

# Information for Secure Tenants about the **Right to Buy**



**If you require a copy of Right To Buy leaflet, in another language or format please call 020 8583 2299 or minicom 020 8583 3122.**

### **Somali**

Haddii aanad fahmayn dokomantigan, waxaa kuu diyaar ah kaalmo lacag la'aan ah oo aad ka heli kartid Waaxda Turjumida. Telafoonku waa: 020 8583 2290

### **Punjabi**

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਹ ਦਸਤਾਵੇਜ਼ ਸਮਝਣ ਵਿਚ ਮੁਸ਼ਕਲ ਪੇਸ਼ ਆਉਂਦੀ ਹੈ ਤਾਂ ਟ੍ਰਾਂਸਲੇਸ਼ਨ ਯੂਨਿਟ ਤੋਂ ਮੁਫਤ ਮਦਦ ਮਿਲ ਸਕਦੀ ਹੈ। ਫ਼ੋਨ ਨੰਬਰ ਹੈ: 020 8583 2297

### **Hindi**

यदि आपको यह दस्तावेज़ समझने में मुशकल आती है तो ट्रांसलेशन युनिट से मुफ्त मदद मिल सकती है। फ़ोन नंबर है: 020 8583 2520

### **Farsi**

اگر قادر به فهمیدن این سند نیستید، کمک به نحو مجانی از طرف بخش ترجمه فراهم می باشد. شماره تلفن 020 8583 2299 است.

### **Gujarati**

જો તમને આ દસ્તાવેજ વાંચવામાં કે સમજવામાં મુશ્કેલી પડતી હોય તો, ટ્રાન્સલેશન યૂનિટમાંથી મફત મદદ મળી શકે છે. ટેલિફોન નંબર છે: 020 8583 2294

### **Urdu**

اگر آپ کو یہ دستاویز سمجھنے میں کوئی مشکل ہے تو آپ کو ٹرانسلیشن یونٹ سے مفت مدد مل سکتی ہے۔ ٹرانسلیشن یونٹ کا نمبر یہ ہے 020 8583 2299

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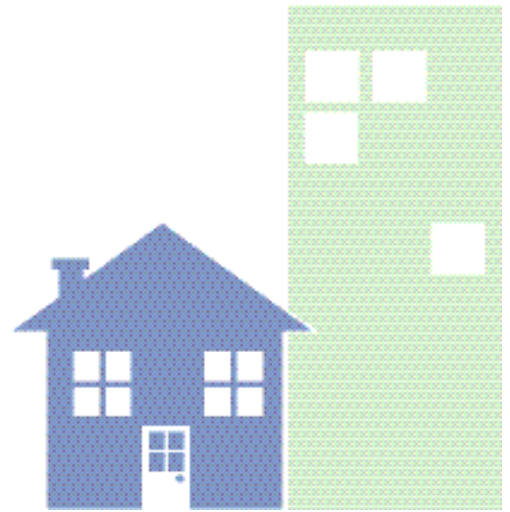
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**This document is not intended to give you comprehensive information on the Right to Buy your home.**

## Introduction

Hounslow Homes has produced this booklet to tell tenants about the Right to Buy scheme: how they may qualify to buy their home; to explain the process for buying, and to outline the costs that purchasers may face.

All tenants of the London Borough of Hounslow are entitled to receive information about the scheme.



After reading this, please contact Hounslow Homes Home Ownership Unit if you want more information or an application pack. All services provided by our Right to Buy Team are free, unlike some private companies that may charge a fee for advice. The address and telephone numbers for the Right to Buy Team are at the end of this booklet.

### **What is the Right to Buy?**

The Right to Buy is a legal right that allows most council tenants to purchase their home, if they can afford to do it. A tenant renting a house can buy the freehold, if the house is owned by the council. A tenant renting a flat or maisonette can buy a long lease on their home. There are some exceptions and conditions attached to the Right to Buy, which are mentioned later in this booklet.

**If you hope to buy your home, it is recommended that you seek independent legal and financial advice about your own personal financial circumstances, the future costs you will face as a homeowner, including repair obligations, and the legal process involved in buying your home.**

## Who has the Right to Buy?

**To qualify you must be a secure tenant of the London Borough of Hounslow and the home you occupy must not be exempt from Right to Buy - see exemptions on page six.**

### **How do I qualify for the Right to Buy?**

You must be a secure tenant and your council property must be your only or main home. You must also be able to show that you have been a public sector tenant for the required length of time.

### **What is a public sector tenancy?**

Most tenancies granted by a local authority or a housing association are public sector tenancies and may count towards the qualifying period for the Right to Buy. There may be exceptions to this, but we will tell you if they apply to you. You can also include periods in armed forces accommodation and tenancies with many other public sector landlords. These are listed at the back of the Right to Buy application form (RTB1).

### **What is the qualifying period to have the Right to Buy?**

If you were a tenant before 18th January 2005 (or had signed your tenancy agreement before that date) and you have been a tenant ever since, your qualifying period is two years. If you became a public sector tenant on or after 18th January 2005, or you were a tenant before that date but then had a break in the tenancy, the qualifying period is five years. Periods where you were the spouse, civil partner or child of a public sector tenant may also count towards the qualifying period.

### **Can members of my family buy too?**

You may be able to share the Right to Buy with up to three adult members of your family, who are not joint tenants, provided the property is also their only or principal home when you apply to buy. Family members can include a person, who lives with you as your partner but is not either your civil partner or married to you. Family members, other than your husband/wife/civil partner, must show that they have lived with you for the previous 12 months.

## Who does not have the Right to Buy?

### 1. Things about you that stop you having the right to buy your home.

You do not have the Right to Buy if:

- a court makes a possession order against you which says you must leave your home on a certain date;
- a court makes a possession order against you that is suspended while you follow the conditions of the order, but you break those conditions;
- a court makes an order to demote your tenancy or to suspend your right to buy because of anti-social behaviour; or
- you are an undischarged bankrupt or have a bankruptcy petition pending against you, or you have made an arrangement with creditors and the terms have not been fulfilled.

### 2. Things about your home that prevent you from buying it.

You cannot exercise the Right to Buy if your home:

- is particularly suitable for occupation by elderly persons, taking into account its location, size, design, heating system and other features; and
  - it was let to you (or your predecessor) for occupation by a person aged 60 or over, whether they were the tenant or not; and
  - it was first let (to you or someone else) before 1st January 1990.
- may be demolished and you have been served with an initial demolition notice. In this situation you can apply to buy but the Council will not complete the sale, unless the demolition notice is revoked;
- may be demolished within two years and you have been served with a final demolition notice;
- is in a sheltered housing scheme for people who are elderly or physically or mentally disabled;
- is being used as temporary housing before land is developed; or
- is provided as part of your employment, to allow you to be near or at your place of work;
- is leased by the Council and the lease has less than 21 years to run (if a house) or less than 50 years (if a flat).

This list is not exhaustive. For more information please refer to 'Your Right to Buy your Home', a booklet issued by the Department for Communities and Local Government and available from the Home Ownership Unit.

## How do I exercise the Right to Buy?

There are a number of steps to be taken if you want to buy your Council home. The following is only an outline of the main stages involved.

### 1. Make a written application

Ask the Right to Buy Team or your area housing office for a Right to Buy application pack. This is free and contains an application form (**Form RTB1**) and additional information.

If you have a joint tenancy, you must apply to buy with the other joint tenant(s). If only one of the joint tenants wants to buy, the other joint tenant(s) must consent to this arrangement.

**If you are not sure how to complete the form, or you have any questions about buying, please contact the Right to Buy Team, who will be happy to help you.**

### 2. When can I expect an answer?

Hounslow Homes will send you a response notice (**Form RTB2**) within four weeks of your application, either agreeing that you have the right to buy or explaining why you (and/or family members included in the application) cannot buy.

We have eight weeks to reply if your qualifying period includes times that you were not a tenant of the London Borough of Hounslow.

### If you have the right to buy

### 3. Valuation and calculation of discount

If you have the right to buy, we arrange for an independent valuer to assess the value of your home on the date that you applied to buy, but disregarding any improvements that you have made.

This value is then reduced by a discount based on the number of years that you have been a public sector tenant. There is an upper limit to the discount, currently £16,000 in the London Borough of Hounslow. This means that, no matter how many years you have been a tenant, the purchase price cannot be reduced by more than £16,000.

### 4. Offer notice

We send you an offer notice (often called a Section 125 Notice), which tells you the price you have to pay and the terms and conditions of the sale. We must send this to you:

- within eight weeks of the date that we received your RTB2 form if your home is a house and you are buying the freehold, or
- within 12 weeks if your home is a flat or maisonette, or if you are buying a house on leasehold terms.



We include important information about service charges in the offer notices for flats.

### 5. Accepting the offer

When you get your original offer notice (or a new offer notice following a valuation by the District Valuer - see page nine) you have 12 weeks to inform the Home Ownership Unit in writing of your decision.

If you do not write to the Home Ownership Unit within 12 weeks with your decision you will receive a reminder allowing you a further 28 days to decide. If you still do not reply we will cancel your application. If you accept the offer you are not finally committed to buy until you pay for your home and the sale is completed.

## Should I accept the offer?

Buying your home can be the biggest financial commitment that you will ever make. Not only do you have to consider whether you can afford the purchase price of your home, but you must be prepared to pay a number of other costs associated with the purchase procedure.

### Before deciding to buy:

- consider whether you can afford all the other new expenses that come with home ownership, both now and in the future;
- seek your own independent legal and financial advice
- **If your home is a flat or maisonette**, you will become a leaseholder if you buy it. As a leaseholder, you will have all the costs of buying the property and maintaining it. Consider whether you could afford the costs for:
  - the annual (day to day) service charges (see page 13);
  - major repairs and improvements being carried out in your block or estate as set out in the Section 125 Offer Notice
  - your full contribution to major repairs and improvements carried out after limits in the Section 125 Notice no longer apply (see page 13). These costs can be considerable; some leaseholders have had to pay many thousands of pounds towards major works.

### 6. Preparation of sale documents

If you decide to buy we have to get plans drawn up to include with the sale documents. We ask you to give us the details of your legal representative (solicitor or licensed conveyancer), and we send all your papers to the Council's Legal Department. They then send out the draft sale documents for agreement.

### 7. Completing the sale

Once you are sure that you understand and are happy with the terms and conditions of sale, and you have arranged to raise the money you need, you are ready to go ahead and buy. Due to the legal process involved, it may take some months before you become the owner of your home. We will not complete the sale if you owe four or more weeks' rent.



- **If your home is a house**, you will become a freeholder and therefore entirely responsible for its maintenance and upkeep. If parts of the house need repair or replacement you will have to arrange the work and pay for it yourself. If the house is part of an estate you may have to pay service charges to Hounslow Homes for estate services.

## What if I disagree with your decision?

### What can I do if you say I cannot buy my property?

You have eight weeks to make an appeal to the Residential Property Tribunal Service if we say that your home is considered particularly suitable for occupation by an elderly person. The Right to Buy Team can give you more information about an appeal. In other cases you could write to us to challenge our decision, but you would have to explain why you think we are wrong. If we cannot agree you could take professional advice from a solicitor or a Citizens' Advice Bureau.

### What if I think the valuation is too high?

When you receive your Section 125 Offer Notice, you have a right to get an independent valuation from the District Valuer. If you wish to do this, you must write to the Home Ownership Unit within three months of receiving the offer notice and they will inform the District Valuer. The valuation may be increased, decreased or stay the same, and you cannot appeal against it.

## Delay Notice Procedure

### 1. Action by tenants

Most sales go ahead smoothly, but sometimes there are delays. If you think that we are causing these delays you can take action that may lead to a reduction in the purchase price.

If we do not send you Form RTB2 or the Section 125 Offer Notice within the timescales mentioned, or you feel that we are causing unreasonable delays at a later stage, you can fill in an **initial notice of delay (Form RTB 6)** and send it to the Home Ownership Unit.

You must give us at least one month to

complete the next step in the sale process and to send you a **counter notice (Form RTB7)**. After receiving this notice you can serve further initial notices of delay if other delays occur.

If we do not serve a counter notice to any of your initial notices of delay you can serve an **operative notice of delay (Form RTB8)**. The rent you pay while the delay goes on will then be taken off the price you have to pay for your home when you complete the sale. The forms RTB6 and RTB8 mentioned above are available from the Home Ownership Unit.

## 2. Action by the landlord (Hounslow Homes or London Borough of Hounslow)

Three months from service of the Section 125 Offer Notice we can send out a first notice to complete the sale, if at any time we think that you are stopping the sale from going ahead at a reasonable pace.

The first notice must allow at least 56 days for you either to complete the sale or to tell us of matters that you think we need to resolve first.

If you do not comply within that notice

period we may serve a second notice to complete, allowing you a further 56 days or more.

If you still do not comply we may extend the period for completion, if we think there is good reason to do so, or we may cancel your right to buy application.

Once you have withdrawn your application or we have cancelled it you have to make a new application if you still want to buy. This will mean starting the whole process again, including having a new valuation.

## The costs of home ownership

### Before the sale

□ **Stamp duty** - This is a government tax that you will have to pay if the purchase price of your home is above £120,000. You will pay:

- 1% of the purchase price in stamp duty if your home is priced over £120,000 but not above £250,000
- 3% of the purchase price if it is priced between £250,001 and £500,000
- 4% if it is priced above £500,000.

If your home costs £130,000 you will have to pay a further £1,300 in stamp duty. For a purchase price of £260,000 your stamp duty will be £7,800, and for £300,000 stamp duty will be £9,000.

□ **Legal fees (including costs and disbursements)** - You should employ a solicitor or licensed conveyancer to deal with the legal side of buying your home.

Before employing anyone always ask how much their advice will cost, and be sure they include an explanation of the sale documents - we find in particular that many flat owners do not understand the terms of the leases they have signed. As well as costs for their own time, they will pass on the charges for the enquiries they make for you, such as local authority and land registry searches.

□ **Surveys** - You should have a survey of your home done. The offer notice tells you of any structural defects that we know about, but there may be problems that we are not aware of.

A RICS (Royal Institute of Chartered Surveyors) Home Buyers' Survey and Valuation is a

report and valuation in a standardised format which tells you of all significant defects, but not minor ones. It is likely to be adequate for most properties and provides a guide to value. It is likely to cost around £250 - £500. A Building Survey involves a detailed examination of all the visible parts of the property, as there may be defects or problems that are not obvious to you. Surveys are likely to cost £600 or more.

**You can get more information about both from the Royal Institute of Chartered Surveyors (RICS), on 0870 333 1600 or visit [www.rics.org.uk](http://www.rics.org.uk).**

❑ **Valuation fees and costs associated with taking out a mortgage** - If you take out a mortgage loan you may have to pay for the cost of arranging it. You will have to pay a valuation fee to the lender (average cost £200-£300).

❑ **Land Registry** - when a sale is completed, you must pay the Land Registry to register you as the new owner.



## After the sale

**Repaying the mortgage or charge on the home** - Unless you are going to buy your home with cash you will need a mortgage. There are various kinds of mortgage products available, and you may therefore find it helpful to speak to your bank/building society - who will normally tell you about their own mortgage products - or an independent advisor - who can tell you about what is generally available.

**You can also call the free Financial Services Authority Consumer helpline on: 0845 606 1234.**

You will have to repay the mortgage, plus interest, by regular instalments over a number of years, often as many as 25 years, so you will need a reliable income. Usually interest rates can vary, so your repayments may go up or down. The lender may not agree to lend you the full amount that you need to purchase your home. In that case you may have to pay the rest from your savings.

### **Losing your home**

A mortgage is secured against your property. So, if you do not keep up the repayments on your loan, the lender may go to court and ask to take over your home. They may then sell it to recover your debt to them, and they will not rehouse you. Usually, the Council will not give you another tenancy if you lose your home in this way.

You also risk losing your home if you become a leaseholder and you do not pay your ground rent and service charges.

As a tenant, you may be entitled to Housing Benefit to help with your rent, but as a home owner, you will not receive any Housing Benefit to help you to repay your mortgage. You may be entitled to Income Support to help with your mortgage costs, but you will not normally receive this until nine months after you first claim it.

### **Insurance costs**

- ❑ **Building insurance** - This is essential as it is needed to cover the cost of rebuilding or repairing your home if it were to be destroyed or damaged by fire, flooding or some other incident. Hounslow Homes arranges insurance for sold flats or maisonettes and adds the annual premium to the service charge. If the property is a house, you will need to arrange this yourself.
- ❑ **Contents insurance** - You should take out contents insurance in case of loss of or damage to the many possessions in your home. Home owners cannot use the current scheme for tenants.
- ❑ **Life assurance** - This may be needed to pay off your mortgage if you die before the end of the mortgage period. It means that your family is not left with a heavy burden of mortgage debt.
- ❑ **Mortgage payment protection insurance** - You need to think seriously about how you would meet your mortgage repayments if there was a big fall in your income. In many cases, mortgage payment protection insurance will give you the security that you need.

### **Other costs**

- ❑ **Council tax** - You will have to continue to pay this direct to the Council.
- ❑ **Water, sewerage, gas, electricity or other utility services** - You will have to continue to pay the suppliers for these services.

If your property receives heating and hot water from a communal system, you must pay a service charge to Hounslow Homes. This is a proportion of the full cost of providing the service (including the cost of major repairs) so it will probably be higher than the amount you pay as a tenant.

## Keeping the property maintained and in good repair

❑ **House** - If you buy a house you will be responsible for the costs of all repairs and maintenance, regardless of the condition of the property when you bought it. If the house is part of an estate you may have to pay charges to Hounslow Homes for works and services we provide to the estate.

❑ **Flat** - If you buy a flat on a long lease, you will have to arrange and pay for your repairs and improvements to the interior. You will also have to pay service charges to Hounslow Homes, as explained below.

There are two kinds of service charges:

❑ **Annual (Day-to-Day) Service Charges** - These are a proportion of the costs of managing the block and/or the estate where your flat is located. They include any services that Hounslow Homes provides (e.g. caretaking, concierge service, communal electricity, grounds maintenance, repairs) and management costs (e.g. estate management and leaseholder services).

Payments are due monthly and are based on an estimate of the cost for the year. We then recalculate your contribution in the following year, when we know actual costs.

❑ **Major Works Service Charges** - These are a contribution to the cost of major repairs and improvements that Hounslow Homes carries out to your block and/or estate. They include professional fees and administration. For the first few years after a flat is sold under the right to buy the charges to the leaseholder for works are limited to the amounts quoted in the offer notice (which is issued during the Right to Buy process), plus an element for inflation. This may mean that recharges are reduced during this initial period, but, once it ends, leaseholders are charged their full contribution.

N.B In the past the bills sent to individual leaseholders have ranged from a few hundred pounds for simple redecoration contracts to £20,000 and more for major repair and refurbishment contracts.

## What happens when I sell?

### Repayment of discount

If you decide to sell your home within five years of buying it you will probably have to repay part of the discount. The amount you pay will be linked to the resale value of your home and can be more than the original discount that you received.

### Right of first refusal

The Council will have the option of buying back your home if you sell it within 10 years of purchasing it through the Right to Buy scheme.



## Where to get further help

For free advice, application forms and booklets about the Right to Buy scheme please contact:

### **Right to Buy Team**

Home Ownership Unit

Hounslow Homes

21 High Street

Feltham

Middlesex

TW13 4AG

**Tel:** 020 8583 3916, 3917 or 3918

**Fax:** 020 8583 4133

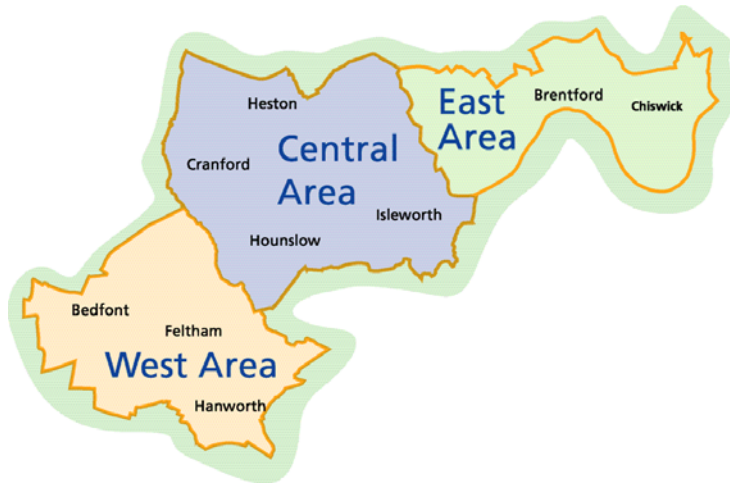
**Email:** [home.ownership@hounslowhomes.org.uk](mailto:home.ownership@hounslowhomes.org.uk)

The Home Ownership Unit can supply booklets published by The Department of Communities and Local Government that explain further your rights and obligations:

- Your Right to Buy your Home - This guide for tenants is available in several languages.
- Thinking of buying a council flat? - Things to consider before you buy.
- Residential Long Leaseholders - A guide to the rights and responsibilities of leaseholders.

We are happy to arrange an appointment to go through any queries or concerns you may have about becoming a home owner, although we cannot tell you the value of your home unless you apply to buy. All our services are free.

## IF YOU ARE A **TENANT OR LEASEHOLDER** WITH A HOUSING SERVICES OR ESTATE ISSUE CALL...



### REPAIRS

All housing repairs should be reported to our call centre freephone **0800 085 6575**

Minicom: **0800 389 9821**

Open: 8am-8pm Monday-Friday  
9am-12 noon Saturdays

(for emergency calls outside of these hours call 020 8583 2222)

### CUSTOMER COMPLAINTS

020 8583 3737; Fax: 020 8583 4336

Minicom: 0800 389 9821

email: [complaints.team@hounslowhomes.org.uk](mailto:complaints.team@hounslowhomes.org.uk)

## AREA HOUSING OFFICES

### EAST AREA

#### FOR HOMES IN BRENTFORD AND CHISWICK

##### ADDRESS

Hounslow Homes, Chiswick Housing Office; Chiswick Town Hall, Heathfield Terrace, Chiswick W4 4JE or Brentford Housing Office 58-59 Brentford High Street, Brentford TW8 OAH

Both offices are open to you in person wherever you live. For emails, telephone and post, please contact the Brentford office only.

##### OPENING HOURS

8.45am - 5pm Monday to Friday  
(5.30pm on Thursday by appointment)

##### EMAIL

[info.housingeast@hounslowhomes.org.uk](mailto:info.housingeast@hounslowhomes.org.uk)

##### GENERAL ENQUIRIES:

020 8583 4220

##### MINICOM:

020 8583 4390

##### CARETAKING SERVICE:

020 8583 4220

### CENTRAL AREA

#### FOR HOMES IN HESTON, CRANFORD, HOUNSLOW AND ISLEWORTH

##### ADDRESS

Hounslow Homes Central Housing Office  
The Civic Centre, Lampton Road,  
Hounslow TW3 4DN

##### OPENING HOURS

8.45am - 5pm Monday to Friday  
(5.30pm on Thursday by appointment)

##### EMAIL

[info.housingcentral@hounslowhomes.org.uk](mailto:info.housingcentral@hounslowhomes.org.uk)

##### GENERAL ENQUIRIES:

020 8583 4382

##### MINICOM:

020 8583 3959

##### CARETAKING SERVICE:

020 8583 4382

### WEST AREA

#### FOR HOMES IN FELTHAM, BEDFONT AND HANWORTH

##### ADDRESS

West Area Housing Office  
St Catherine's House, 2 Hanworth Road,  
Feltham TW13 5AB

##### OPENING HOURS

8.45am - 5pm Monday to Friday  
(5.30pm on Thursday by appointment)

##### EMAIL

[info.housingwest@hounslowhomes.org.uk](mailto:info.housingwest@hounslowhomes.org.uk)

##### GENERAL ENQUIRIES:

020 8583 4383

##### MINICOM:

020 8583 4387

##### CARETAKING SERVICE:

020 8583 4383

**Head office:  
Hounslow Homes  
St Catherine's House  
2 Hanworth Road  
Feltham, Middlesex  
TW13 5AB**

**Web: [www.hounslowhomes.org.uk](http://www.hounslowhomes.org.uk)**