

# Your Preserved Right to Buy or Right to Acquire Your Home

As a tenant of Wakefield and District Housing (WDH), you have the Preserved Right to Buy (PRTB) or Right to Acquire (RTA) your home. This leaflet summarises how the PRTB and the RTA schemes work. Through these schemes you can get a discount against the market value of your home.

Home ownership helps to create mixed and sustainable communities. We will uphold your rights under the law to buy your home and help you to fulfil your expectations.

## Our Service Standards

We will:

- Provide you with details and an application form on request.
- Admit or deny your application within four weeks, providing we have all the relevant information.
- Provide you with a valuation of your property within 12 weeks of your application date, if we have all relevant information and are allowed access to your property.
- Uphold your rights as a customer under the law.
- Fulfil all of our obligations and responsibilities to you as a buyer.
- Respond fully to any enquiry within agreed timescales.
- Offer high-quality and relevant advice and help.

## Preserved Right to Buy

If you were a secure tenant of Wakefield Council before **21 March 2005** and you became an assured tenant when the ownership of your home transferred to WDH, you may have the PRTB.

To qualify for the PRTB, you need to have had a minimum of two years occupation of a property as a public sector tenant. A list of public sector landlords is at the back of the PRTB Application Form, the RTB1 Form.

If you became a new tenant with Wakefield Council on or after 18 January 2005, you will not qualify for the PRTB until you have had a public sector tenancy for at least five years.

You cannot buy your home if you are:

- An undischarged bankrupt.
- Have a bankruptcy petition pending against you.
- Have made an arrangement with creditors and you still owe them money.
- If a court has made a possession order which says that you must leave your home.
- A tied tenant, for example, the property forms part of your job, such as a School Caretaker or a Warden.

## **Properties that are excluded**

Certain properties are excluded from the PRTB scheme. These include sheltered housing properties and certain bungalows or ground floor flats. For more information on excluded properties, please contact the RTB / RTA office (contact details are at the back of this leaflet).

## **Demolition**

You cannot apply to buy your home if it is scheduled for possible demolition. WDH may serve an 'Initial Demolition Notice' that can suspend the completion of your PRTB for up to five years. A 'Final Demolition Notice' may be served if demolition is planned within two years. This will mean that your application to buy your property will end.

## **Antisocial Behaviour**

New rules mean that a PRTB can be suspended or ended if a tenant, or their household or visitors, is / are engaging in antisocial behaviour or threatening to do so. This rule came into force on 18 January 2005.

## **How to get an Application Form – RTB1**

You can get an application form for the PRTB (Form RTB1), in person from any of our Service Access Points (SAPs), the RTB / RTA office or through the post by contacting the RTB / RTA Team. The address is at the end of this leaflet.

Once completed, you will need to return your application to the RTB / RTA Team to be processed. We will issue you with a receipt for the RTB1 Form within seven working days.

We will let you know if you have the PRTB using a Form RTB2. You should receive this within four weeks of the date of your application (if we have all the relevant information). If you have been a tenant of WDH for less than five years it could take about eight weeks, as your tenancy period may have to be confirmed with another Registered Social Landlord (RSL) or Local Authority.

If you do not have the PRTB you will be told why. If you disagree with this decision, you should get advice from a Legal Adviser. If your application is being refused because the property is suitable for the elderly, then you have a right of appeal to the Residential Property Tribunal Service. Information on how to do this is included with the Refusal Notice.

Once you have submitted a PRTB Application Form you will be visited by a WDH officer.

You will now only be able to have essential repairs carried out to your property and you will not be included in any improvement schemes that may have been undertaken at your home.

Once a WDH Officer has visited you from your local Service Access Point, we will send your application, if admitted, to our Valuation Section. A valuer will then come out to your property and price it in line with the current market value, as at the date that you submitted your PRTB application. The valuer will ignore any improvements you have made to your home. For any improvements that may affect the safety or boundaries of your property, such as fencing and walls, you must have already had our permission or this may cause a delay with your application. We will however include in the valuation any improvements carried out by WDH / Wakefield Council.

We will issue you with an Offer Notice (Section 125 Notice), within a further eight weeks or twelve weeks if you are buying your property leasehold - that is if it is a flat or maisonette

As a leaseholder you own the rights to live in your home for a fixed number of years, up to a maximum of 125 years. If you should sell your home, the purchaser will buy the remaining years of the lease.

The Offer Notice will contain all the relevant information you will need to help you decide if you want to go ahead with the purchase of your home. It will include:

- A description of your property, including a plan for identification purposes only.
- The current market value of your home.
- Discount entitlement.
- The price at which you can buy your home.
- The Terms and Conditions of sale.
- Any structural defects which the landlord is aware of.
- Any service charges where applicable, improvement costs and remedial works necessary that may be applicable.
- Improvements to your property carried out by you and disregarded in the valuation.

## Discount Entitlement

The longer you have been a tenant, the larger your percentage of discount, subject to the valuation of the property and the discount limit. You can count time spent as a tenant with other Local Authorities or RSLs and time spent in the Armed Forces. (This is not a full list.)

A full list of other public bodies, from which you can use your time spent as a tenant, can be found in the Department for Communities and Local Government booklet 'Your Right to Buy Your Home'. You can get this by going to the ODPM website [www.dcm.gov.uk](http://www.dcm.gov.uk) and searching under 'Right to Buy' or from any WDH office.

Your discount entitlement is subject to a limit, which is set by the Government and is **£24,000** in the Yorkshire area. This is the maximum amount that can be deducted from the market value of your home. This amount varies depending on where you live in the country.

## Qualifying Period

To qualify for the PRTB or RTA the following qualifying periods apply:

- For applicants who were tenants with Wakefield Council before 18 January 2005 and became Assured Protected tenants with WDH you will need to have been a tenant, with a qualifying landlord, for **two years**.
- For applicants who became new tenants with Wakefield Council on or after 18 January 2005 and before 21 March 2005 the qualifying period will be **five** years.
- For all new tenants with WDH after 21 March 2005 the qualifying period will be **five** years and you will qualify for the RTA scheme only.

**You must remember that despite the qualifying periods, the maximum amount of discount you can get is £24,000 for PRTB and £9,000 for RTA.**

## Cost Floor

Your discount may be reduced if your landlord has spent money on purchasing, building, repairing, improving or maintaining your property over the last 15-16 years. Under this cost floor rule, the discount you receive must not reduce the selling price below what has been spent on building, buying, repairing, improving or maintaining it.

If the cost of works over the 15-16 year period is more than the selling price of your home, you will not receive any discount.

## **Defective Dwellings**

Certain properties have been designated as defective under Part 16 of The Housing Act 1985. This could be due to their design or construction and the value of the property will have been reduced because of the fact the defects have become known.

If your home is designated defective, then your landlord must tell you before you buy. You could have a problem getting a mortgage on this type of property and you should also be aware that you might have difficulty selling it on later if you wish to move home.

## **Getting your own Survey**

Once you have received your Section 125 Notice, we would recommend that you get an independent survey from a qualified Surveyor or Structural Engineer. Before you do this, you should ask how much it will cost as you will be responsible for this fee.

## **Appealing the Valuation**

If you are not happy with WDH's valuation you have the right to appeal to the District Valuer who acts independently of both WDH and you. You must make this request in writing and within three months of receiving your Offer Notice. The District Valuer will want to visit your property and you should give him or her copies of any surveys you have had carried out.

You need to be aware that once the District Valuer has valued your property, both you and your landlord must abide by this decision. It could be higher, lower or the same as the one reached by your landlord, WDH. You will either have to accept this price or withdraw your application in writing.

## **Legal Advice**

Before you commit to buying your property, you should take your own independent legal advice about the purchase. If you continue, your Legal Adviser will need to carry out the purchase for you. You should always ask the cost before employing a Legal Adviser.

## **What to do next**

After you have received your offer papers, you have a choice to make. You can either continue with the purchase or cancel your application. You must tell the landlord of your decision within 12 weeks of the receipt of your Section 125 papers. If you fail to do this you will be sent a reminder. If you do not respond within 28 days of this reminder then your application will cancel automatically.

## Delay Notice Procedure

If you feel, while buying your property there has been a delay in your sale and that this is because of your landlord, for example:

- by not sending out your RTB2,
- not serving your offer papers within the legislative timescales
- or any other delay caused by WDH,

then you may be entitled to a reduction on the purchase price of your property. For this to happen you must serve a completed RTB6 - Initial Notice of Delay. This allows one month for WDH to issue a Counter Notice and sort out the delay. If, after this period of time, the delay has not been resolved, then you must serve a completed RTB8 - Operative Notice of Delay. This means that your rent, **for the period of the delay and from the date of the Operative Notice**, will be offset against the purchase price once the sale is complete.

## Right to Acquire

The RTA is a scheme that gives eligible tenants of RSLs the legal right to buy their home.

If you became a **new** tenant with WDH **after** the date of transfer, 21 March 2005, you can apply for the RTA. To qualify you must have spent five years as a public sector tenant of one of the qualifying landlords as listed in the Housing Corporation's booklet 'Guide to the Right to Acquire'. This booklet is available from your local SAP, from WDH's RTB / RTA office and by visiting our website at [www.wdh.co.uk](http://www.wdh.co.uk)

You must live in your property as your only or principal home. You will not be eligible to claim the RTA if you:

- Are an undischarged bankrupt or have a bankruptcy petition pending against you.
- Are the subject of a possession order served by the Court at the request of your landlord.
- Are subject to a formal creditors agreement made under the Insolvency Act.
- Live in a property in certain rural areas where the population is 3,000 or fewer.
- Live in tied accommodation because an RSL employs you.
- Live in a home designed with special features suitable for people with physical disabilities.
- Live in a home where your landlord has published notice of its intention to demolish the property within five years or served a notice that it intends to demolish within two years. - This list is not exhaustive.

## **Antisocial Behaviour**

New rules mean that an RTA can be suspended or ended if a tenant, or their household or visitors, is / are engaging in antisocial behaviour or threatening to do so.

## **How do I apply for this scheme?**

If you wish to apply for the RTA, please contact WDH to get an Application Form - RTA1.

These are also available from the RTB / RTA Team or your local SAP. Once completed, it should be returned to the RTB / RTA office.

Buying a property through the RTA scheme is similar to that as described for the PRTB. Please read the information given at the beginning of this leaflet.

## **Differences between the Preserved Right to Buy and Right to Acquire Schemes**

The most important difference between the two schemes is the way in which the discount is awarded.

## **How much discount will I receive if I buy through the Right to Acquire Scheme?**

The discount given for the RTA scheme is a fixed amount published by the Government. The current discount for the Yorkshire area is £9,000. This is the amount you will have subtracted from the open market value of your property. For example, if your property is valued at £85,000 the discount for this area of £9,000 will be deducted. This will then give a discounted purchase price of £76,000. You can appeal the valuation in the same way as for the PRTB scheme

There are three other differences between the RTA and the PRTB.

With the RTA scheme:

- There is no delay notice procedure.
- There is no cost floor rule to consider.
- If you are getting a mortgage your finance provider must be an 'approved' lender.

## **Preserved Right to Buy and Right to Acquire**

Once you put in a PRTB / RTA Application Form your home will not benefit from any of our major improvement schemes.

## **Costs involved in buying your property**

You are not charged by WDH for any work that they carry out on your behalf when you put in a PRTB / RTA application, for example, the valuation of the property

You **will** need to pay other organisations for at least some of the following:

### **Getting a Mortgage**

It will be your responsibility to get a mortgage or alternative finance to buy your property. You may wish to seek independent financial advice.

There are different types of finance to help you to buy a property including, for example, funding available in accordance with Sharia Law.

### **Stamp Duty**

This is a tax imposed by the Government on the sale of any property within certain price brackets. Current rates can be found at [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)

### **Legal and Survey Fees**

You will need to contact local Solicitors to get an estimate for legal fees. The survey fees will depend on the type of survey you decide to have done. The survey carried out by your mortgage provider, if you have one, is for their benefit. This is so 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. Please be aware that if you cancel your application to buy you will still have to pay this fee.

Before you buy, it is recommended by the Department for Communities and Local Government that you get an independent survey from a qualified Surveyor.

### **Mortgage Arrangement Fees**

These will be your responsibility and vary from provider to provider.

### **What are the Responsibilities of Home Ownership?**

Once the purchase of your property has taken place, you will become a homeowner. You will then be solely responsible for meeting continuing regular payments. These payments will include some or all the following:

#### **Mortgage Repayments**

Failing to meet your mortgage repayments could result in the repossession of your home by your mortgage provider. You may then become homeless.

#### **Building and Contents Insurance**

This will be your responsibility. However, if your property is a flat or maisonette, building 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. The former pays off your mortgage if you die during the period of your mortgage and the latter covers the payment of your mortgage if you are made redundant or become ill. This should be discussed with your provider.

## **Council Tax**

This will be your responsibility.

## **Utility Services**

These include gas and electricity bills and water rates and are your responsibility

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

Both these are payable annually and are always applicable if your property is a flat or maisonette and in some cases, if it is a house, for example, grass cutting. Ground rent is payable for flats and maisonettes. WDH manage certain services on your behalf for example lift maintenance, communal lighting. Your charges pay for these services and you are invoiced accordingly.

## **Regular Maintenance Costs**

Your property will also need to be kept in good repair and you will be responsible for all repairs and maintenance to your home. These can be costly and could include, for example, central heating servicing, external painting to the outside of your property and in the case of flats and maisonettes, service charges.

## **Major Repairs**

Such items as water drains, boiler replacement, electrical repairs and rewiring will be your responsibility.

Remember, unlike your rent, your mortgage repayments do not include building insurance, water rates and a free repairs service. Once you buy your home, these are your responsibility.

As a homeowner you will not receive any Housing Benefit to help with your mortgage payments.

If you are elderly and own your own home, its value may be considered when assessing whether you are eligible for financial help with the cost of residential care.

You must also be aware of the risk of repossession of your home and potential homelessness if you do not maintain your mortgage repayments.

## After You Buy Your Home

### Repayment of Discount

If you wish to sell your property and you applied to buy it after 18 January 2005, the period in which you will be required to repay discount entitlement is five years. The discount that could be reclaimed will be calculated as follows and will take account of any increase in the value of your home.

- If sold within a year, 100% is repayable.
- If sold within two years, 80% is repayable
- If sold within three years, 60% is repayable
- If sold within four years, 40% is repayable
- If sold within five years, 20% is repayable.
- No repayment is required after five complete years

If you sell your property within this five-year period, the amount of discount to be repaid will be a percentage of the **resale** value rather than the value at the time you purchased the property.

For example, if your home was valued at £80,000 when you bought it from WDH and purchased through the **PRTB** scheme, you received a discount of £20,000 this means that your discount was 25% of the value.

However, if your home is valued at £100,000 when you wish to sell it and you sell within the second year of purchase, you will have to repay  $£100,000 \times 25\%$  of the value discount  $\times 80\%$  which is £20,000.

For **RTA** if your property was valued at £90,000 and you received the fixed discount of £9,000 this represents 10% of the property value. If, when you sell the property, it is valued at £120,000 and you sell within three years of purchase, then the amount to be repaid will be  $£120,000 \times 10\%$  discount  $\times 60\%$ , which is £7,200.

Under either scheme, if you choose to resell your home within **ten** years you must first offer it back to WDH.

If the property you have bought is a **flat or maisonette** you will be required, under the terms of your lease, to pay a service charge to cover the cost of communal repairs and services provided. You lease everything within the internal walls of your flat, and will be responsible for repairs to items within your home.

WDH is still your landlord and owns the outside structure of blocks and the common parts / areas surrounding the flats / maisonettes such as the gardens and so on.

## Warning

WDH, and other RSLs, are concerned that tenants do not always receive good advice when they ask private companies and individuals for help in buying their homes. There have been problems with door-to-door Salespeople giving out wrong information and advice.

Some tenants are being asked to pay money for things that we will do free. In some cases, tenants are paying money to companies who then end up owning the property as part of the deal!

Be sure that any advice you are getting on the PRTB and RTA schemes is correct. It could be that you are being persuaded to do something that benefits others rather than yourself. If you need advice on any aspect of PRTB or RTA scheme, **contact WDH first.**

If you are approached by a person or company offering to help you buy your home, check:

- what exactly you are paying to them
- what they are going to do for you
- talk to us before signing up to any deal.

Companies cannot negotiate deals on discount entitlement or house prices.

The Government publish a leaflet called 'Your Right to Buy Your Home'. This is available from the Department for Communities and Local Government, also includes information on the PRTB, which can be found on the departmental website at [www.odpm.gov.uk](http://www.odpm.gov.uk)

**This leaflet is to be used as a guide only. It is a general summary and is not to be relied on as a full interpretation of the Housing Act. If there are any specific matters that you need advice on you should contact either WDH or seek your own independent advice.**

## Right to Buy / Right to Acquire Team

Wakefield and District Housing  
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**We are committed to providing equal access to information. If you would like this information in another language or format, please phone 0845 8 507 507.**