

# Right to Buy

Under the Right to Buy scheme, you may be able to buy your current home at a price lower than the full market value. This is because the length of time you have spent as a tenant entitles you to a discount. This leaflet details who is eligible and explains the process of buying your home under the Right to Buy scheme.

Right to Buy is a government scheme that allows social tenants to buy the home that they currently rent. Tenants participating in this scheme are entitled to receive a discount based on the length of time they have been a social tenant. However, there is a maximum discount of £102,400 (£136,400 in London Boroughs).

## Eligibility

To be eligible for the Right to Buy you must be a tenant living in one of our homes and have a 'secure' tenancy agreement. If you have an 'assured' tenancy agreement with Moat, in normal circumstances you do not have the Right to Buy (although you may have the right to purchase your home under another scheme - please contact the Post Sales Services Team for details).

## Steps to the Right to Buy

- 1** The first step is to complete and return an application form (RTB1) which can be downloaded from [moat.co.uk](http://moat.co.uk) or email us at [righttobuy@moat.co.uk](mailto:righttobuy@moat.co.uk) and we can send one to you.

When completing the application it is important that you answer all the questions fully and accurately as this information is used to ascertain whether or not you have the Right to Buy and how much discount you will be entitled to.

Please note the forms are legal documents and any false information provided may lead to prosecution. Please ensure that all the information you provide is correct.

- 2** Once you have completed and returned the application form (RTB1) Moat will acknowledge your RTB1 application by letter, advising you that you need to contact your Neighbourhood Services Manager to make an appointment for them to visit your home. You should make this appointment promptly, ensuring that all applicants attend the appointment and all the required documents are available for the Neighbourhood Services Manager.

- 3** Moat will send you a notice (RTB2) informing you whether or not you are eligible for the Right to Buy. You should receive this notice within four weeks from the date Moat received your application form, or eight weeks if we have to obtain information from a former landlord.

If you do not have the Right to Buy, Moat will provide you with an explanation (on the RTB2 form) as to why you are not eligible. Your application will then be withdrawn. Moat will also inform you if there are any other schemes that you might be eligible for that would allow you to buy your home.

If you do have the Right to Buy Moat will issue you with an Offer Notice (known as the section 125 Notice or RB11) which, based on a valuation undertaken by an independent RICS qualified surveyor, tells you the sale price of the property and the terms and conditions of the sale.

If you live in a house Moat will issue the Offer Notice within eight weeks of sending you the RTB2. If you live in a flat the offer notice will be sent to you within 12 weeks.

- 4** The Offer Notice states the current market value of the property, the sale price (taking into account your discount and the added value of any improvements that you have made and registered) and service charges that may be applicable after you buy the property. The Offer Notice will also describe any structural defects that Moat is aware of (if applicable) and any improvement costs that you may need to pay during the first five years after you buy your home.

The Offer Notice should be read carefully as it contains very important information regarding the sale and we suggest that you go through this document with your solicitor.

You will have 12 weeks to respond to the Offer Notice and let Moat know if you are going to proceed with the purchase of the property or not. You should use this time to secure funding for the purchase of your home. If you do not respond within 12 weeks your application will be withdrawn.

If you do wish to proceed you will need to return the response form advising us of your solicitors details and also evidence that you have the necessary funds to buy the property (i.e copy of your mortgage offer).

- 5** When Moat have received your fully completed response form we will instruct our solicitor who will liaise with yours and work towards a completion date. Please note this can be a lengthy process.
- 6** On completion any outstanding rent owing to Moat will be collected by our solicitor. Your solicitors will let you know when completion has occurred and Moat will also write to you shortly afterwards to confirm this.

## Frequently asked questions

### How much discount will I receive?

Discount for this scheme is based on how long you have lived in your property (or how long you have been a social tenant). The discount available after three to five years is 35% for houses and 50% for flats. If you are buying a house you are eligible for an extra 1% discount for each full year. If you are buying a flat you are eligible for an extra 2% discount for each extra full year.

Whatever percentage you are eligible for your discount cannot be greater than the maximum discount of £102,400 (or £136,400 if you live in a London Borough).

### Who will be responsible for the repairs and maintenance of my home after I buy it?

As with all home owners, you will be responsible for all repairs and maintenance. If you live in a flat, you will become a leaseholder and therefore responsible for all repairs and maintenance within your flat. It is likely you will pay service charges and possibly pay into a 'future repair fund', which may cover the cost of the maintenance of the communal parts of your flat, however you may be requested to contribute to any major repairs, ie. new roof, should this become necessary.

### What about repairs during the Right to Buy process?

During your Right to Buy application process, you are entitled to essential and emergency repairs only. We are obliged to keep your property wind and watertight and to adequately maintain the services, for example heating and electrical installations, but we will not carry out any window or door replacements, external painting, central heating installations or any other major works.

If you decide to withdraw your Right to Buy application you can report all repairs again as normal.

### How long will the process take?

Once you have formally accepted our offer and solicitors have been instructed, we would expect the process to take approximately three months to complete. However, sometimes there are unforeseen problems or delays and the process may take considerably longer to complete.

### What costs will I be expected to pay for?

Anyone buying their home will incur expenses in addition to the cost of buying the property, which should be taken into account. You will be expected to pay for your own solicitor fees and any charges that your mortgage provider may charge you, ie. an arrangement fee for setting up the mortgage.

Before you finally decide to buy you may wish to have a full structural survey carried out on your home, as this is a thorough examination of the property and will highlight anything which might be a problem in the future.

### Who pays for the valuation?

Moat pay for the valuation. It will be undertaken by a qualified MRICS or FRICS surveyor, who is completely independent of Moat.

### What if I want to sell my home after buying it?

If you have bought your home under the Right to Buy scheme you can sell it whenever you like, however there is a discount repayment period. If you sell within five years of buying your home the repayment of discount will be as follows:

- First year - the whole discount will have to be repaid
- Second year - 80% is repayable
- Third year - 60% is repayable
- Fourth year - 40% is repayable
- Fifth year - 20% is repayable.
- No repayment is required after five completed years.

### What if I have made improvements to my home?

Any improvements that you wish to be taken into consideration must have previously been approved register with your Neighbourhoods Services Manager. These improvements must have been paid for by you and you must be able to provide evidence of this. You will need to list your improvements on your application form. Please be aware that not all works are taken into account, for example decoration and flooring. When your property is valued the surveyor will determine what works you have undertaken have added value and how much value has been added.

### Can I buy my home with anyone else?

Yes, you can include up to three family members on your application to purchase with you. However they must have been living with you for the last 12 months, and the property must be their only home (they cannot own another property, or be named on another rental agreement). You will be required to provide evidence (i.e. birth certificate) to evidence their relationship to you.

## Contact us

If you have any further queries about the Right to Buy scheme, please email us at:

✉ [righttobuy@moat.co.uk](mailto:righttobuy@moat.co.uk)

**Please note:** Your home is at risk if you do not keep up mortgage repayments or payments on other loans secured against it. The value of properties can go down as well as up.