

Buying Your Council Home

# Right to Buy

A Guide for Sheffield Council Tenants





Most secure council tenants have the Right to Buy their home.

The following information is a brief guide to the Right to Buy scheme, for more detailed information about the scheme please call the Home Ownership Team on **0114 273 5595**, or visit our web pages at **[www.sheffield.gov.uk](http://www.sheffield.gov.uk)**

## Do you have the Right to Buy

- To qualify for the Right to Buy you must have been a council tenant, a tenant of a Housing Association or certain other public bodies for at least 3 years.
- The Council property must be your only or principle home.
- You must not be bankrupt or about to become bankrupt or have made any arrangement with your creditors (people you owe money to) to pay off your debts.
- If the court has made an order to take possession of your home you cannot buy it.
- You may be able to purchase your home along with family members - if they have lived with you for at least 12 months.

## Things to consider before deciding to buy your home

Buying your home can be an asset for you and your family and it will give you the freedom to make changes and improvements without needing your landlord's permission.

Home ownership also brings added responsibilities, you should be sure it is the right choice for you and your family.

- You may need a mortgage or loan.
- You will be responsible for costs of maintaining your home including routine repairs and major structural repairs and improvements.
- If you buy a flat or leasehold house you will have to pay yearly service charges and costs of major repairs and improvements.

As a tenant you may be able to claim housing benefit. You cannot claim this to help with a mortgage - **you may be entitled to help with mortgage interest** - you will need to meet the conditions of entitlement as there are restrictions on the help available. You can get information about this from the government website **[www.direct.gov.uk](http://www.direct.gov.uk)** or from Citizens Advice Bureau.

If you are elderly and own your own home its value will be taken into account when assessing your entitlement to financial help with the cost of residential care.

**Please be aware if you give false or misleading information or omit information for the purpose of gaining the Right to Buy, it may be regarded as a criminal offence. Action could be taken against you including court action and the recovery of the property.**

## You cannot buy your home if:

- If it is a bungalow or ground floor flat that is particularly suitable for an elderly person to live in. However, you have the right to ask the Residential Property Tribunal to decide if this applies to your home.
- If your home has been adapted for people with a disability or mental disorder and is near to other similar properties.
- If your home is part of a sheltered scheme.
- If your home has had a final demolition notice served on it.
- If we do not own the freehold of the property and there is less than 21 years remaining on the lease if it is a house or 50 years if it is a flat.
- If your home forms part of another building whose purpose is not mainly housing e.g. a caretaker's house.
- If you are subject to a Right to Buy suspension order.

## Applying to buy your home

To apply to buy your home you need a RTB 1 application form and a RTB additional information form. You can download these forms from our website

at [www.sheffield.gov.uk](http://www.sheffield.gov.uk) or from the government website at [www.direct.gov.uk/rtb1](http://www.direct.gov.uk/rtb1) where you can also access further details about the Right to Buy, you can pick them up from a Sheffield Council First Point or local housing office, or you can call the Home Ownership Team on 0114 273 5595

Once you have completed these forms send them back to the Home Ownership Team, our address is at the end of this leaflet. We will tell you within 4 weeks (8 weeks if you have had tenancies with other Landlords) if you have qualified for the Right to Buy. If you have not qualified to buy your home we will tell you the reason why.

If you have qualified we will arrange for your home to be valued and we will send you an offer notice (Section 125 Notice) within a further 8 weeks if you are buying a house or 12 weeks if you are buying a flat.

The offer notice will tell you the terms and conditions of the sale, the market value of your home, the discount you are being given, any limits to the discount due to Cost Floor\* or previous purchases and also the price you will pay to buy your home. It also tells you of any defects we are aware of that affect the property.

You have 12 weeks to consider this Notice and either accept the offer or change your mind and withdraw your

Right to Buy. If you have not told us your decision within 12 weeks we will write to you and give you a further 28 days in which to make up your mind.

When you tell us you want to go ahead and buy your home we will arrange for plans to be drawn up and then we will send the sale documents to your solicitor to complete the sale.

If you think we are delaying the sale you may send in an initial notice of delay (form RTB6), this gives us a month to take the next step in the process. We may send a counter notice(form RTB7), if we have already moved the application on to the next stage or if there is nothing we can do to speed up the process. If we do not serve a counter notice within a month you may serve an operative notice of delay, (form RTB8). The rent you then pay until the application has moved on to the next stage will be deducted from the price you pay for your home.

## How much will your home cost?

We will send a valuer to value your home. The valuation will be based on the "open market" value - this means its value will be based on similar properties sold in your area. The value will not be increased for improvements you have made to the property.

If you think the market value of your home is too high you may ask the District Valuer to carry out an independent valuation. You must do this within 3 months of the date of the Section 125 notice. The District Valuer's valuation will be the one that counts, even if it is higher than our valuation. You will either have to accept his valuation or withdraw your application to buy your home.





## Discount

The longer you have been a tenant the more discount you will get. The highest discount you can get is £80,900 (subject to change please check at [www.sheffield.gov.uk](http://www.sheffield.gov.uk) for the current maximum discount). If you live in a **house** and have been a Council tenant for 5 years you will get 35% discount of the market value. For each extra year you will get a further 1% discount - up to a maximum of 70% or £80,900 which ever is the lower.



If you live in a **flat** and have been a Council tenant for 5 years you will get 50% discount of the value. For each extra year you will get a further 2% - up to a maximum of 70% or £80,900 which ever is the lower.

If you or your spouse/civil partner have purchased under the Right to Buy scheme before, the amount of discount you got then will be deducted from the discount you are given when you buy again.

Your discount may be reduced under a rule called Cost Floor\*. This may apply if we have recently purchased or built your home or we have spent money repairing or maintaining it. We cannot sell your home for less than we have spent on it during the last 10 years, or 15 years if we acquired or built your home since 2 April 2012. If the cost of works carried out is more than its market value, you will not receive any discount.

## Costs involved in applying to buy your home

We do not charge for dealing with your application but there may be other costs involved. These include:

- Your solicitor's legal fees.
- Mortgage fees. If you are taking out a mortgage your Bank or Building Society may charge you fees e.g. an arrangement fee or a valuation fee.
- Survey fee. We strongly recommend that you have building survey done on your property - but these can be quite expensive - typically £500 upwards.
- Stamp duty if applicable.

Before signing up to a mortgage, ensure you understand the terms and conditions. Consider what will happen if your circumstances change. What happens if you miss making a payment? Remember

interest rates may go up and increase the amount you have to repay each month.

Before signing up to a mortgage through a Financial Advisor ask the advisor who they work for, do they sell mortgages or other financial services or do they get commission for selling a particular product.

The Money Advice Service is a free impartial service set up by the government to help people make informed choices. You can get information from their website at [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) or you can telephone them on 0300 500 5000.

## Costs of being a homeowner

When you have bought your home there will be other regular payments you will have to make. These may include:

- Mortgage.
- Buildings, Life insurance and Mortgage protection insurance.
- Council Tax.
- Water, sewerage, gas, electricity and other utility bills.
- Service charges and major works costs if you live in a flat or maisonette.

As a homeowner it's your responsibility to look after your property and keep it in good repair. If you live in a flat you will have to

pay your contribution towards services and repairs and major works done on your block and the communal areas.

## Selling your home

If you want to sell your home or dispose of it within 10 years of buying it under the Right to Buy scheme you must offer us the first refusal to buy it back. We can either buy it back ourselves or pass on the offer to another social landlord. If we buy it back we will buy it at market value. If we cannot agree on the market value the District Valuer will determine the price.

If you want to sell your home within 5 years of buying it under Right to Buy you will have to repay discount. The amount of discount you pay back will be the same percentage of its market value as the percentage discount you were given at the time you bought under Right to Buy. This amount will be reduced by 20% for each complete year that has passed since you bought it.

**It is important to remember that if you do not keep up with your mortgage payments then your home may be at risk of being repossessed.**

If you want to know more about Right to Buy or want to ask any questions please contact the Home Ownership Team.

## How to contact us

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**Home Ownership Team  
4th Floor Howden House  
1 Union Street  
Sheffield S1 2SH**

Telephone **0114 273 5595**

email **RightToBuy@Sheffield.gov.uk**

This document can be supplied in alternative formats, please contact 0114 273 5595

Sheffield City Council  
Financial Services Unit  
[www.sheffield.gov.uk](http://www.sheffield.gov.uk)



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