

Home ownership- information for tenants

There are two schemes that help Soha tenants to buy their homes. These are Right to buy (RTB) and Right to acquire (RTA). This is a brief guide to the schemes and about home ownership in general. If you need any more detailed information, please contact the Right to Buy Team at Soha. The information in this guide applies to both schemes unless stated otherwise. You can find additional information in the booklet entitled “Your Right to Buy Your Home” or “Guide to the Right to Acquire.” These are available from Soha.

Who can buy ?

Depending on when you became a tenant, you may qualify for one or both schemes

Right to buy	Right to acquire
<p>To qualify you must</p> <ul style="list-style-type: none"> • have been a tenant of South Oxfordshire District Council on 7 July 1997; and • transferred to Soha Housing; and • have been a tenant with Soha continuously since then <p>OR</p> <ul style="list-style-type: none"> • be a qualifying successor of a tenant who transferred on 7 July 1997. 	<p>You qualify</p> <ul style="list-style-type: none"> • if you were a public sector tenant (not necessarily with Soha) before 18 January 2005, you qualify after having held a tenancy for two years. • If you became a public sector tenant for the first time on or after 18 January 2005, you qualify after having held a tenancy for five years. • Your home qualifies (see below)

Right to acquire only applies to certain homes. Please contact the Right to Buy Team to see if your home qualifies.

Tenants can also buy with up to 3 members of their family who have lived with them for at least 12 months leading up to their application to buy.

Exceptions- when you cannot buy your home

You will not be able to buy your home if one of the following applies:

- You have breached a court order made against you in connection with your tenancy.
- You are bankrupt or have a bankruptcy petition pending.
- You have made an arrangement with your creditors which has yet to be fulfilled.
- Your tenancy has been demoted under the anti-social behaviour legislation.
- Your home is part of a scheme for persons of pensionable age **or** for people with mental health problems **or** is designed specifically for persons with a physical disability **or** is particularly suitable for occupation by elderly persons.
- Soha has served a final demolition notice on you because your house is to be demolished as part of a redevelopment.

How to apply

If you think that you may qualify to buy your home and want to apply, you will need to fill in an application form. There is a different form for each scheme (see below). You can get the form you need from Soha or the address at the end of this guide.

Right to buy application form	Right to acquire application form
Form RTB 1 (blue form)	Form RTA1 (white form)

When you have filled in the form, send it back to Legal Services at Soha so that we can start to process your application.

We will then send you a formal reply within 4 weeks (8 weeks if we have to check discount you are claiming from a previous landlord) advising you whether or not you are eligible to buy your home:

Right to buy formal response notice	Right to acquire formal response notice
Form RTB 2	Form RTA 2

What happens next ?

If you are eligible to buy your home, we will send you an offer within 8 weeks (12 weeks if you live in a flat) of the date of our formal reply notice.

To work out the sale price, we need to have your home valued. We arrange for an independent valuer to visit you to assess the open market value of your home. Any improvements you have made will be disregarded from the valuation.

We will also visit you to check all the details on your application.

We then work out what percentage discount you are entitled to and deduct this from the valuation. The discount rates are set by the Government.

Right to Buy Discounts	Right to Acquire Discount
Houses- 32% plus 1% for each year you have been a tenant. Maximum 60%. Flat- 44% plus 2% for each year you have been a tenant. Maximum 70%.	Flat rate discount, currently £13,500 regardless of the number of years you have been a tenant
Note: The maximum amount of discount in South Oxfordshire is £38,000 regardless of the percentage you may be entitled to.	

Once we have worked out the sale price, we will send you a notice telling you the figures. If you want to go ahead with your purchase, you must accept the offer within 3 months.

If we don't hear from you

If we don't hear from you, after the 3 months has expired we will send you a notice called a "Prior Notice to Complete." This gives you a further 56 days to start making your arrangements. If we have not heard from you after the date this notice expires, we will send

you a “Final Notice to Complete.” This gives you a final period of 56 days to respond. If you do not respond by the date in this notice, we will close down your application.

If you don't hear from us

If we don't send you the notices RTB/RTA2 or the offer within the time limits referred to above, or if there are delays that preventing you from completing your purchase within a reasonable time (it can take up to 10 weeks from acceptance for a sale to go through), you can serve a Delay Notice on us. This gives us a minimum of 4 weeks to rectify the problem. If matters have not progressed by the date in the Notice, you can serve an Operative Notice of Delay on us. This will then count any payments you make in respect of rent (excluding any service charges) between then and completion towards the purchase price.

You have decided to go ahead with the purchase- things to consider about buying your home

You need to let us know your solicitor's details so that we can instruct our solicitors to begin the conveyancing process. You will also need to make your financial arrangements. Please remember that you need to continue paying your rent until you actually complete your purchase.

Solicitors

You will need to engage a solicitor to take care of the conveyancing process for you. It is advisable to ask for a quotation of the costs you will have to pay. You should make sure that the following are included so that you can budget:

- The solicitors' fees for doing the work (plus any extras)
- Stamp duty (1% of the purchase price if between £120,000 and £250,000)
- Local search fees
- Land Registry fees

Finance

Most people will need to finance their purchase by a mortgage from a bank or building society. All financial bodies have their own separate rules about lending, so it may be worthwhile taking advice from an independent financial advisor. Before he/she does any work for you, check if they will charge you for the advice.

There will be costs you may need to pay in respect of the mortgage. These could include:

- Mortgage valuation survey fees
- Arrangement and/or administration fees
- Lender's legal fees

Surveys

Buying your home is one of the biggest investments you will probably make. You need to be certain that you are satisfied about the condition of your home so it is always advisable to have your own independent survey done (at your own cost). You can either have a full structural survey or a home buyer's report carried out by a qualified surveyor. Before you ask for the survey to be done, check what the cost will be.

It is important to note that Soha does not undertake to sell your home in perfect condition nor do we have a survey carried out. Your lender's mortgage survey is not detailed and cannot be relied on as evidence about the structural condition of your home.

Things to consider as a homeowner

Once you have bought your home, you are likely to have to make regular payments as a home owner. These will include:

- Mortgage. If you do not keep up your mortgage payments you will risk having your home repossessed by your mortgage lender.
- Home insurance, life assurance and mortgage protection insurance
- Council Tax
- Water, sewerage, gas, electricity or other utility services

You also need to consider that your home will need to be kept in good repair and regularly maintained. If you live in a flat you will also have to pay a service charge which will include charges for major works to the flat when they are needed.

What happens if I want to sell?

If you sell within the first five years you will have to pay back some or all of the discount you received.

You will have to repay the same percentage discount you received when you bought but the actual amount will be based on the value when you sell (disregarding the value of any improvements).

e.g.

Value of home at purchase is £100,000. Discount £25,000. Discount percentage= 25%

Value of home at resale is £110,000. Discount repayment is £110,000 less 25% = £27,500

This figure will be reduced by one fifth for each complete year you have owned before you sell.

If you sell within 10 years you will have to offer the property back to Soha first. If we do not accept your offer within 8 weeks you are free to sell on the open market.

Literature

The forms or booklets referred to in this guide can be obtained from:

Soha Housing
Royal Scot House
99 Station Road
Didcot
Oxon
OX11 7NN
Tel: 01235 515900

If you would like the information in this leaflet on tape or translated into another language, please contact us on the number opposite.