

## Can I buy my home?

This guide gives you information and advice on how you might be able to buy your home under either “The Right to Buy” or “The Right to Acquire” scheme.

**Helping to  
create places  
where people  
want to live**



# This guide gives you information and advice on how you might be able to buy your home under either “The Right to Buy” or “The Right to Acquire” scheme.

We recognise buying your home is a big step to take and this guide aims to explain what buying involves and how we can support you.

You should be aware of companies who offer to help you through the Right to Buy or Right to Acquire processes and may charge for these services.

## Our Service Standards

As part of our Right to Buy and Right to Acquire service, we have a number of key standards including:

- Providing you with quality advice, help and support throughout the buying process. This also includes signposting you to other independent agencies.
- Providing you with an application pack within 5 days when requested.
- Providing a pre-application home visit with you before you start the process of buying your home. An application form will be provided during this home visit.
- Ensuring we provide an excellent service and fulfil all of our obligations and responsibilities to you as a buyer while also upholding your customer rights.
- Ensuring our procedures are fit for purpose and seek feedback from customers where appropriate.

## Right to Buy

### Can I buy my home under the Right to Buy?

You probably have the Right to Buy if you're a secure tenant and have spent at least 3\* years as a public sector tenant. The 3 years doesn't have to be continuous and you can add together any time you have spent as a public sector tenant. A public sector tenant is someone whose landlord is a public body such as a council, housing association or government department.

**If you were previously a secure tenant of a local authority (such as Wansbeck District Council for example) and you became an assured tenant because the ownership of your home was transferred to a registered provider, you may be eligible for the 'Preserved Right to Buy'.**

This may only apply if you were a tenant on the date the transfer took place and have been so since.

If you don't qualify for the Right to Buy and particularly if you are an assured tenant, you may qualify to buy under the Right to Acquire, explained in this booklet

## Who can't buy their home?

You may not be able to buy if (this list is not exhaustive):

- You are an undischarged bankrupt or have a bankruptcy petition pending against you.
- You have made an arrangement with creditors and you still owe them money.
- A court has made a possession order which says that you must leave your home due to rent arrears for example.
- You, your household or your visitors have committed anti-social behaviour.





## Properties that are excluded

If you live in certain properties you may not be able to buy them. These typically include retirement housing, certain bungalows, some ground floor flats, supported housing specialising in accommodation for people with disabilities for example and any property that forms part of your job such as a warden or caretaker.

## Demolition

You can't apply to buy your home if it is scheduled for possible demolition.

If your application is refused because of the type of property it is, you have the right to appeal to the First Tier Tribunal Service.

## What discount am I entitled to under the Right to Buy?

Your discount will relate to the length of time you have held your tenancy and will be calculated as part of the process. Your discount entitlement is subject to a limit and is recalculated on an annual basis by the Government in line with the consumer price index (CPI).

This is currently £\_\_\_\_\_

Discount is calculated differently for houses and flats.

- **Houses** – the minimum discount is 35% if your tenancy is between 3 and 5 years and increases by 1% for each additional years tenancy to a maximum of 70%
- **Flats** – the minimum discount is 50% if your tenancy is between 3 and 5 years and increases by 2% for each additional years tenancy to a maximum of 70%

Discounts might be reduced to take into account the cost floor. This is the cost of the work carried out by your landlord to improve your home in recent years. This will be used as part of the calculation to determine the purchase price.

## How will my property be valued?

Someone independent of the Association will come to your property and carry out a valuation against the current market value, as at the date that you submitted your application. An Energy Performance Assessment will also be undertaken.

The Valuer will ignore any improvements you have made to your home.

We will then send you an Offer Notice within 8 weeks (for a house) and 12 weeks (for a flat). The Offer Notice will contain information that will help you decide if you want to go ahead with the purchase of your home.

This will include:

- The market value of your home at the time of application.
- A description of your property.
- Discount entitlement.
- The price at which you can buy your home.
- The terms and conditions of the sale.
- Any structural defects which the landlord is aware of.
- Any asbestos identified within your home.
- Any service charges where applicable, improvement costs and remedial works necessary that may be applicable.

If you do not agree with the Offer Notice you can appeal via the District Valuer who can re-value your property. Please note that the value could go up, down or stay the same. This will be the final price of your home with no further appeal applicable.

## **Selling your home**

If you applied to buy your home on or after 18th January 2005 and you intend to sell or dispose of your property within 5 years of the date of your purchase you will be required to pay back discount.

The amount of discount to be repaid if you sell within the first 5 years of ownership will be a percentage of the resale value of the property, disregarding the value of any improvements you have carried out.

## **First Right of Refusal**

As from 10th August 2005, any property sold under the Right to Buy scheme your home will be covered by The First Right of Refusal under Section 156A of the Housing Act 1985 covenant.

If you wish to sell your property within ten years after the property is sold, you must first offer the property back to the Association. You should contact us first before you sell your home on the open market.

A request to buy-back a property previously sold under Right to Buy will be dealt with on a case by case basis by the Association

## **I want to buy my home under the Right to Buy so what do I do next?**

Once you have received an information pack we will carry out a home visit to discuss your application. We will take you through the process and assist in completing an application form if required.

Once your application has been received and is activated only essential repairs will be carried out to your home. We will inform you within 4 weeks of receiving your application form on whether you have the right to buy your home by issuing an official notice.





## Right to Acquire

### Can I buy my home under the Right to Acquire?

The Right to Acquire is a scheme giving eligible tenants of registered social landlords the right to purchase the home they currently rent.

To qualify a property must have been built or purchased by a registered social landlord, funded on or after 1 April 1997 by the Homes and Communities Agency. A property transferred from a local council to a registered social landlord on or after 1 April 1997 will also qualify.

The property must also be your only or main home.



Once you have received an information pack we will carry out a home visit to discuss your application. We will talk you through the process and assist in completing an application form if required.

To qualify you must have been a housing association, council, armed forces or other public housing tenant for a total of at least three years. However you do not need to have been living in your current home for three years with previous public sector tenancies also counting towards the qualifying period. Time spent aged 16 and over living with a parent who was a public sector tenant may count if you took over your parent's public sector tenancy.

Tenants with an assured tenancy or a secure tenancy qualify however Right to Acquire does not attach to the following types of tenancies:

- An assured shorthold/introductory tenancy beginning before 1 April 2012 or for a fixed term of less than two years,
- A long lease
- Shared accommodation

Although there is no Right to Acquire for introductory tenants, the trial period will count towards the 'Right to Acquire' discount once the introductory tenancy has been converted to an assured tenancy.

Where the Association has provided a property under Mortgage Rescue scheme the tenant must have held a tenancy in their current home for at least five complete years to qualify.

## Who can't buy their home?

The rules for who can and can't buy their home under the Right to Acquire are generally the same as those listed earlier in this guide for the Right to Buy.

You will not have the Right to Acquire if:

- You are an undischarged bankrupt or have a bankruptcy petition pending against you.
- You have made an arrangement with creditors under the Insolvency Acts and you still owe them money.
- A court has made a possession order which says that you must leave your home due to rent arrears for example.
- You, your household or your visitors have committed anti-social behaviour.

The following properties do not qualify for the right to acquire:

- If the property is not self-contained.
- The property is part of sheltered housing where services are provided and is let to a person aged 60 or over.
- The property has been designed or adapted for people with special needs.
- The property is provided as part of a job e.g. for a caretaker
- The property is valued at or below the landlords loan for that property
- We have published our intention to demolish within 7 years or a notice has been served informing you of our intention to demolish within the next 2 years

Certain properties are also exempt from the Right to Acquire on the basis that they come within designated Rural Areas. The Housing (Right to Acquire or Enfranchise) (Designated Rural Areas in the North East) Order 1997 sets out that the whole of the parish of Blanchland, Matfen and Stannington are exempt from the right to acquire and the Association is unable to consider applications from tenants living within these parishes.

## **I want to buy my home under the Right to Acquire so what do I do next?**

Once you have received an information pack we will carry out a home visit to discuss your application. We will talk you through the process and assist in completing an application form if required.

Once your application form has been received and activated only essential repairs will be carried out to your home.

We will inform you within 4 weeks of receiving your application form on whether you have the right to purchase your home by issuing an official notice.





## General



### **What are the main differences between Right to Buy and the Right to Acquire schemes?**

The main difference is the discount you receive under each scheme. Both discounts are determined by the Government. The discount given for the Right to Acquire is a fixed amount of £9,000 for the North East area.

If you are getting a mortgage to purchase a property under the Right to Acquire, your financial provider must also be an “approved lender”.







## **Can I buy my home with someone else?**

If you are a joint tenant, you will normally be buying with the other tenant. You can also include up to three members of your family, as long as they live with you and were at your address for at least 12 months before you submitted your application. Where an applicant does not meet this criteria we shall consider such an application on its merits. We shall act reasonably in considering such an application in line with current legislation.



## **Am I still entitled to repairs to my home?**

While you have an active application you are entitled to essential and emergency repairs only and we are obliged to keep your property wind and water tight. We will not carry out works such as window replacement, modernisation, central heating replacement or any other major works to your home while you are in the process of buying.

If you decide you want to withdraw your application to buy we will notify the relevant department that deals with improvement works and repairs of your decision.

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## **Will you carry out Major Works to my home?**

If you have submitted an application to purchase a flat/maisonette and you are a potential leaseholder we will carry out external works to your home under the programme. A proportion of the costs of these works may be taken into account when your property is valued, and be reflected in the overall cost you pay for your home. If you buy your home before the works start, we may write to you confirming what costs you may be required to pay towards them.

If you have submitted an application to purchase your home and you are a potential freeholder, we will not carry out external works to your home under the programme. If you withdraw your application after the project has started, it may not be possible to include your home in these works. Your home may need to be included in a later project as an one off. If after improvement works are completed you reapply, the works may have changed the value of your property.



## **I currently have rent arrears – can I apply to buy my home?**

**Yes.** You can still apply to buy your home if you have rent arrears, but your rent account must be clear on the day of completion. If your rent account is still in arrears on the purchase day than your sale will not complete. Any other monies owed to ourselves must also be cleared on the purchase day.



## What are my commitments when buying your home?

It is important that you are fully aware of the considerable commitments undertaken when buying a home. These may include some of the following:

### Getting a mortgage

You should seek independent financial advice to get the best deal, Always check if there is a charge for the advice first.

### Mortgage Arrangement Fees

These will be your responsibility and vary from provider to provider. Some companies will charge, others will not so always check and get potential costs up front.

### Stamp Duty

This is a tax imposed by Government on the sale of any property. It only affects property above a certain price. Please contact ourselves for more information to see if this affects you.

### Legal and Survey Fees

You will need to contact a legal advisor/solicitor to get an estimate for legal fees. The survey will depend on the type of survey you decide to have done. Mortgage providers carry out surveys so that they can be sure the value agreed is enough to guarantee the mortgage you are asking to borrow. The fee for this will be your responsibility. You may decide that you would like to have a more comprehensive survey carried out. If so, you will need to contact a local firm of Surveyors and arrange a fee with them. You must pay this fee even if you cancel your application at a later stage.



## **What are my commitments if I become a homeowner?**

You will then be solely responsible for meeting continuing regular payments which are likely to include:

### **Buildings and Contents Insurance**

This will be your responsibility. However, if your property is a flat or maisonette, usually buildings insurance is included in the service charges. You will still be responsible for the contents insurance.

### **Life Assurance and Mortgage Payment Protection Insurance**

Both are optional and should be discussed with your provider.

### **Council Tax**

This will remain your responsibility.

### **Utility Services**

Gas, electricity and water rates will be your responsibility (even if water rates are now part of your rent). We will contact Northumbrian Water on the completion of the sale on your behalf.

### **Service Charges and Ground Rent**

Payable annually, usually if your property is a flat or maisonette and in some cases, even if it is a house, for services such as communal grounds maintenance.

### **Regular maintenance costs**

You will be responsible for all repairs and maintenance to your home. These can be costly and could include, for example, central heating services and external painting to the outside of your property.

## Major repairs

Items such as water drains, boiler replacement, electrical repairs and rewiring will now be your responsibility.

## Mortgage repayments

If you experience difficulties in making payments always get advice from your lender and/or an independent agency such as the Citizens Advice Bureau.

## Land Registry

You have to pay a fee to the land registry to register yourself as the new owner.

**You may risk your home being repossessed and potential homelessness if you do not maintain your mortgage repayments.**





## Funding your purchase

Most people fund the purchase of their home through a mortgage. There are many companies who provide mortgages and it is important that you choose a provider carefully to get the best deal that suits you. There are now approved lenders on the High Streets which might be a good starting point or you may want to consider an independent mortgage advice broker who can offer assistance in choosing a mortgage. Always check to see if a fee is payable first.

The amount you need to borrow will depend on how much cash you can contribute towards the purchase cost.

Multi-faith mortgages are now also available on the market, particularly specialist Islamic mortgages and we will be happy to help you access these services if required.

If you are ever unsure about anything to do with buying your home, you can always speak to us and we will be happy to help you.





## **What general advice can you give me?**

Sometimes people don't receive good advice when they ask private companies and individuals for help in buying their home. There have been problems with sales people providing misleading information. Some customers have paid for things they do not need to pay for.

Customers have even paid companies who then end up owning the property as part of the deal and rent homes back to them before raising the rents to unaffordable levels.

Please make sure any advice you receive is correct and you are not being persuaded to do something which benefits others rather than yourself.

If you are approached by a person or company offering to help you buy your home, you should always remember to check exactly what payment they are asking for. Check what is in it for them and be aware that you do not need to use their services. Please note that no company can negotiate deals on discount entitlement or house prices on your behalf.

During the purchase process you will need to get independent legal advice and may also choose to have an independent property survey. You should always shop around for the best quotes (in writing) and make sure you know exactly what you are paying for. Remember the first company you come across might not be the best for you.

# Everyone asks

## How do I find out more?

If you would like to find out more about buying a home, please contact us in any of the following ways

Telephone our

Sales Team on:

**0344 800 3800**

Email: **homebuy@bernicia.com**

Website: **www.bernicia.com**

In writing to:

**Bernicia**

**Cheviot House**

**Beaminster Way East**

**Newcastle Upon Tyne**

**Tyne and Wear**

**NE3 2ER**

## Notes

All our publications can be made available on request in large print, braille, or audio and in other languages.

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