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A Guide to Right To Buy

This is a scheme which gives eligible council tenants the right to purchase their property from their respective council at a discounted price.

Eligibility

You are likely to have the right to buy if you have been a secure council tenant for at least two years or five years. If your council property was transferred to a housing association and you were a secured tenant before the transfer you are likely to have the preserved right to buy your house. You will not be eligible if:

- You do not possess a protected right to buy and you are an assured tenant of a registered social landlord
- You rent your home in relation to your job
- The courts have made a possession order requiring you to leave your house
- You are bankrupt
- You live in a home for older people

There is more information and a useful quiz at: <https://righttobuy.gov.uk/am-i-eligible/eligibility-quiz/>

How much discount can you get?

This is dependent upon how long you have been a tenant. There is a maximum amount available dependent upon where you live. The maximum discount is £78,600 across England, except in London boroughs where it's £104,900. Following the purchase of your council house if you decide to sell your house within 5 years you may have to pay back any discount you received on the purchase.

There is a helpful discount calculator here: <https://righttobuy.gov.uk/can-i-afford-it/>

What other costs are involved in buying your council house?

In addition to the purchase price of the house, which can still be significant despite the reduction, buying your council house will involve a number of extra costs. These could be one off charges such as legal fees, search fees, land registry fees and Stamp Duty Land Tax or they could be ongoing costs such as mortgage repayments, costs of repairs and service charges. Please contact our New Business team on 0114 249 69 26 Option 1 for a detailed cost assessment

How do I buy my house?

Firstly you will have to apply to your local council on a specified form. They will then make a decision whether you are eligible for the right to buy your house. If you are eligible you will be sent a letter which will state the price the landlord thinks you should pay, how much discount is available, an estimate of any service charges you are likely to owe within the preceding 5 years, any structural problems the property may have and the terms and conditions of the sale. If you don't agree with the price the landlord thinks you should pay you can ask for the district valuer to carry out an independent valuation. Any price they value your house at will be final even if it is higher than the initial valuation, and you will

not be able to disagree with it. Once you have received the letter stating your eligibility you will have 12 weeks to decide whether to purchase your house or not. During this period it is important to instruct a solicitor as there are strict time scales which must be complied with.

Selling your home

If you sell your home within 10 years of buying it through Right to Buy, you must first offer it to either:

- your old landlord
- another social landlord in the area

The property should be sold at the full market price agreed between you and the landlord.

You can sell your home to anyone if the landlord doesn't agree to buy it within 8 weeks.

Paying back your discount

You'll have to pay back some or all of the discount you got if you sell your Right To Buy home within 5 years of buying it.

You'll have to pay back all of the discount if you sell within the first year. After that, the total amount you pay back reduces to:

- 80% of the discount in the second year
- 60% of the discount in the third year
- 40% of the discount in the fourth year
- 20% of the discount in the fifth year

The amount you pay back depends on the value of your home when you sell it.

For example

You bought your home worth £100,000 and got a 40% discount (£40,000). You then sold your home after 18 months for £120,000.

40% of £120,000 is £48,000. As you're in the second year, you would repay 80% of £48,000 (£38,400).

You may not have to pay back the discount if you transfer ownership of your home to a member of your family. You'll need to agree this first with your landlord and then get a solicitor to do this for you.

If you require further information or require a quote for our legal services in completing your right to buy purchase or selling your property please contact our New Business team on 0114 249 69 26 Option 1