

Your right to buy your home

A landlord service information leaflet



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A guide for tenants of council housing in Lincoln

Introduction

Under the Right to Buy scheme you can buy your home at a price lower than the full market value. This is because you get a discount for the time you have spent as a tenant.

This booklet explains how the Right to Buy scheme works. We have tried to make it easy to understand, but it is not a substitute for professional advice.

If you wish to use your Right to Buy, we recommend that you seek independent legal and financial advice. You should also seek independent financial advice about the different types of mortgages available.

The Right to Buy is for secure council tenants.

Warning – things to consider before deciding to buy your home

Buying your home is probably the biggest financial decision you will ever make.

Take time to consider whether it is the right choice for you.

For example:

- If you buy your home, you will become responsible for **all the costs of maintaining it**, including routine repairs, major structural repairs, and improvements. If you become a leaseholder by buying your flat or maisonette, you will have to pay service charges each year, and also pay towards the costs of repairs, major repairs and refurbishment.
- If a person or company offers to help you buy your council home, **check what's in it for them and talk to us at the Council before signing up to any deal**. People sometimes claim that the Right to Buy scheme may change or end. In fact the Government is committed to the principle of Right to Buy. In short, treat any 'door-to-door' sales-people with suspicion.
- **Before borrowing money** to buy your home, consider all the costs involved and the choices available.

Think before you buy. Can you **afford** the loan, and the other costs of buying and looking after your home? What would happen if you **lost your job**, or **became ill**? If you are buying a flat or maisonette, consider the **service charges** you will have to pay as a leaseholder, which may be high.

Who has the Right to Buy?

You probably have the Right to Buy if:

- you are a secure tenant,
- you have been a public-sector tenant for a total of three years or more (this does not have to be continuous), and
- your home is not an exempt property (see section 'Exceptions to the Right to Buy').

You cannot buy your home under the Right to Buy if:

- a court makes a possession order that says you must leave your home
- you are an undischarged bankrupt
- you have a bankruptcy petition pending against you (someone has applied to court to make you bankrupt), or
- you have made an arrangement with creditors (people you owe money to), and you still owe them money.

Anti-social behaviour: We are committed to tackling anti-social behaviour and will consider legal action against anyone who behaves in an anti-social way. If you, members of your household or your visitors behave anti-socially you risk losing your Right to Buy. We can apply for a court order to suspend (put off) your Right to Buy your home for a specified period on the grounds of anti-social behavior. If the court granted this order, it would end any application you had already made and stop you applying again while the order was in force.

If we have applied for a court order on the grounds of anti-social behaviour, we also have the right to refuse to complete a Right to Buy sale until the matter has been to court. If the court makes no order, we can complete the sale, but if an order is made, it will end your Right to Buy application.

Sharing your Right to Buy: You may be able to exercise the Right to Buy jointly (make a joint application to buy your home) with members of your family who have lived with you for the past 12 months, or with someone who is a joint tenant with you.

Discounts: 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. The maximum discount increases on 6 April each year if the Consumer Price Index increases. If the Index does not increase, the discount will remain the same.

The maximum cash discount from 6 April 2024 is £102,400

Qualifying period: The discount you get depends on the number of years you have been a public-sector tenant with:

- the Council
- another social landlord
- one of the public bodies on the Right to Buy list, such as fire and police authorities or the British Railways Board (you'll find a list on the Right to Buy application form, but please ask us for details if you are not sure).

For buying a house, you can get a discount of 35% of the market value after you have been a tenant for 3 years. After this, you can get 1% more discount for every extra year you are a tenant, up to 70%. For buying a flat or maisonette, the discount is 50% after 3 years, then an extra 2% every year after that, up to 70%. **Your discount cannot be more than the current maximum cash discount.**

Will my discount be affected if my landlord has spent a lot of money refurbishing my home?

Yes, your discount may be reduced if your landlord has spent money on your home. For example, we may have only recently bought or built your home or have spent money on repairing or maintaining it. The price you pay (after discount) must cover at least as much as we have spent on building, buying, repairing or maintaining it. If the cost of work carried out on your home over the last 10-11 years is greater than its market value, you will not receive any discount. This period is 15 years if we built or bought your home after 2 April 2012.

Repayment of discount

If you have bought your home under the Right to Buy, you can sell it whenever you like. However, you will have to pay back some or all of the discount you received if you sell within a certain period.

If you sell within the first year after buying your home, you must pay back the whole of the discount. If you sell within the second year, you must pay back four-fifths of the discount. In the third year you pay back three-fifths; in the fourth year two-fifths; and in the fifth year one-fifth. After 5 years, you can sell without having to pay back any discount. The amount you have to repay is based on the percentage discount you received when you bought your home. For example, if your home was valued at £100,000 when you bought it from us and you received £20,000 discount that means your discount was 20%. If your home is valued at £120,000 when you want to sell it, and you sell within the first year after buying it, you would have to repay £24,000 (20% of £120,000). In working out how much you have to repay, we disregard the value of any improvements you have made since buying your home.

If before you buy your home, or within the 5-year discount-repayment period, you agree to transfer your property to someone else in the future, then you will have to repay some or all of your discount. We work out how much of the discount you must repay from the date that you enter into the agreement.

What if I have bought a property under the Right to Buy scheme before?

If we gave you a discount when you bought a property before, we will usually take this amount off your discount when you buy again.

Right of first refusal: If you buy your home under the Right to Buy scheme on or after 18 January 2005, and you want to sell it within 10 years, you must offer it either to us or to another social landlord in your area at full market value. If your offer has not been accepted within eight weeks, you will be free to sell the property on the open market.

Buying a flat or maisonette

What are the differences between buying a house and buying a flat? If you buy a house, you will buy the freehold and will own the property outright. If you buy a flat or maisonette, you will usually buy a **long lease**. This allows you and your successors to live in your flat or maisonette for a fixed time, usually 125 years. We will still own the land and will be responsible for maintaining the building and the communal areas and facilities.

As a leaseholder, you only have to pay us a small token rent (known as a 'ground rent') of £10 a year. But you **will also have to pay service charges**. These can 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.

Under your lease:

- **we** will be responsible for repairing the structure and outside of your flat and the rest of the building. This includes routine repairs and maintenance, and also major maintenance and refurbishment works (for example, repairing the roof or replacing a lift), which can be very expensive
- **we** will usually provide services like communal lighting and caretaking (depending on the size of the block and if it has internal or external communal areas)
- **you will have to pay a reasonable share of the costs for repairs, maintenance and services**
- **you will have to pay** a charge towards the costs of managing the block
- **you will also be responsible** for keeping the inside of your flat in good repair.

There are 2 kinds of service charges:

- annual charges for day-to-day maintenance, and
- itemised works or major works service charges (a lump sum) when a lot of repair or refurbishment work is needed.

The law protects you from unreasonable service charges.

The costs of buying and owning your home

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 also have to pay service charges.

You can apply for various kinds of mortgage which your bank or building society can tell you about. An independent adviser may also be able to help. See the free Financial Conduct Authority (FCA) mortgage advice at www.fca.org.uk/consumers/mortgage-advice

If you can't keep up the repayments on your mortgage, the lender may go to court and ask to take over your home. We do not have to give you another tenancy if you lose your home in this way.

One-off costs of buying your home

You should use a solicitor or a licensed conveyancer to look after the legal side of buying your home. Costs can vary considerably.

You should have a survey of your home done. These can cost roughly between £350 and £800, or more if your home has any special problems. You should consider one of these:

- An RICS Homebuyer's Survey and Valuation. This will tell you how much your house is worth and any major problems with the structure of the building.
- A building survey. This is a detailed examination of all the visible parts of the property. It is a good idea to have a survey like this done if the property is old, or obviously needs repairs, or if you are considering making alterations. A building survey may not be available if your home is a flat.

You should get a survey done after you receive your Section 125 Notice (the notice that your landlord has to send you if you apply to buy your home). You should ask how much the survey will cost before you ask anyone to go ahead with it.

If you take out a mortgage, you may have to pay for the cost of arranging it. You will also have to pay a valuation fee.

When a sale is completed, you must pay the Land Registry to register you as the new owner.

You may have to pay stamp duty land tax when you become a homeowner. The tax is a percentage of the price paid for the property. Further information can be found on the government website at www.gov.uk/stamp-duty-land-tax

Other regular costs of owning a home

Council tax and water charges

Insurance: You will need to think about insuring your property, your possessions and your mortgage. There are 4 main types of insurance:

- **Buildings insurance:** This is essential. You will need this to cover the cost of rebuilding your home if it is destroyed by fire or some other incident. With flats, we usually arrange this insurance for the whole block and you have to pay towards the cost of the insurance. If you need a mortgage to buy your home, the lender will insist that you have buildings insurance.
- **Contents insurance:** You should insure the contents of your home against theft and other risks.
- **Life assurance:** You will need this to pay off your mortgage if you die before the end of the mortgage period. It means that your family is not left with the heavy burden of paying the mortgage.
- **Mortgage payment protection insurance:** You need to think seriously about how you would pay your mortgage every month if you lost your income through unemployment or ill health. Good mortgage payment protection insurance will pay your mortgage if you lose your income.

Repair and maintenance: If you buy a house, you will be responsible for the costs of all repairs and maintenance, whatever its condition when you bought it. If you are buying a flat on a long lease, you will have to pay our service charges. It is your responsibility to get advice on the condition of your home before you buy it. So it is important that you have a survey done.

Gas servicing: Every year, people die from carbon monoxide poisoning caused by gas appliances that have not been properly installed or maintained. You can't see, smell or taste this gas but it can kill you and your family in a matter of hours.

By law, landlords must conduct safety checks every year of all gas appliances supplied. We ensure that all appliances we supply, such as gas boilers and fires, are checked every year, and the contractor must, by law, leave a gas safety certificate to show that this has been done. If you buy your home, you will become responsible for maintaining these appliances. We strongly recommend that you get all gas appliances serviced every year by a Gas Safe-registered fitter (previously CORGI-registered) and that you ensure you get a certificate showing when it was done. If you let your property to someone else after you buy it, you will be legally required to do this as their landlord.

A step-by-step guide to buying your home

This section aims to take you through each stage in buying your home.

Step 1: Applying to buy

Start by asking us for the **Right to Buy claim form (form RTB1)**. You can get a form by visiting our office, by telephone or via our website: www.lincoln.gov.uk.

Fill the form in carefully. We use it to decide whether you have the Right to Buy and how much discount you will get.

When you have filled in the form, return it to us.

Step 2: Our response notice

Once we have received your claim form, we must send you a notice (**form RTB2**) telling you whether or not you have the Right to Buy. You should get this within 4 weeks of the date we received your Right to Buy claim form (or within 8 weeks if you have been a tenant with us for less than your qualifying period).

If we say that you don't have the Right to Buy your home, we must explain why.

Step 3: Our Section 125 Notice

If we agree to sell your home to you, we must send you a separate offer notice (known as the Section 125 Notice), which tells you the price you have to pay and the terms and conditions of the sale. We must send this:

- within 8 weeks of you receiving your RTB2 form if your home is a house and you are buying a freehold, or
- Within 12 weeks if your home is a flat or maisonette.

The Section 125 Notice is an important document and you should read it very carefully. It will tell you 5 main things:

- It will describe the property to which you have the Right to Buy.
- It will tell you the price we think you should pay for it. This will be how much your home was worth, less your discount, at the date on which we received your application form.
- It will give estimates of the service charges or improvement costs you will have to pay during the first 5 years after you buy your home, if it is a flat or maisonette.
- It will describe any structural problems that we know about.
- It will contain our terms and conditions of the sale.
- By law, we must now provide you with an Energy Performance Certificate (EPC) for your home if you apply to buy it. We will send you an EPC with your Section 125 Notice.

Step 4: Appealing to the District Valuer

When you get your Section 125 Notice, you may feel that we have set the full market value of your home too high. If so, you have a right to get an independent valuation from the District Valuer. Before doing so, you have to tell us, **within 3 months of receiving the Section 125 Notice**, that you want a 'determination of value' under Section 128 of the Housing Act 1985. You then have **4 weeks** to apply to the District Valuer. **He or she will need to inspect your home.**

The District Valuer's valuation will be the one that counts. **Even if it sets a higher price on your home than we did, you will still have to accept it or withdraw your application to buy your home.**

Step 5: Resolving other questions about the Section 125 Notice

If you have any questions about anything else in the Section 125 Notice, you should contact us.

Step 6: Getting a survey

Before you finally decide to buy, you should get an independent survey from a qualified surveyor. When you apply for a mortgage, the bank or building society will also get a survey done. But this is only to find out how much your home is worth, so that they know how much to lend you. It may not uncover any structural problems in your home.

Step 7: Getting legal advice

Before deciding whether to buy, you should get legal advice, particularly if you are worried about anything to do with the sale. **You should always ask how much the advice will cost before you ask a solicitor or licensed conveyancer to handle your case.**

Step 8: Telling us what you want to do next

You will now have to decide if you want to buy your home for the price shown on the Section 125 Notice, or withdraw your application to buy and so continue paying rent.

When you have decided, you must tell us in writing. **You must let us know your decision within 12 weeks of receiving your Section 125 Notice.** If you have asked the District Valuer to value your home, you must tell us what you want to do within 12 weeks of **getting that valuation.**

If you don't let us know in time what you intend to do, we will send you a reminder. If you don't reply to the reminder within 28 days, we will think you don't want to buy, and **we will stop dealing with your application.**

Step 9: Enquiring about a mortgage

If you need a mortgage (loan), you should talk to a bank or building society at this point.

Step 10: Completing your purchase

If you are happy to buy your home on our terms, and you have arranged to raise the money, you are ready to go ahead and buy. You should tell us you are ready, and ask your solicitor what legal documents you need to sign and how to pay us. It may take a couple of months before you become the owner of your home.

You should let us know as soon as you are ready to buy. If we don't hear from you for a long time, we may send you a warning notice. This will ask you to complete the purchase within 8 weeks or write and tell us that you disagree with the terms of the sale. If you don't do either of these, we may send you a second notice asking you to complete your purchase. **If you still do nothing, we will stop your application.**

We cannot send you the warning notice until at least 3 months after sending your Section 125 Notice.

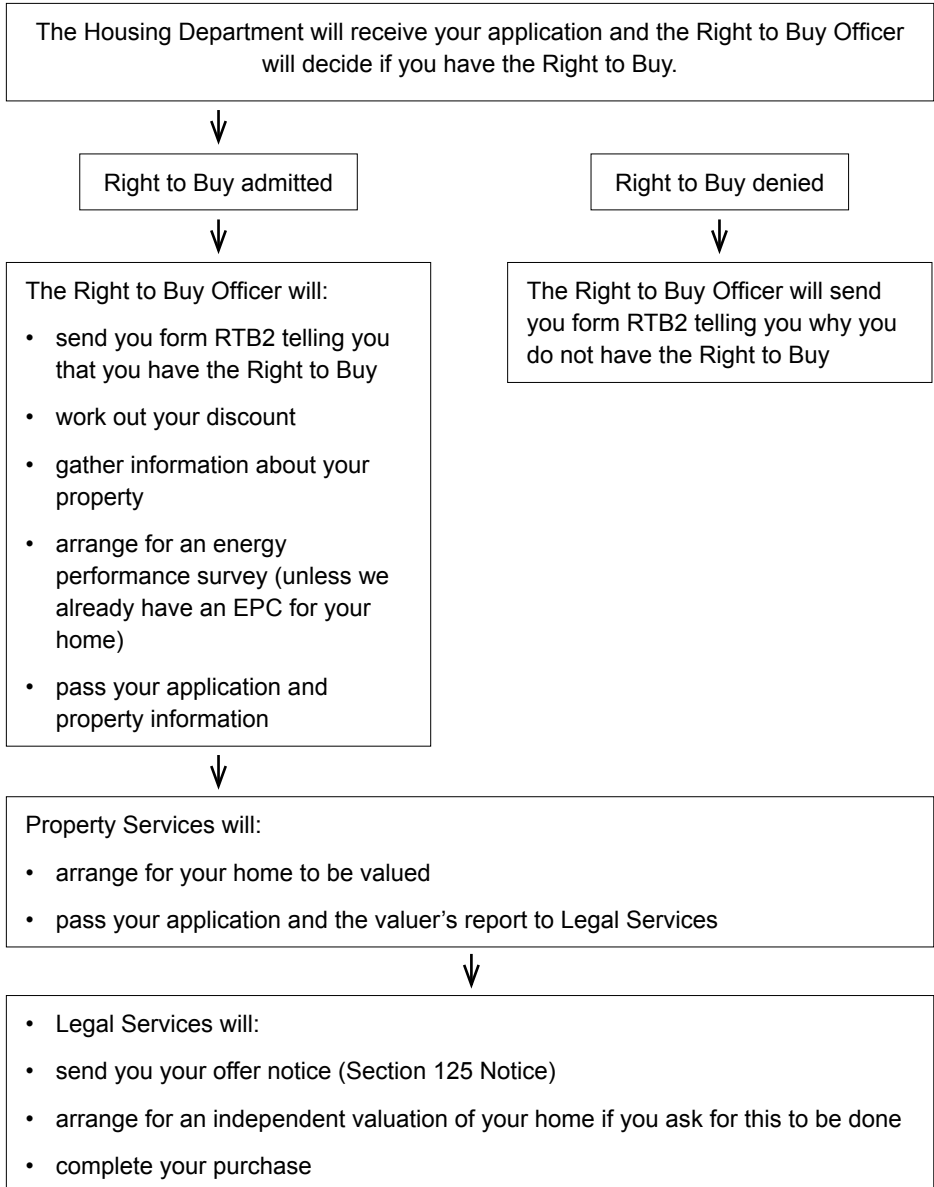
Delays or problems with the sale

Most sales go through quickly, but sometimes there are problems or delays. If we do not send you **form RTB2** or the **Section 125 Notice** within the times we have stated, we may agree to charge a lower price for your home. To get this, you need to fill in and send us an **initial notice of delay (form RTB6)**. After sending this form you must allow at least one month before taking the next step. We may reject the notice of delay and send you a **counter notice** if:

- we had already sent you a Response Notice (RTB2), or
- we had already sent you a Section 125 Notice, or
- we can't do anything to speed up the sale.

If we do not send you a counter notice within the time allowed, you can send us an **operative notice of delay (form RTB8)**. This will mean that we reduce the price of your home by the amount of rent you pay while the delay goes on. If we delay the sale again, you can send us another RTB8 form.

Who will process my Right to Buy application?



This simple flowchart shows who will deal with the different stages explained in the step-by-step guide.

Service standards

Our standards of service as a council

We aim to deliver excellent services to everyone, and all City of Lincoln Council staff have a responsibility to ensure that the services we provide meet the highest possible standards. You can find out more about our customer service standards on our website www.Lincoln.gov.uk.

Our standards of service for Right to Buy

If you apply to buy your home, we:

- will acknowledge your application within 5 working days of receiving it
- will assess your application within 4 weeks of receiving a completed application form
- aim to issue an eligibility notice (form RTB2) for a Right to Buy application within 20 working days in 9 out of 10 cases, where you have been a City of Lincoln Council tenant for all of your qualifying period
- aim to issue an eligibility notice (form RTB2) within 40 working days in 9 out of 10 cases, where part of your qualifying period is with another landlord.

Exceptions to the Right to Buy

Homes suitable for the elderly

Summary: We may refuse to let you buy on the grounds that your home is particularly suitable for elderly people and we want to keep it as part of our rental housing. If you disagree with this, you can ask a Residential Property Tribunal to decide if we are right. **But you must ask them within 56 days after we have refused to sell you your home.** If you don't ask within 56 days, you lose this right.

What the law says:

You do not have the Right to Buy if your home:

- is particularly suitable for elderly people, taking into account its location, size, design, heating system and other features, and
- was let to you or the previous tenant for occupation by a person aged 60 or over, whether they were the tenant or not, and
- was first let to you or someone else before 1 January 1990.
- When considering if your home is 'particularly suitable', we must ignore features that you have provided.

What happens then: When both sides have had the chance to put their case, the Residential Property Tribunal will decide whether or not your home is excluded from the Right to Buy.

Homes due to be demolished

If we intend to demolish your home, we may send you an initial demolition notice, which means you cannot apply to buy your home under the Right to Buy scheme. The notice is valid for five years.

Other exceptions to the Right to Buy

- a) Sheltered housing for the elderly, the physically disabled, the mentally ill or the mentally disabled. 'Sheltered housing' normally means that the property is one of a group of similar properties, with a warden service, and a common room nearby.
- b) Houses and flats on land that has been bought for development, which are being used as temporary housing before the land is developed.
- c) Where you have to rent a home owned by your employer so that you can be near your work.
- d) Where your home is inside the boundaries of a school, a social service home, another type of operational building or a cemetery, and you work at this place.
- e) Where we have leased your home from someone else and will have to return it empty when the owner wants it.
- f) Temporary accommodation for homeless people.
- g) Where you used to be a squatter but have now been given a licence to occupy a home.
- h) Long fixed-term leases (of over 21 years).
- i) Temporary lettings to people who were not secure tenants in their previous homes, which are being improved or repaired.

Government Right to Buy information

Before you apply to buy a property, we strongly recommended that you read the Government's information pages at www.gov.uk/right-to-buy-buying-your-council-home or their free booklets:

- Your Right to Buy your home
- Residential Long Leaseholders - a guide to your rights and responsibilities
- Thinking of buying a council flat?

Contacting us

If you have difficulty getting a copy of the Right to Buy claim form or booklets, or need further advice, contact:

Directorate of Housing and Investment
City Hall
Beaumont Fee
Lincoln
LN1 1DE

Tel: 01522 873280

Email: financeandleaseholdteam@lincoln.gov.uk

Web: www.lincoln.gov.uk

Chart to help you decide

You can use this chart to help you decide whether you can afford to buy your home or not. Deciding whether to buy your home may be one of the biggest decisions you will ever make. Do not rush into it.

These pages are for your use. You can use it to work out the costs, advantages and disadvantages of buying.

Costs of buying	Costs of renting
One-off costs Legal fees Survey fees Valuation fees Land Registry Stamp duty land tax Other costs	
Future annual costs Mortgage repayments Council tax Water charges Insurance Life assurance Internal upkeep External repairs/improvements Service charges (if applicable) Other costs	
Advantages of buying	Advantages of renting
Disadvantages of buying	Disadvantages of renting
Your decision	

Obtaining copies in alternative formats

This publication can also be made available in large print, or electronically.

Please call 01522 873333 for more information.

The City of Lincoln Council is passionate about promoting equality and diversity. If you have difficulty in understanding anything in this document, please call us on 01522 881188, or email us at customer.services@lincoln.gov.uk, where we can call in an interpreter for you.

Bangla

ইকোয়ালিটি প্রায়ন্ড ডাইভার্সিটিরি (সমতা ও বৈচিত্র্যের) অগ্রগতি কীরত্রে এই সটি অভ লিঙ্কিন কাউন্সলি পুরবল ভাবে উৎসাহী। এই নথিতে কোন কিছু বুঝতে আপনার অসুবিধা হলে, দয়া করে 01522 881188, নম্বরে আমাদের কল করবনে অথবা customer.services@lincoln.gov.uk, ঠিকানায় আমাদের ইমেইল করবনে য়ে ক্ষেত্রে আপনার জন্ষ আমরা একজন দোভাষীকে ডেকে আনতে পারব।

Bulgarian

Община Линкълн изключително много държи да насърчава равенството и разнообразието. Ако се затруднявате да разберете нещо в този документ, моля, обадете ни се на номер 01522 881188 или ни изпратете имейл на customer.services@lincoln.gov.uk, където можем да Ви свържем с преводач.

Chinese (Simplified, PRC)

林肯市议会 (the City of Lincoln Council) 热衷于促进平等与多样性。如果您难以理解本文档中的任何内容, 请致电01522 881188与我们联系, 或发送电子邮件 customer.services@lincoln.gov.uk, 我们可以为您提供翻译服务。

If you would like this information in an alternative format, for example in large print or electronically, please contact us on 01522 873333 or email customer.services@lincoln.gov.uk.

Lithuanian

Linkolno savivaldybė aistringai skatina lygybę ir įvairovę. Jei jums sunku suprasti tai, kas parašyta šiame dokumente skambinkite mums 01522 881188 arba rašykite el. paštą customer.services@lincoln.gov.uk ir mes galėsime jums suorganizuoti vertėją.

Polish

Radzie Miasta Lincoln zależy na promowaniu równości i różnorodności. Jeżeli mają Państwo trudności ze zrozumieniem treści zawartych w niniejszym dokumencie, prosimy skontaktować się z nami pod numerem telefonu 01522 881188 lub wysyłając e-maila na adres customer.services@lincoln.gov.uk, w ten sposób będziemy w stanie zamówić usługi tłumaczeniowe dla Państwa.

Romanian

Consiliul oraşului Lincoln este pasionat de promovarea egalităţii şi a diversităţii. În cazul în care întâmpinaţi dificultăţi în a înţelege ceva din acest document, vă rugăm să ne sunaţi la 01522 881188 sau să ne trimiteţi un e-mail la customer.services@lincoln.gov.uk, şi vă putem chema un interpret.

Russian

Городской совет г. Линкольн пропагандирует принципы равенства и культурного разнообразия. Если Вы не уверены, что можете прочитать и понять данный документ или его части, убедительная просьба позвонить нам по телефону 01522 881188 или написать по адресу customer.services@lincoln.gov.uk. Мы запросим для Вас услуги переводчика.

Further information

If you have any comments on what you read in this guide, or any service that you receive from the City of Lincoln Council, please let us know. Equally, we are interested in any suggestions that you have on how to make this a more user-friendly document.

Email: financeandleaseholdteam@lincoln.gov.uk

Telephone: 01522 873280/873227

Website: www.Lincoln.gov.uk

Write to: Directorate of Housing and Investment
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