

Voluntary Right to Buy

Want to make your home your own?

Your guide to buying your home under the Voluntary Right to Buy pilot scheme



This guide explains the Voluntary Right to Buy (VRTB) pilot scheme. It will help you understand whether you have the right to buy your housing association home. It sets out the costs involved and the steps to buying your home. It also gives contact details for where you can get more advice.



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The Voluntary Right to Buy Scheme

This booklet will provide you with the information that you need to get started with Voluntary Right to Buy (VRTB). It details the questions you should ask and explains the process involved to owning your own home.

Most people dream of owning their own home and we want to help you achieve this. However, buying your own home is one of the biggest decisions that you could make and will affect everyone that lives within the property. Buying may seem like an attractive prospect with an opportunity of investment, as you may benefit from an increase in property value. However, property values can always go down as well as up and your property may become worth less than what you originally paid for it.

Owning a property brings many responsibilities, costs and financial commitments. These include:

- > Repairs to the property (that are no longer included in your rent payment, as you now own the property)
- > Monthly mortgage payments
- > Service charges for the upkeep of the property or estate
- > Insurance costs

If you fail to meet your commitments and responsibilities you could lose your home. Before buying your home consider seeking advice from independent advisors before deciding to proceed.

Be aware that if you have the Statutory Right to Buy or Preserved Right to Buy (normally if your property has transferred from a local authority to a housing association) you will not qualify for this Voluntary Right to Buy scheme. Please speak to us if in doubt.

If you think you have these rights and you would like to apply or just find out more, please go to www.righttobuy.gov.uk or call **0300 123 0913**.

Some tenants and some properties are excluded from the pilot scheme. We would advise all tenants to read our [Eligibility and Exclusions Policy Guide](#) prior to proceeding further with an application for VRTB.

The pilot is limited to a funding pot provided by the Government of £200m. Therefore it may be that not everyone wishing to take part in the pilot scheme will have the opportunity.

As part of your application we will ask you to pay an application fee of £250 (which will be refunded to you if you complete your purchase). If your property is excluded from the scheme or we are unable to sell it to you for legal reasons, we will refund the application fee to you. However if you withdraw from the application after the application fee is paid, you will not receive a refund.

Your application at all times is subject to completion.

Don't apply for a mortgage, instruct solicitors or make any other financial commitments until you have received a formal offer of discount letter from us. You will need to accept the offer within the required period, and any of these such commitments will be incurred at your own risk.

Thinking of applying?

You know you do not have to do it alone.

You can make a joint application for the VRTB pilot scheme. So if you're eligible, you might be able to buy your home with:

- > Someone who shares your tenancy
- > Your husband, wife or civil partner
- > Up to a total of three family members (as defined by Housing Act 1985, section 186, see appendix 1) who have lived with you in your current property for the past 12 months. Family members who do not live in the property cannot be included in the application.

All of the above must be over the age of 18.

Anyone you are buying with doesn't have to be on your tenancy agreement, but it must be their main home. We will ask for proof that they have lived in the property for at least 12 months and check that they do not own an interest in any other property.

Once your application has been verified and approved by us you cannot add or remove any applicants without cancelling the application. If you have already paid the £250 fee, this will not be refundable.

The agreement of any tenant who does not want to buy must be obtained before you apply to purchase your home. They will sign to confirm this as part of the application form. Their tenancy will end when you buy the property.

Are you eligible?

You could be eligible to buy your home if:

You are one of our tenants and live in one of the local authority areas selected for the VRTB scheme.	We will only be considering applications on properties within the local authority areas eligible for the pilot. A full list of these can be found in our Eligibility and Exclusions Policy Guide	
You do not already have the Statutory Right to Buy or Preserved Right to Buy.	If you do have these rights and you want to apply for the main Right to Buy scheme or find out more please visit www.righttobuy.gov.uk or telephone 0300 123 0913 . If you are not sure, please contact us to check before applying.	
You have been a tenant of a housing association or public sector landlord, such as a council for at least three years.	If you have been a tenant for three years or more (it doesn't have to be three years in a row) you could qualify to buy the home that you currently live in. It must be your only or main home.	
You do not live in sheltered or supported housing. If in doubt, please check with us before applying.	There are some homes that you may not be able to buy under the scheme. If in doubt, please check our Eligibility and Exclusion Guide or call us before applying.	
Your property doesn't have any shared facilities or services.	An indication of shared facilities can be kitchens, bathroom facilities etc.	
You have the 'Right to Reside'	Both you and any family members wishing to buy with you must have a Right to Reside in the UK.	
You do not have any legal problems with debt.	For example, if you are an undischarged bankrupt of 12 months or less or have a bankruptcy petition pending against you.	
You have not breached your tenancy.	For example, if you have been served a Notice of Seeking Possession or if there are any other tenancy or antisocial behaviour related court proceedings. Your rent account must be clear of any arrears when you apply to buy and throughout the duration of the application.	

If you can answer **'yes'** to these statements, you may be eligible.

We advise you to read our full **Eligibility and Exclusions Policy Guide** before making an application for a Unique Reference Number (URN) or proceeding to submit an application to us.

Some properties are exempt from sale under the VRTB pilot. In instances when your are eligible for the scheme but your property is excluded you will be offered the opportunity to 'port' your discount to another home. Further details of this can be found in our **Portability Policy Guide**.

We will only be able to confirm if we can sell you your current property after we have fully checked your application.

What discount will I get?

The longer you have been a tenant, the bigger the discount you get off the market value of your home, up to a maximum value of £80,900 or 70% of the value, whichever is lower.

Discount levels for houses and flats start at three years of eligible tenancy, increasing on a scale up to 70% of the property value.

For an idea of the discount that you may be able to get, please use our VRTB discount table; www.stonewater.org/for-residents/voluntary-right-to-buy/ or go directly to the Government calculator; www.Righttobuy.communities.gov.uk/right-to-buy-calculator

You may get a lower discount if you previously bought another home through Right to Buy, or if we have spent money improving your home.

You could also visit local estate agents and property search websites to get a rough idea of what your home could be worth.

If you have made improvements to your home yourself, make sure you let us know (as part of the application form) so that we can reflect this in the valuation. If you did not gain permission to make an alteration to your property, we may consider deducting the material value of this from the valuation, subject to you gaining the correct consent retrospectively.

Buying a home

Discounts start at 35% for 3-5 year tenancies. After this, 1% per extra year of tenancy is added up to 70% or £80,900, whichever is lower (e.g. 10 years' tenancy = 40%, 20 years = 50%)

Example:

Current house value	£120,000
Years as a tenant	10 years
Eligible discount (35% + 1% for each year over 5 years)	40%
Discount value	£48,000
Price you pay for house (£120,000 less £48,000)	£72,000

Buying a flat

Discounts start at 50% for 3-5 years tenancy. Add 2% for each year of tenancy up to 70% or £80,900, whichever is lower (e.g. 10 years tenancy = 60%, 15 years = 70%).

Example:

Current flat value	£100,000
Years as a tenant	10 years
Eligible discount (50%+ 2% for each year over 5 years)	60%
Discount value	£60,000
Price you pay for flat (£100,000 less £60,000)	£40,000

Understanding the costs of being a home owner

For most people, buying a home is the biggest investment they will ever make. It's an exciting time, but there is a lot to think about.

You need to look at all the costs involved – not just mortgage payments. You need to work out if you can afford it not only now, but in the future when your circumstances may be different. Bear in mind that house prices could go down as well as up.

It's a good idea to look into the costs of home ownership before you get too far into the VRTB process. You are responsible for how you finance VRTB - we can't arrange this for you.

This section provides an overview of the costs as well as where you can get more information and free, unbiased advice.

There is a checklist on pages 10 and 11 that can help get you started.

Remember

We are only able to process applications received with a valid URN. You will only secure a place in the queue when you have sent us a completed application form including all of the supporting evidence and paid the application fee.

Any costs you incur as part of your application, for example in obtaining the necessary documentation to prove your discount entitlement or arrangement fees in securing a mortgage, will be yours to pay and will not be reimbursed by us in any circumstance.

Affordability – can you afford it?

You are likely to need a loan or mortgage, which you would pay back with interest, usually in monthly payments. The interest rate will be in the mortgage deal that you agree with your lender (usually bank or building society) and can change over time. Remember that interest rates could go up or down in the future, which will mean the money you will pay back each month could change significantly. You must ensure that, should there be an increase in interest rates, you would still be able to afford the monthly repayments. Failure to make payment on time could result in you losing your home.

How much can you borrow?

This depends upon your personal circumstances, such as your income, your outgoings, whether you are buying alone or with someone else.

We have teamed up with The Mortgage People who will carry out a free financial assessment on all applications for the VRTB pilot scheme. They will be able to tell you how much you might be able to borrow, what the likely repayment amounts will be, and the likely value of your home. This will mean that you are fully informed about whether you can afford to proceed with an application prior to you parting with any money.

Once you find a suitable mortgage, you agree with the lender how long you need the mortgage for and whether you can afford the monthly payments.

When deciding the period your mortgage will be paid over, remember that retirement could affect how much you can afford for mortgage payments.

The type of property you live in can also affect whether you can get a mortgage, for example, some lenders will not lend money on a flat in a high-rise block.

Even if you do not need a mortgage yourself, it's worth checking whether lenders are willing to give mortgages on the type of property you are buying.

Things to consider before purchase

There are different mortgage options available from different lenders. For example, some will treat your VRTB discount as your deposit, while others will not.

It's worth shopping around to compare the deals available to you, and getting advice before making up your mind. The Money Advice Service is a good place to start as they provide free, impartial advice.

You could also look at comparison sites and online calculators to help you get an idea of costs. The Money Advice Service offers a useful mortgage calculator on their website. This will provide an indication of approximate mortgage costs. Simply search 'Money Advice Service mortgage calculator' or go directly to: www.moneyadviceservice.org.uk/en/tools/mortgage-calculator

You could also talk to a bank, building society, mortgage broker or an independent financial adviser (IFA). Some brokers and advisers charge for their services, so ask before appointing them. Whoever you speak to, make sure they are regulated by the Financial Conduct Authority (FCA).

Many lenders will also charge a fee to set up a loan or mortgage. Make sure that you understand the terms and all the costs involved before you commit to anything.

Check out any company offering to help you buy your home as some of them may charge a fee. The company may be offering a deal which is far better for them than it is for you.

- > Shop around
- > Check out carefully anyone offering to help
- > Get advice
- > Check all the costs upfront
 - (the cheapest quote may not be the best one for you)

Do not apply for a mortgage, instruct solicitors or make other financial commitments until you have received an offer of discount letter from us. You will need to accept it within the required period, and any costs incurred will be at your own risk.

Other costs of buying a home

There are some one-off costs when buying your home, as well as ongoing costs. Costs below are correct at time of publication and are only provided as a guide.

Please see our useful contacts on page 14 for more information.

One-off costs

> Mortgage advice

You may choose to get advice from an independent financial advisor or mortgage adviser. Costs vary and may be a set fee or percentage of the loan.

> Survey

You may want to get an independent survey done. This will highlight any problems (such as repairs) you will need to know about before you buy. Costs can vary depending on the type of survey. Typically they start at around £250 for a basic valuation survey. Remember – once you become a home owner repairs will become your responsibility, so make sure you are fully informed of what costs you may be taking on and what the repair costs may be in the future. Please note, we will not be able to alter the sale amount for the property based on any results from a survey you obtain.

> Legal fees

You will need to hire a solicitor or other licensed conveyancer for the legal aspects of your purchase (searches, land registry fees, deeds, etc.). Costs can vary, and are typically around £750 and upwards. Please see Appendix 3 for a worked example.

> Stamp duty

This is a one-off tax you pay when you buy a property. The amount is usually based on a percentage of the purchase price and varies according to the property value. Stamp duty does not apply to properties under a certain value (currently £125,000 or higher if you are a first time buyer).

> Disabled facilities grant repayment

On purchase of your home some local authorities may request repayment if they have had to make any disabled adaptations to your home.

Ongoing costs

When you buy your home, you take on some ongoing costs and responsibilities that you might not have had as a tenant.

> Maintenance and repairs

Once you are a homeowner, your landlord will no longer organise repairs to your home. You will need to arrange and pay for this yourself. This could include electrical and plumbing jobs through to more expensive repairs such as a new boiler or repairing your roof.

It is a good idea to try and set aside some money each month for maintenance and repairs. Be aware that you may need permission for some changes (such as planning permission for an extension or alterations to the structure of the home) which in turn may incur a charge, so check before you get started. Details of our consents fees can be found at www.stonewaterhomes.co.uk/already-own-stonewater-home

> Service charges

If you pay us service charges now, you will probably be required to continue to pay us service charges in the future, though it may not be the same amount. This is so that we can still provide services to everyone.

Flats (and some houses) are leasehold properties. When you buy a leasehold property, the freeholder (us) will still be responsible for maintaining the building and the surrounding, communal areas as defined in your lease.

As a leaseholder, you will pay your share of these costs, known as a service charge. When major repairs and maintenance are needed in your block or estate, you will have to pay a share of the costs too.

This can be several thousands of pounds if, for example, a new lift or windows are needed.

To help you budget, if we propose a service charge we will give you an estimate of the first year cost. If the actual cost proves to be more than the estimate, you will need to pay more. If the actual cost is less than the estimate, we will credit your service charge account with an overpayment.

If your service charges include maintenance of your building (usually flats), we will also provide details of the last three years service charges, if applicable.

After one year, the service charge can rise to reflect actual costs. Your landlord must consult with you before starting any major works. Before you buy, ask about any long-term plans for repairs, work or improvements to your block or the surrounding area.

> Ground rent

For some properties we may charge a ground rent which is an ongoing yearly charge. Details of this will be contained in your lease. Please ask your solicitor to explain this to you and make sure you take it into account when working out your costs.

Home improvements for leaseholders

If the property you are looking to purchase is a flat then we will become what is known as the freeholder and will grant you a 125 year lease which will give you ownership for that period of time. Your solicitor will be able to explain the terms of the lease to you.

You may need permission from us as your freeholder to make certain changes to your property. These should be set out in your lease so please check it carefully with your solicitor before you sign it.

You may also incur fees to gain our permission, so check before you get started. Details of our consents fees can be found at www.stonewaterhomes.co.uk/already-own-stonewater-home.

The same rules apply to all leases (whether it's a council or a private property).

Where to get help if you are thinking of buying a leasehold property

It's worth talking to local leaseholders to learn about their experience of service charges in your area.

Free information and advice is available from the leasehold advisory service. You'll find their contact details on page 14.

Insurance

You may already have insurance for the contents of your home. As a homeowner you will also need to insure the building (if you are a leaseholder you will pay your share of this cost via your service charge).

You may also want to get income protection or life insurance in case anything happens to you while you are paying off your mortgage or loan. Some lenders will insist on this when they give you a mortgage.

Other considerations

As a homeowner you will not be eligible for housing benefit.

Your home could be at risk if you are not able to keep up your mortgage or loan payments.

Below is a checklist for you when buying your home:

- > Check if you are buying a leasehold property and look into the costs
- > Work out your monthly outgoings and don't forget to include all your living costs, such as food and clothes
- > Set aside some money each month for maintenance and repairs
- > Think about what you will do if things change in the future.
- > Fill out the table on page 10 and 11.

Selling, transferring or letting your home later

Once you buy your home through the VRTB pilot scheme, you can sell or let it whenever you want. However, if you chose to sell within the first 10 years of ownership, you must give us first refusal on buying back the home.

If you sell or let within five years you will usually have to repay some or the entire discount you received. The amount depends on the price that you sell at and how long you have been an owner.

This also applies if you agree to transfer ownership to somebody else.

There are certain situations under which you will not be required to repay the discount. These are laid out in full in Stonewater's **Voluntary Right to Buy Policy Guide**.

After the fifth anniversary of the purchase, you can sub-let or sell the property without restriction.

If you redevelop the property or sell the property for redevelopment in the first 25 years of ownership you will be required to pay an overage as stipulated in your lease or freehold transfer document.

If you live in a rural area you may only be allowed to sell your home to somebody who lives or works locally. Please ask us if you are unsure about this.

Working out the costs

Being a homeowner can bring many benefits, but it also brings important responsibilities. Use this section to help you work out the costs, benefits and drawbacks of home ownership for you.

Fill out the table below to help you work out your current monthly outgoings as a tenant, and compare that with the costs of being a homeowner. When working out what you can afford, it's important to put in all of your outgoings, such as food, clothes, utility bills, phone and car.

One-off costs when you buy (see page 7 for details)			
Legal fees £	Stamp duty £		
Survey fees £	Other costs £		
Total £			
Income		Now (tenant)	Homeowner
Wages			
Housing benefit			
Other income			
Total			
Ongoing costs (monthly)		Now (tenant)	Homeowner
Mortgage or loan payments			
Rent			
Council tax			
Utility bills (water, electricity, gas, telephone etc.)			
Insurance (buildings and contents)			
Life insurance and illness cover (if applicable)			
Internal upkeep and maintenance (repairs to heating system, DIY etc., if applicable)			
Major repairs or improvements (if applicable)			
Service charges and ground rent (if applicable)			
Other costs living expenses, such as food, going out, clothes)			
Total			
		Now (tenant)	Homeowner
Total monthly income			
Less monthly outgoings			
Your money left over each month		£	£

Advantages of renting

Advantages of buying

Possible drawbacks of renting

Possible drawbacks of buying

Summary

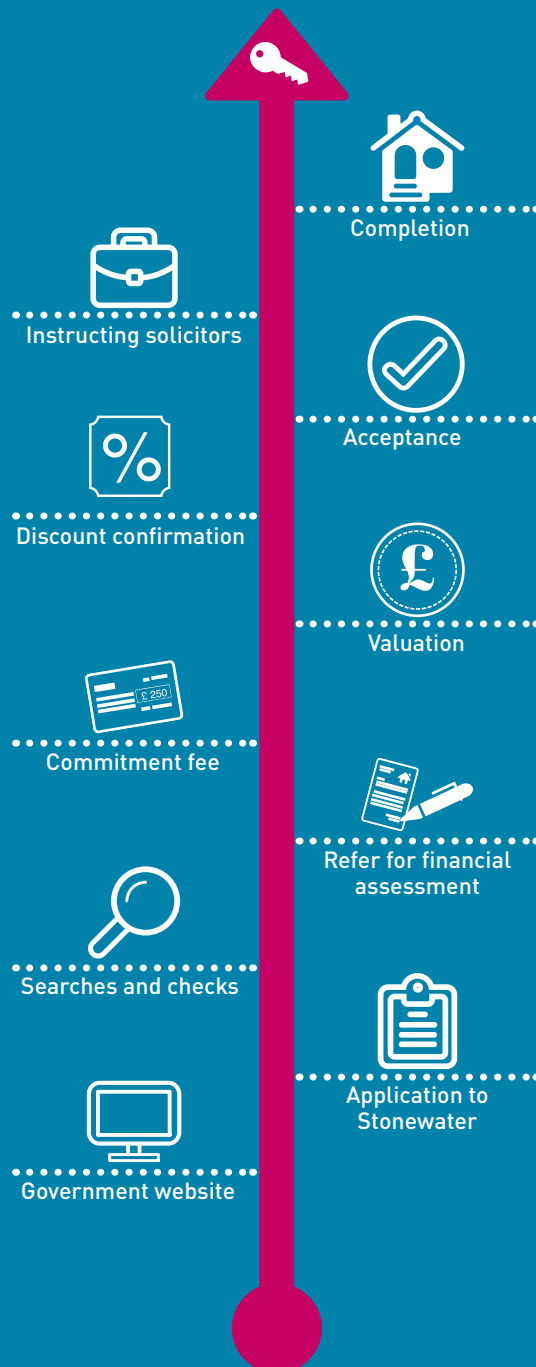
The Money Advice Service has a range of tips and tools to help you budget and work out what you can afford. Please see page 14 for more information, including contact details.



Voluntary Right to Buy

The customer journey

Congratulations! You're a homeowner!



If you are eligible for the VRTB pilot discount, you could be on your way to owning your new home. Here are the six key steps you need to follow.

1. Check eligibility, work out the costs and get advice

Once you have checked your eligibility (see page 4), it's a good idea to look into the costs of home ownership as early as possible. This will give you an idea of what it might cost and what you can afford before you get too far into the process. Page 10 will help you to work this out.

2. Register your interest

Tenants must apply on the Government's VRTB website www.midlands.righttobuy.gov.uk to obtain a unique reference number (URN).

The gateway on the website will open at 9am on 16 August 2018 and will be open for one calendar month [i.e. until midnight at the end of Sunday 16 September 2018].

A limited number of URNs will be available and not every applicant will be able to receive one. Please note that, even if you do receive a URN, there is no guarantee you will be able to buy your home. This depends also on the eligibility of your home and its affordability to you.

Applicants will be chosen at random by ballot after the gateway has closed. The ballot has been chosen to ensure fair distribution of the limited number of URNs.

Within a week of the ballot closing all tenants who have registered will be contacted to confirm if they have been successful in obtaining a URN and the next steps to take. If you have not been successful for the time being you will not be able to take part in the pilot.

3. Make an application to us

Once you have received your URN you will have four weeks to submit a completed application to us, signed by all parties and including all supporting evidence.

We will do some quick checks and, as long as you pass these, we will arrange for you to be referred to our external agency The Mortgage People to be financially assessed.

Once you have been approved for affordability we will carry out a number of detailed eligibility checks on all applicants and the property you are looking to buy.

Once these checks are complete, we will contact you and if you pass these checks you will then need to pay the application fee of £250. If you do not pass the checks, we will write to you and explain why you can't buy your home. If you are eligible to buy but your current home is excluded from sale, we will advise you of your option to "port" your discount to another home.

4. Receive an offer of discount

We will then make arrangements for your home to be valued so you can find out how much it will cost to buy.

Once this is complete you will receive an offer of discount letter. The letter will set out the discount you will receive and the price that you will have to pay for the property.

Places on the VRTB pilot scheme are limited so you may lose your place if you do not reply quickly to our letters and calls or you can not proceed with the purchase within the required timescales.

5. Over to you: mortgage, survey and advice

You have 20 working days to accept our offer of discount. If you do not accept our offer of discount within this time limit, we may not be able to hold your place on the scheme.

It is during this time that you will need to arrange a mortgage or loan, get a survey and instruct a solicitor for conveyancing, etc.

Please seek independent financial and legal advice (if you haven't already) and check you understand all the costs before you sign anything.

6. Complete the purchase

Once you are happy with our terms and have arranged how you will pay for your home, we will confirm when you can carry on and complete your purchase.

It is usually during this time that you pay your stamp duty, finalise the paperwork and sign the contract.

Once you have completed, you will receive a refund of your £250 application fee, generally as a credit off your purchase.

Congratulations – you are now a homeowner!

Contact details for help and advice

Voluntary Right to Buy (VRTB)

You can find out more about VRTB on the governments Right to Buy website. Search 'Voluntary Right to Buy' or go directly to www.midlands.righttobuy.gov.uk

Right to Buy agent service

The Government's Right to Buy agent service offers free and impartial advice on Right to Buy. If you decide home ownership is the right choice for you, they can help you through the process of buying your home, including providing information on finding a mortgage and appointing a solicitor. Right to Buy advisers are available from Monday to Friday, 9am to 6pm, and you can phone or speak with them online.

0300 123 0913
www.communities.gov.uk/righttobuy

Money advice

The Money Advice Service is an independent organisation set up by the government.

The Service provides free, impartial advice on a range of financial matters. This includes tips and tools to help you budget, choose a mortgage and work out whether you can afford monthly repayments.

0300 500 5000
www.moneyadvice.service.org.uk

Buying a leasehold property

The Leasehold Advisory Service (LEASE) provides free, unbiased advice on leasehold properties, including guidance on service charges and ground rent.

020 7832 2500
www.lease-advice.org

Stamp duty

For information on stamp duty and the latest rates please go to:

www.gov.uk/stamp-duty-land-tax-rates

Mortgage Advice Bureau

0800 0850118
www.mortgageadvicebureau.com/contact-us

Citizens Advice

03444 111 444
www.citizensadvice.org.uk

Questions to ask yourself before you buy

Q1. Do I have the right to buy under the VRTB pilot scheme?

Before you start this process, use the checklist on page 4 to see if you might qualify for the VRTB pilot scheme. Read our [Eligibility and Exclusion Policy Guide](#) before registering your interest for a Unique Reference Number.

Q2. Can I afford it?

Use the checklist on page 10 and page 11 to work out the costs, benefits and possible drawbacks of buying. It is worth doing this before you get too far into the process and incur costs.

Q3. Will I be able to afford it if things change in the future?

Remember that your home could be at risk if you are not able to keep up your mortgage and/or loan repayments. Work out your budget, do not over extend yourself financially and ensure that you have some savings set aside for a rainy day.

Q4. Check your cash flow

Whilst some mortgage providers will be able to use your discount as the deposit, you will still need to have a certain amount of money available to pay up front costs, including the application fee, solicitors fees, mortgage arrangement fees and removal costs (when looking to port). Make sure that you have these available and avoid resorting to using credit lines to make payment for them.

Q5. What are the benefits and risks?

Owning a home can be a good investment for the future and can give you more freedom to make your home your own. But make sure you have also considered the risks and responsibilities.

Before you apply

Before you apply please note the following

Not all tenants can buy their home under the VRTB pilot scheme. (Please read our full [Eligibility and Exclusions Policy Guide](#)). You may not be eligible for the scheme and if you are, we may not be able to sell you your current property.

You cannot apply if you have the Statutory Right to Buy or Preserved Right to Buy (if in doubt ask us to check for you).

Only certain areas are being considered, please read our [Eligibility and Exclusion Policy Guide](#).

You will need to pay a £250 application fee. This is refunded if you complete your purchase or we are unable to sell your property to you, but will not be refunded if you decide not to go ahead after applying.

Places on the VRTB pilot scheme are limited and are dealt with on a first come, first served basis when an application is made with a valid Unique Reference Number and all supporting documents. There is a strict four week deadline to submit your application so make sure you are prepared.

You must not have any rent arrears or other breaches of your tenancy conditions.

You will be expected to proceed quickly with your purchase, if your application is accepted. If you do not meet the set timescales, you may lose your place in the queue and may not be able to complete your purchase.

You will need a bank account to pay charges due (if any) by Direct Debit, following completion.

You will be required to become the legal owner of the property and appear on the official ownership documentation.

Remember

Do not make a mortgage application, instruct solicitors or make any other financial commitments until you have received an offer of discount letter from us and accepted the offer within the required period. These commitments will be at your own risk.

Do not forget, even if you do this, you must proceed promptly and your application is at all times subject to completion.

Important

Please note that this booklet is designed for general guidance on the scheme only.

It should be read in conjunction with our other documents in relation to VRTB:

> [Eligibility and Exclusions Policy Guide](#)

> [Voluntary Right to Buy Policy Guide](#)

> [Portability Policy Guide](#)

Please contact us if you require further information on the terms of the scheme.

Get in touch with us to find out more

Web

www.stonewater.org/for-residents/voluntary-right-to-buy/

Email

vrtb@stonewater.org

Call

A member of our Sales and Services Team

0238 0658 858 opt 2

Monday-Friday 8am to 5pm

Not eligible for Voluntary Right to Buy?

For information about other government home ownership schemes, visit GOV.UK at:

www.ownyourhome.gov.uk

Or browse our Stonewater Homes' Shared Ownership and Rent to Buy options at:

www.stonewaterhomes.co.uk/find-a-home

Appendix 1

– Housing Act 185, Section 186

A person is a member of another's family within the meaning of this part if —

- s/he is the spouse [or civil partner] of that person, or he and that person live together as husband and wife [or as if they were civil partners] , or
- s/he is that person's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece.

For the purposes of subsection (1)(b) —

- a relationship by marriage [or civil partnership] shall be treated as a relationship by blood,
- a relationship of the half-blood shall be treated as a relationship of the whole blood,
- the stepchild of a person shall be treated as his child, and
- an illegitimate child shall be treated as the legitimate child of his mother and reputed father.

We may consider permitting the inclusion of the partner of the tenant who is not listed on the tenancy agreement if they are able to show that they have lived in the property and financially contributed to its running for three years or more.

Appendix 2

– **Public** sector landlords whose tenancies contribute to VRTB

Your time as a tenant of the following list of landlords may contribute to the eligibility period for calculating the VRTB discount. It does not mean that you can buy your home under the VRTB if you are currently a tenant of one of these landlords. If in doubt, please check that your landlord is a party to the VRTB scheme. Some examples of landlords which are included are:

England:

Community Councils, Police Authorities, Water Authorities, Local Authorities, Secretary of State (in some circumstances), Civil Aviation Authority, British Railways Board, Area Electricity Boards, Environment Agency, Parish Councils, Fire and Rescue Authorities, British Airport Authorities, Urban Development Corporations, Internal Drainage Boards, British Broadcasting Corporation, Housing Action Trusts, National Health Service Trusts and Foundation Trusts, British Coal Corporation / Coal Authority, Registered Social Landlords, (but not co-operative housing associations), Passenger Transport Executives, British Gas Corporation, Government Departments, British Waterways Board, British Steel Corporation.

Appendix 3 – Conveyancing estimate

Conveyancing estimate up to the purchase price of £250,000 for a first time buyer: **£1,512.**

Legal fees	£750 + VAT
Bank transfer fees	£35 + VAT
Stamp Duty land tax compliance costs	No charge – cost is included in above price
Acting for your lender fee	No charge – cost is included in above price
Leasehold fee	No charge – cost is included in above price
Identification fee	No charge – cost is included in above price
Search fees (inc VAT)	£300

Disbursements:

Stamp Duty land tax	Normal rate	Additional property
Up to £125,000	0%	3%
£125,001 - £250,000	2%	5%
£250,001 - £925,000	5%	8%
£925,001 - £1.5m	10%	13%
Over £1.5m	12%	15%

No Stamp Duty payable for first time buyers up to £300,000

Percentage of portion of purchase price. Figures are cumulative and not just on that section band.

Land registry fees

Up to £80,000	£40
£80,001 - £100,000	£80
£100,001 - £200,000	£190
£200,001 - £500,000	£270
£500,001 - £1m	£540

Your solicitor will notify you of any other disbursements, which are payments to third parties, required to complete the sale or purchase.

Glossary of terms

Right to Buy and Right to Acquire

Statutory Right to Buy

This includes Right to Buy and Preserved Right to Buy.

> Right to Buy

Allows most local authority tenants and some secure housing association tenants in England to buy their home at a discount. Discounts of up to £80,900.

> Preserved Right to Buy

Some tenants in England whose home used to be owned by a local authority, but was transferred to another landlord (e.g. a housing association) whilst they were living in it, may have the Preserved Right to Buy.

Right to Acquire

Allows housing association tenants in England to buy their home at a discount if the property was bought or built by the housing association after 31 March 1997 or transferred from a local authority to a housing association after 31 March 1997. Discounts of between £9,000 or £16,000 are available depending on the local authority.

Voluntary Right to Buy

This pilot scheme was launched in August 2018 and gives housing association tenants living in a number of local authority areas in the Midlands the opportunity to buy their home under the same level of discount as the Statutory Right to Buy. The key difference of this scheme is that it is voluntary and therefore a tenant does not have a right to buy the home they currently live in and their housing association can choose which properties are available to sell via their exclusions policy.



Tenancy types

Secure tenancy

Now only given to those that move, either by way of a transfer or mutual exchange, and who were secure council tenants or assured housing association tenants at their previous property before the move took place. A secure tenant has the right to live in their property for the rest of their life as long as they comply with their tenancy agreement. Secure tenancies can only be ended by a court order, following a court hearing to look at the reasons behind the breaches of the tenancy. Secure tenants have the right to exchange their home with another local authority or housing association tenant providing they have obtained prior written consent from the future landlord. Secure tenants may also have the Right to Buy.

Assured tenancy

Offered by housing associations equivalent of secure tenancies offered by the council. The main difference is that assured tenants do not have the Right to Buy but may instead have the Right to Acquire.

Assured shorthold tenancy (AST) –

> Starter tenancy

Usually an AST for a trial period of 12 months, which then can either become an assured tenant through conversion, a trial period that can be extended for six months, or steps can be taken to end the tenancy.

> Periodic assured shorthold tenancy (AST)

A month-to-month rolling tenancy where the fixed term has expired and the tenancy has not been renewed, or converted, but the tenant still resides in the property.

> Localism Act 2011 fixed term tenancy

From 2012 onwards, social landlords were allowed to offer fixed term tenancies offering a tenancy for a certain period of time. At the end of the tenancy it may be ended or renewed or another type of tenancy granted. The tenancy can only be ended by the housing association if there is a breach of tenancy and a court order is in place. Fixed term tenants may be eligible for Right to Buy and for mutual exchange.

> Assured shorthold fixed term tenancy/flexible tenancies

Must be for at least two years up to five.

> Assured shorthold long term tenancy

21 years or more.

> Demoted tenancy

A secure tenancy or assured tenancy can be demoted by a court to an AST because of antisocial behaviour.

Government bodies and other organisations

Homes England

An executive non-departmental public body sponsored by MHCLG bringing together land, money, expertise, planning, and compulsory purchase orders, with a clear remit to facilitate delivery of sufficient new homes, where they are most needed, to deliver a sustained improvement in affordability.

Housing Ombudsman

An executive, non-departmental public body that looks at complaints about registered providers of social housing. The service is free, independent and impartial.

Land Registry

The organisation responsible for maintaining records about registered land.

Ministry for Homes, Communities & Local Government (MHCLG)

A ministerial government department formerly known as the Department for Communities and Local Government (DCLG) responsible for creating places to live and work, and to give more power to people to shape what happens in the area.

National Housing Federation (NHF)

An industry body representing housing associations in England.

Conveyancing terms

Transfer

Where the remaining interest in the lease is transferred to another party.

Buildings insurance

Covers the cost of rebuilding or repairing your home if it's damaged or destroyed.

Completion

The point at which the property legally passes into the buyer's ownership.

Completion statement

As statement setting out the costings for the various parts of the transaction. The completion date will be agreed between the parties and their solicitors.

Covenant

A promise contained in the deed or lease that imposes an obligation to do or not to do something.

Assignment

The transfer of ownership from one party to another, usually related to the assignment of a lease.

Charge

A security relied upon by the lender against a property which gives power for them to sell the property if you fail to make the repayments.

Conveyance

The legal process of transferring property from one person to another.

Conveyancer

A solicitor or licensed conveyancer who can deal with the legal aspects of buying or selling land/property on behalf of the buyer and the vendor. The buyer and the vendor must instruct different solicitors to act on their behalf.

Disbursements

Expenses incurred by your solicitor in connection with either the sale or purchase of the property.

Easement

A legal right to cross or otherwise use someone else's land for a specified purpose.

Exchange

Exchange of contracts takes place when the buyer and seller are ready to make the transaction legally binding and sets the date for completion.

Freehold

The legal word that refers to the ownership of the land, usually where the property stands, where both belong to the owner indefinitely.

Freeholder

The person or company who owns the freehold.

Lease

A contract where the vendor transfers their interest in land or property to the buyer for a specified period of time.

Leasehold

Land or property that is held under a lease.

Leaseholder

The person or company who holds the leasehold interest.

Lease term

The period of time for which a lease has been granted.

Mortgage

A long term loan secured on the property to fund the purchase (see also charge).

Mortgage deed

A document used to record the terms of the lender's charge against the property.

Mortgage offer

Issued by the lender confirming how much they are willing to lend and setting out the terms and conditions.

Overage

A sum which the vendor may be entitled to receive after the completion if a specified condition is met that materially increases the property in value. eg. New planning permission granted or resale of land at a higher value. This can usually only happen within a specified period of time from the date of the original sale.

Searches

Various searches are carried out by solicitors in order to find out more about the property being purchased e.g. Local Authority (planning history, roads), Environmental, Water and Drainage, Chancel Repair.

Service charge

A fee paid for services provided in relation to communal areas.

> Fixed service charge

Paid by rented tenants to cover the costs of services provided in relation to communal areas.

> Variable service charge

Paid by leaseholders to cover the costs of services provided in relation to the communal areas, and contributions towards buildings insurance and a sinking fund. Your service charge will change from fixed to variable upon completion.

Stamp Duty Land Tax (SDLT)

A tax on land transactions based on the value of the property.

Title deeds

The documents showing the ownership of the property.

Title plan

A plan outlining the area and boundary of land and/or property included in the sale.

Valuation survey

The process of appraising the value of the property usually by an independent surveyor – valuations are carried out for different purposes, for example for Stonewater to make you an offer or for your lender to establish the value of the property for lending purposes. Valuation surveys are different from structural surveys which look at the structure and possible repairs needed on a property.

