **refuse them entry into your home.**
2. **Don't sign anything** that you haven't read.
3. **Don't sign anything** that you haven't fully understood.
4. If you're unsure whether you should sign a form or whether you should proceed with a right to buy application you should take independent legal advice.

If you need any help in understanding the right to buy process you can contact the council's home ownership team on 0113 3785685 members of the team will try to answer any questions or concerns that you might have.

Section 4 - Introduction to Right to Buy

The Right to Buy Scheme

The Right to Buy is the right that some council tenants have to buy their homes from the council. Tenants who qualify for the right to buy will sometimes also qualify for a discount so that they can buy their home for less than the market value.

If you buy a flat or maisonette, you will buy it on a long lease. The council will still own the freehold of the block in which the flat is located and will be responsible for maintenance of the structure of the building, including any common areas. As the leaseholder you will be required to pay a contribution towards the cost these works.

If your home is a house or bungalow you will normally buy it on a freehold basis and own the property outright.

Qualifying for the Right to Buy

The conditions that you need to meet to qualify for the right to buy are quite complex and it's not possible to explain them all in this Right to Buy Guide. However, three of the main conditions are outlined below and it is likely that if you meet these three conditions you will qualify for the right to buy

- 1) You must be a secure tenant and you must occupy the property as your only or principal home. If there are two or more of you applying to buy your home as joint secure tenants, at least one of you must occupy the property as your only or principal home.
- 2) It is also very likely that you will need to have had three years as a public sector tenant before you qualify for the Right to Buy.
- 3) You might not have the right to buy if your home is a sheltered or adapted property for the elderly or disabled or is particularly suitable for the elderly.

IMPORTANT NOTE: the law in respect of qualification is complicated and the three conditions shown above is a very basic explanation of only three of the many conditions. You should not rely on these explanations as they are for guidance only. If you have any queries about whether you will qualify please do not hesitate to contact the home ownership team on 0113 3785685 for further help.

Section 5 - Steps in the Right to Buy Process

Step 1 - Applying to buy

Your first step is to ask the council for the right to buy application form (Form RTB1). If you want one of these forms you can get this from the Council's website <http://www.leeds.gov.uk/residents/Pages/Buying-your-council-home.aspx>. If you would like an application form and information pack sent to your home please telephone the home ownership team on 0113 3785685. You will need to fill in the application form and either hand it in at your neighbourhood housing office or post it to the home ownership team at the address provided.

When you give the form back to the council the information you give will be used to decide if you have the right to buy and how much discount you might get. Sometimes the council might need to ask you for more information.

IMPORTANT NOTE: Rent Payments

During the right to buy process up and until you buy your home, you must continue to make regular rent payments and keep your rent account up to date. If you fail to make rent payments the council may take you to court and this could result in you losing your home.

Step 2 – The Council's Response notice

The next step is for the council to send you a notice (Form RTB2) telling you whether or not you qualify for the right to buy. You should get this within four weeks unless the council has to write to other authorities with whom you've been a tenant, in which case the council should respond to you within eight weeks.

If the council says that you don't have the right to buy, it will tell you why.

Step 3 – Council's survey and valuation of your home

As part of the right to buy process the council will need to arrange for a surveyor to come and look around your home. The main reason for this is for the council to value your home. These arrangements can take some time and the council may also need to ask you for extra information. If you've made your own improvements to your home you should inform us of this as it could reduce the amount that you have to pay.

Step 4 – Energy Performance Certificates (EPCs)

The council must also find out and tell you how energy efficient your home is and provide this information to you in the form of an Energy Performance Certificate (EPC). To get this information the council will need to ask a domestic energy assessor (DEA) to visit and look around your home.

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To avoid delays, you must make yourself available to let the surveyor and assessor into your home. Delays in booking appointments or missed appointments may result in your application not being dealt with.

Step 5 – The Council's section 125 notice

If the council has said that you do have the right to buy, the next step is for the council to send you the section 125 notice. This notice will tell you the price that you will have to pay to buy your home, (see Section 6 of this Guide for more details on the section 125 notice). If your home is a house, the council must send you the section 125 notice within 12 weeks of your application. If your home is a flat or maisonette, the council must send you the section 125 notice within 20 weeks of your application.

Step 6 - Getting your own survey

The council is likely to have carried out its own survey of your home as part of the RTB process. The main reason for the council carrying out its survey is to decide on the value of your home and how much you will have to pay to buy it. If the council knows about any structural problems with your home it should tell you about these. However, the council does not have to carry out checks to find structural problems with your home before selling it to you. It is therefore very important that you have a full structural survey carried out so that you find out about any structural problems with your home before you buy it. Remember, once you've bought your home you will be responsible for its repair. If it's a house you will be responsible for all repairs that need doing, inside and outside. If it's a flat you'll be responsible for repairs inside your flat, and will have to pay a share of the cost of repairs or improvements to the building. A full structural survey should give you some idea of what work might need to be done to your home.

IMPORTANT NOTE: Although your mortgage lender might carry out its own survey this might not be a full structural survey and might be of little help to you in finding out about structural problems with your home. You should take independent legal advice from your lawyer (solicitor or licensed conveyancer) about what kind of survey you should have before buying your home.

Step 7 - Repairs to your home after you've applied to buy your property but before you've completed the purchase.

During the period after you've applied to buy your home but before you've bought it, the council will not carry out any improvements to your home and will not undertake any repairs to your home other than those that are necessary under the council's duty as landlord.

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Step 8 – You may appeal to the district valuer to decide on the valuation of your home.

If you don't agree with the council's valuation of your home you have the right to ask the council to get the district valuer to decide on its valuation. The district valuer is not part of the council. If you ask for the district valuer to decide on the value of your home, her valuation will then be used instead of the council's valuation. The district valuer might decide that your home should be valued at a lower price than the council's valuation but they could also make a higher valuation. If this happens you will have to buy your home for the higher valuation made by the district valuer.

If you want the district valuer to decide on the value of your home you must tell the council in writing within three months of the section 125 notice.

If you ask for the district valuer to decide on the value of your home you will be able to write to them to tell them, about anything you want them to take into account when making their valuation.

Step 9 – The council's section 128 notice.

If you have asked for the district valuer to decide on the value of your home then the council will send you a section 128 notice when the district valuer has made their valuation. The section 128 notice is like the section 125 notice sent by the council at Step 5 except that it shows the district valuer's valuation of your home instead of the council's.

Step 10 - Asking the district valuer to review their decision on the value of your home.

If you disagree with the district valuer's valuation and think that they've made a mistake or a number of mistakes or think that they've failed to take into account things that you have told them about that could affect the value of your home, then you can write to the district valuer to ask them to review their valuation. If you want to do this you must write to the district valuer within 28 days of the date of the council's section 128 notice.

If you do write to the district valuer to ask them to review their valuation then you must state the reason why you are asking for the review and confirm that you have not yet completed the purchase of your home.

When the district valuer receives your request for a review they will decide whether they need to make a review and whether they need to make a new valuation of your home.

The council also has the right to ask the district valuer to make a review of their first valuation.

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If the district valuer does review their first valuation and does make a new valuation, the council will send you a section 128B notice. The section 128B notice is like the section 128 notice except that it shows the district valuer's new valuation instead of his first one.

Step 11 - Telling the council what you want to do next

You must let the council know what you want to do in writing within twelve weeks of getting your section 125 notice (or section 128 or 128B notice). These are details of the price you will have to pay for your home and other details.

If you don't let the council know, you'll be sent a reminder notice. You must then write back in 28 days. **This is important because if you don't respond to this reminder notice, your application will be cancelled and you'll have to make a new application if you still want to buy your home. You will then have to go back to Step 1 and the council will make a new valuation of your home.**

Step 12 - Getting legal advice

You should get independent legal advice before you buy your home. Although the council will try and answer any questions you might have, it's important that you get your own legal advice on what you are buying and what your responsibilities will be. **Please pass all of the formal documents we send to you onto your lawyer.**

Step 13 - Getting a mortgage

If you need a mortgage it is likely that you will apply to a bank or building society.

Please be aware that if at any time you wish to re-mortgage your home or borrow more money against it, you may be restricted by the bank/building society's lending policy, the right to buy law and the council's policy.

The bank or building society will only give you the new mortgage or lend you more money if the council first postpones its financial interest in your home i.e. the discount amount re-payable on any early re-sale of your home (see Section 11 of this Guide re discount re-payable).

The council will usually only be able to make this postponement if it is satisfied that the new loan is to be used for an approved purpose and if it is satisfied that all the banks or building societies involved are approved lenders.

IMPORTANT NOTE: If you need more information on which banks and building societies are approved lenders or what approved purposes are, you can ask your lawyer about this or contact the Home Ownership Team on 0113 3785685

Step 14 - Completing the purchase of your home.

Completing is when you've signed the transfer (see section 7 of this Guide) or lease (see Section 8 of this Guide), and paid the council the price for your home. Once the council has sent you the section 125 notice (or section 128 or 128B notice), it's usually up to you and your lawyers to decide when you're ready to complete. However, in some circumstances, you may not be able to complete the purchase of your home. For example, the council will not allow you to complete the purchase of your home if you've been made bankrupt or if the council's going to demolish your home and has sent you a demolition notice.

If you don't complete the purchase of your home within 3 months from getting the section 125 notice (or section 128 or 128B notice) the council will send you a warning notice (prior notice to complete) which will ask you to:

- a) complete your purchase OR
- b) write to the council to tell us what matters you think are outstanding.

If you don't comply with this first notice or if the council disagrees about there being matters outstanding, the council will then send you a second notice (final notice to complete) asking you to complete your purchase within the next 8 weeks.

IMPORTANT NOTE: If you don't complete within the 8 weeks after receiving the final notice to complete, it is likely that your right to buy application will be cancelled and if you still wanted to buy your home, you would have to make a new application, and go back to Step 1 with the council then making a new valuation of your home.

IMPORTANT NOTE: At the date when you complete the purchase of your home under right to buy all rent due (including any arrears) must be paid up to date. In addition the Council will have notified you of any other charges which are due. Payments of rent and any other charges can be made:-

- Preferably by your lawyer on completion, in the form of a telegraphic transfer, client account cheque, or bankers draft made payable to Leeds City Council.
- By Debit Card by telephoning the council's automated payment system on 0113 3957100(24 hours, 7 days a week).
- By cash, at the Post Office or one of the Pay Point outlets. Cash payments must be made by the Wednesday before you complete your purchase.

IMPORTANT NOTE: Please note that payment by personal cheque may result in your purchase being delayed until the cheque clears. This may lead to a further week's rent becoming payable. Please ensure that your lawyer is aware of the above information so that unnecessary delays can be avoided.

Section 6 - The section 125 notice (section 128 and 128B notices are similar)

If the council agrees to sell your home you will receive a letter with a notice known as the section 125 notice along with some other legal documents. This notice tells you the price you have to pay and the terms and conditions of the sale.

IMPORTANT: The section 125 notice is an important document and you should read it very carefully or ask your lawyers to explain it to you. If you decide to go ahead and buy your home, you must hand the section 125 notice and the other legal documents to your lawyers.

The section 125 notice will tell you six main things:

- 1) It will describe your home which you have applied to buy and will describe any rights that you will be able to enjoy in relation to your home e.g. rights of way
- 2) It will tell you the value of your home and the discount that you will get. The value less the discount is the price that the council thinks you should pay for your home. If, for any reason, you think that you should get more discount than the council has offered you, you should contact the home ownership team on 0113 3785685
- 3) It tells you about your right to ask the district valuer to make a new valuation of your home.
- 4) If you are buying a flat or maisonette, it will give you an estimate of how much service charge you might have to pay each year and if any major repairs/improvements are carried out over the next five years.
- 5) It will describe any structural problems with your home that the council knows about.
- 6) It will contain terms and conditions which the council thinks should be attached to your purchase of your home. These are set out in the form of a legal document, either a transfer (see Section 7 of this Guide) or a lease (see Section 8 of this Guide), that you will have to sign before you buy your home.

IMPORTANT NOTE: If you have any questions about the information in the section 125 notice you should telephone the person named on the letter sent with the notice and take legal advice from your lawyer.

Section 7 - The Transfer (will usually have TP1 or TR1 at the top)

A Transfer is the document usually used to sell you your home if your home is a house.

The Transfer will, amongst other things:

- have a plan of your home in it
- state the agreed value of your home
- state the discount that you will get
- state the price that you will have to pay to the council to buy your home
- give you certain rights which you will need as the owner of your home. For example, the right to use a footpath that's shared with your neighbours and the right to use drains and cables that supply services to your home and other properties,
- give the council and its tenants and owners of neighbouring properties rights over your property
- set out the commitments that you give to the council.

Examples of the types of commitments that you might be asked to give to the council include:

- to maintain and repair a fence separating your home from neighbouring land and properties.
- to pay a fair share of the cost of repairing anything that you use jointly with other properties such as drains, footpaths and pipes etc.
- to maintain your garden and fences in a good condition.
- not to use your home for anything other than as a private home.
- not to use your home in particular ways and not to carry out particular activities in your home.
- not to undertake certain types of work to your home and not to undertake other types of work without the council's written agreement.
- not to park a car or other vehicle on your property in front of your home
- not to keep animals in your home or garden except a domestic dog, cat or bird
- not to cause a nuisance to the council, to council tenants or to any of your neighbours.

IMPORTANT NOTE: If you don't comply with your commitments the council might take legal action against you.

IMPORTANT NOTE: You should take independent legal advice from a lawyer on the contents of the transfer.

Section 8 – The Lease

A Lease is a document usually used to sell you your home if your home is a maisonette or a flat. Leases are quite long legal documents which make a contract between you as the leaseholder and the council. The lease makes you the owner of your flat or maisonette for up to 125 years. The council will still be the owner of the structure of the building (the block).

The Lease will, amongst other things;

- have a plan of your home in it
- state how long your lease will be for
- state the amount of ground rent that you will have to pay
- set out how the service charge that you will have to pay is worked out
- state the price that you will pay to the council for your home
- give you certain rights which you will need as the owner of your home – for example the right to use shared staircases and passageways and the right to use drains and cables that supply services to your home as well as other properties,
- give the council and its tenants and owners of properties near yours rights over your property
- set out commitments that the council gives to you, for example to keep the block in good structural repair
- set out the commitments that you give to the council

Examples of the types of commitments that you might be asked to give to the council include:

- to pay your rent to the council
- to pay your service charge (see question 9 in Section 12 of this Guide) to the council
- to keep your home in a good condition
- to follow reasonable rules about what can and can't be done in the block
- not to use your home for anything other than as a private home
- not to undertake certain types of work and not to undertake other types of work without the council's agreement
- not to keep any animal in your home without the council's written agreement
- not to cause a nuisance to the council, to council tenants or to any of your neighbours.

IMPORTANT NOTE: If you don't comply the terms of your lease the council may take legal action against you. In the end the council could seek to end your lease and remove you from your home.

IMPORTANT NOTE: You should take independent legal advice from a lawyer on the contents of your lease.

Section 9 – Costs that you may have to pay when buying your home.

Buying your own home can be expensive. Some of the costs that you may have to pay are set out below:-

- **Structural Survey fee** – before you buy your home you are likely to have a full structural survey carried out. You will have to pay the surveyor's fees for making the survey.
- **Mortgage Lender's Survey/Valuation Fees** - your mortgage lender might also need to carry out its own survey or valuation and you might have to pay the costs of their surveyor
- **Mortgage Arrangement Fee and Legal Fees** - banks and building societies will also often charge you a mortgage arrangement fee and ask you to pay their legal fees. These can often be added to the mortgage.
- **Mortgage Guarantee Premium** - Some banks and building societies might take insurance against the risk of you not paying your mortgage. It is likely that the cost of this insurance will be passed to you.
- **Legal Fees** - you are advised to get a lawyer (solicitor or licensed conveyancer) to help you with all of the legal issues connected to buying your home. You will have to pay your own lawyer's fees.
- **Land Registry fees** – when the sale is complete, you will have to pay the Land Registry a fee to register yourself as the owner of your home.
- **Stamp Duty** – might also be payable when you buy your home. This is based on the price that you pay for your home.

IMPORTANT NOTE: these are just a sample of some of the costs that you might have to pay when buying your home. You should take independent legal advice on what costs you will have to pay.

Section 10 – Ongoing costs that you may have to pay as a home owner after you've bought your home

Once you've bought your home there will be a number of ongoing costs that you will have to pay as a home owner. If you buy your home with a mortgage you will have to pay:- **monthly mortgage payments** which are likely to include payment of interest and the repayment of the loan. You may also have to pay life assurance and/or mortgage payment protection depending on the type of mortgage that you have.

As a home owner you will also have to pay the running costs of your home, which may include:-

- **Council Tax**
- **Water Charges**
- **Gas and Electricity**
- **Maintenance and Repair of your Home** As a homeowner you will be responsible for maintaining your home.
- **Buildings Insurance** (but if you are buying a leasehold property you should check whether Buildings Insurance is arranged by the council)
- **Contents Insurance** - insuring against loss of, or damage to, your belongings in your home.
- **Costs of repairs to shared facilities** such as shared pathways
- **Service Charge (see question 9 of Section 12 of this Guide)** (this will usually only apply to leasehold owners of flats and maisonettes)
- **Rent** (this will usually only apply to leasehold owners of flats and maisonettes)

IMPORTANT NOTE: these are just a few examples of some of the costs that you might have to pay once you've bought your home. Should you require any further information in regard to the costs of home ownership you should get your own independent financial advice.

IMPORTANT NOTE: If you don't make mortgage payments to your bank or building society they may repossess your property and you would lose your home. You should take advice from your lawyer about what powers your mortgage lender has to repossess your home.

Section 11 – Selling your home after you've bought it under the right to buy

If at any time after you've bought your home and you are considering selling it, you should remember the council's right of first refusal and the possible need for you to repay discount.

The council's right of first refusal on any sale.

If you sell your home within 10 years after having bought it from the council under the right to buy scheme you will have to give the council the first option of buying it back. If the council does want to buy your home back it will have to pay you the market value. If you are unable to agree the market value with the council, the district valuer can be asked to make a decision on this.

If the Council doesn't want to buy your home back it will write to you to tell you this and you will then be free to sell your home on the open market.

Changing the ownership of your home to include a family member or a partner will be a sale and may require you to give the council the right of first refusal.

IMPORTANT NOTE: The council does not have to buy your home back from you.

Repayment of Discount

If you sell your home within 5 years of having bought it from the council under the right to buy scheme you will usually have to repay discount. Changing the ownership to your home to include a family member or a partner will be a sale and might mean that you have to repay discount. Other arrangements such as options or agreements that give someone else the right to buy your home in the future might also mean that you have to repay discount. Repaying discount can involve you having to repay some, all, or possibly more than, the original discount that you received.

IMPORTANT NOTE: You might also have to repay discount if your home is repossessed and sold by your bank or building society. You should take advice from your lawyer about what powers your mortgage lender has to repossess your home and sell it.

How the amount to discount that you might have to repay is worked out is explained on the next page.

Working out how much discount you will have to repay if your home is sold within 5 years of you buying it under the right to buy

There are four things which have to be taken into account when working out how much discount you will have to repay:

- 1) the value of your home at the time that you bought it under the right to buy,
- 2) the amount of discount that you received when you bought your home under the right to buy
- 3) the number of complete years which have passed since you bought your home under the right to buy.
- 4) the price that your home is being sold for

The discount that you were given when you bought your home under the right to buy can be shown as a percentage of the value of your home at that time. This is described as the discount percentage.

If you have to repay discount the amount that you will have to repay will be worked out by multiplying the discount percentage by the price that your home is being sold for.

However, the amount of discount that you must repay will be reduced by $\frac{1}{5}$ th for each complete year that has passed between the day after your right to buy purchase and the date on which it is sold. This means that if your home is not sold until after five years and a day have passed since you bought it from the council you will not have to repay any discount at all.

Example,

If your home was valued at £100,000 when you bought it from the council, and you were given a discount of £50,000, this means that the discount percentage is 50% (£50,000 divided by £100,000).

Assuming in your third year of owning your home you sell it for £150,000, you will have to repay £45,000 discount. This is because the 50% discount percentage multiplied by the £150,000 sale price is £75,000 and this will be reduced by $\frac{2}{5}$ ths, to £45,000, because two full years have passed since you bought your home under the right to buy.

Certain sales are free from the need to repay discount even if they are within the 5 years of your right to buy purchase of your home. For example, if you transfer your home to your husband or wife you might not have to repay discount.

IMPORTANT NOTE: The value of your home can go down as well as up.

Section 12 - Questions frequently asked by tenants?

1. What does the “Right to Buy” mean?

The right to buy means the right that some council tenants have to buy their homes from the council. Often tenants who qualify for the right to buy will also qualify for a discount so that they can buy their home for less than the market value.

2. Do I qualify for the Right to Buy?

The conditions that you need to meet to qualify for the right to buy are quite complicated and it's not possible to explain them all in this Right to Buy Guide. However, three of the main conditions are set out below and it is likely that if you meet these three conditions you will qualify for the right to buy

- i) You must be a secure tenant and you must occupy the property as your only or principal home. If there are two or more of you applying to buy your home as joint secure tenants, at least one of you must occupy the property as your only or principal home.
- ii) It is also very likely that you will need to have been a public sector tenant for 3 years before you qualify for the Right to Buy.
- iii) You might not have the right to buy if your home is a sheltered or adapted property for the elderly or disabled or is particularly suitable for the elderly.

IMPORTANT NOTE: the law in respect of qualification is complicated and the description of the three conditions shown above is a very basic explanation of only three of the many conditions. You should not rely on these explanations as they are for guidance only. If you have any questions about whether you will qualify, please do not hesitate to contact the home ownership team on 0113 3785685 for further help.

3. How much discount will I receive?

If you qualify to buy your home under the right to buy you might also qualify to receive a discount on the price you pay. The amount of discount that you get will depend on how long you've been a public sector tenant and whether your home is a house or flat / maisonette.

Houses: The discount after five years qualifying period is 35% with an additional 1% for every extra year up to a maximum of 70% (40 years and over).

For example, let's say that your house is worth £65,000 and your discount entitlement is 40% because you've been a tenant for 10 years (35% discount for 3 years qualification. The discount will remain at 35% up to and including year 5. At year six the discount will increase by an additional 1% per completed year of tenancy up until the date of application to a maximum of

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40 years and 70%. For example 40% of £65,000 is £26,000. So you will pay £39,000 for your home.

If you are entitled to the maximum discount of 70% and your house is valued at £125,000, the discount would be £87,500 (70% of £125,000). However, the maximum discount which can be granted to any tenant is capped by Government. The cap is currently £82,800 (as at 6 April 2019) and will be reviewed in line with Consumer Price Index (CPI) annually. This is the maximum discount allowed and you would pay £44,100 for your home.

Flats / maisonettes: Working out the discount for flats is the same except that the discount at 3 years qualifying tenancy is 50% (and remains at 50% up to and including year 5). At year six it will increase by an additional 2% per completed year of tenancy up until the date of application to a maximum of 15 years and 70%. The maximum discount entitlement in monetary terms is £82,800 (wef 6th April 2019). This monetary limit will now be reviewed annually in line with the CPI. Changes will be applied in the April of each year.

IMPORTANT NOTE: You may not qualify to get any discount if the cost floor rule applies (see question 4 below) or if you received discount when you bought a previous home (see question 5 below).

4. What is the cost floor rule?

The Cost Floor Rule means that the amount of discount which you receive may be limited, or you may not be entitled to any discount.

For properties which have been built by the Council after the 2nd April 2012, the Council cannot sell the property for less than the costs incurred in building the house or repairing/improving the property during the previous 15 year period.

For example:

The Council built the house in April 2012 at a cost of £90,000, the property is valued at £100,000. Your discount entitlement is 50% and therefore you would expect to buy the property for £50,000. However, the Cost Floor Rule would apply and you would have to pay £90,000 for the property which is the cost to the Council of building the property and this was incurred within the last 15 years.

For costs incurred by the Council in respect of properties which it has built, bought, and/or repaired/improved, prior to April 2012 the costs which can be taken into account by the Council are for the period 10 years prior to the date of your application.

5. What if I bought a previous home at a discount?

If you have bought a previous home at a discount, the discount you got then will usually be taken off your discount when you buy again.

6. How long do I have by which time I need to respond to the section 125 notice served by the council?

You must let the council know what you want to do in writing within twelve weeks of getting your section 125 notice (or section 128 or 128B notice).

If you don't let the council know, you'll be sent a reminder notice. You must then write back within 28 days from the reminder notice. **IMPORTANT NOTE: if you don't respond to this reminder, your application will be cancelled and you'll have to make a new application if you still want to buy your home. You will then have to go back to Step 1 and the council will make a new valuation of your home.**

7. What happens if I don't complete on the purchase of my home?

If you have told us that you want to buy your home but then don't go ahead and complete the purchase, we will send you two reminder notices asking you to complete.

IMPORTANT NOTE: In the end, if you don't complete the purchase of your home the council will cancel your right to buy application and you'll have to make a new application if you still want to buy your home. You will then have to go back to Step 1 and the council will make a new valuation of your home.

8. Will repairs still be carried out to my home while my Right to Buy application is being processed?

During the period after you have applied to buy your home but before you've bought it the council will not carry out any improvements to your home and will not undertake any repairs to your home other than those that are needed to keep it "wind and weatherproof and secure", and under the council's duty as landlord.

9. What is a Service Charge?

A Service Charge is a charge that leaseholders (usually owners of flats and maisonette type properties) have to pay to towards the costs of maintaining the block. These costs can include amongst other things the costs of:

- insuring your flat
- keeping the block clean and tidy
- paying for lighting and heating of common parts of the block
- maintaining and repairing to the structure of the block, including roofs, walls, foundations, gutters etc
- maintaining and repairing services in the block such as lifts and intercom systems
- maintaining and repairing common areas outside the block such as gardens, pathways, driveways, parking areas, fences, hedges etc and keeping these areas clean, tidy and lit
- managing the block
- taking any legal actions against people living in the block

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- making improvements to the block

IMPORTANT NOTE: these are just a few examples of some of the costs that you might have to pay in your service charge. If you require any further information in regard to service charge and what you might have to pay you should discuss this with you lawyer.

Section 13 What questions do lawyers frequently ask?

1. Which documents should the Tenant bring to me on first Instructions?

Your client should pass to you the transfer or lease and the section 125 notice. These were sent direct to your client but if they have been lost, replacements can be provided for a fee. Please call the general property, legal team on 0113 3788558 if you need any clarification or replacement documents.

2. Is it necessary to do a Land Charges search against the council?

No. It isn't necessary to do a land charges search as the council gives a certificate of title on completion that states that there is nothing affecting the title apart from the matters referred to in the transfer or lease.

3. Will the council send a contract of sale to me?

No, the section 125 notice replaces the contract stage.

4. What is the procedure for completion?

You should give a week's prior notice and send the signed transfer or lease to the council. You should send a clear bankruptcy search against all of the buyer's names.

5. On which day of the week is the matter completed?

The council always completes right to buy sales on a Monday to coincide with the tenants' rent payment day.

6. What is the position if there are rent arrears on the completion date?

If the tenant has failed to pay rent for four weeks, the council won't complete until all rent has been paid in full. Rent arrears can be paid with the purchase price, and all rent arrears should be cleared before completion.

7. What are the arrangements for sending completion monies to the council?

You can send the monies by telegraphic transfer to the council's bank. You should telephone or send a fax to the council once the telegraphic transfer has been sent

If you are sending a client account cheque, please ensure that you send this in sufficient time for it to clear

8. Which documents will I receive after completion?

For an unregistered title, the council will send the sealed transfer or lease and the certificate of title. For a registered title, the council will send only the sealed transfer or lease.

9. After completion, what happens if the property is sold?

Depending on how soon after the completion of the right to buy purchase the subsequent sale takes place, discount might become repayable.

There may also be the requirement to give the council first refusal to buy back the property if it is sold within 10 years of the right to buy purchase. Please refer to sections 156 and 156A of the Housing Act 1985 (as amended).

Section 14 Contact Details

Completed Right to Buy Forms can be returned by recorded delivery to:-

Resources & Housing
Home Ownership Team
3rd Floor West
Civic Hall
Calverley Street
Leeds
LS1 1UR

If you have an enquiry regarding the Guide or the Right to Buy please contact the Home Ownership Team (Tel. 0113 3785685)