

THE RIGHT TO BUY YOUR HOME



**Tenants'
Information**



North Kesteven
DISTRICT COUNCIL

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THE RIGHT TO BUY YOUR HOME

If you have been a secure tenant for three years you may have the right to buy your home. If you have the right to buy, you will be entitled to a discount on the market value of your home. The discount may vary up to a maximum limit set by the Government on an annual basis.

You may be able to exercise the right to buy jointly with adult members of your family who have lived with you for the past twelve months, or with someone who is a joint tenant with you.

You will only be able to purchase through right to buy if the property is your only home.

You cannot buy your home if a court makes a possession order that says that you must leave the property. If you are an undischarged bankrupt, have a bankruptcy petition pending, or have an arrangement with creditors who you still owe money to, you will not be able to buy the property.

Certain properties may be excluded from the right to buy provisions, such as:

- Properties suitable for older people which were first let as a property before January 1990 to occupants aged 60 or over.

For more detailed information on the right to buy scheme, please ask the Council for the Government booklet – or visit **gov.uk** or view our website **www.n-kesteven.gov.uk** and search “right to buy”.



BEFORE BUYING YOUR HOME

Matters to consider before buying your home

Buying your own home can bring many benefits, but it is likely to be the greatest financial decision you will make. Take time to consider whether it is the right choice for you. Here are some things to consider before making your decision:



- You will become responsible for the costs of maintaining and insuring your home. If you are a leaseholder, you will have to pay service charges to the landlord and a proportion of the cost of major repairs.
- It is unlikely that you would be eligible for financial help from the government with housing costs such as mortgage repayments. For more information visit **www.gov.uk**.
- If you are elderly the value of your home may be taken into account in assessing whether you are eligible for financial help with possible residential care costs.
- The Council pays its own legal fees in connection with the conveyancing. You will need to have sufficient money available to pay your own legal fees, through the appointment of your own solicitor and any stamp duty that may be payable.
- If you purchase using a mortgage, your mortgage lender may not lend you all the money to buy the property, and you may need to raise a deposit. There may be valuation fees and other costs payable to a mortgage lender.
- What would happen if you lost your job or became sick? You may need to take out life insurance and critical illness insurance to safeguard against such occurrences.
- Be sure you understand any mortgage loan agreement and its contents, such as what happens if you miss payments or want to make early repayments.
- You will be responsible for payment of council tax and gas, electricity and water charges; and
- Before borrowing money for house purchase, consider all the costs involved and the options available.

MAKING AN APPLICATION - APPLYING TO BUY

You need to complete a Right to Buy application form. Contact us for this form by ringing 01529 414155, asking for the Housing and Property Services Support Team or obtaining it with further information from the Council's website <https://www.n-kesteven.gov.uk/residents/homes-and-property/i-am-currently-a-council-tenant-in-north-kesteven/right-to-buy>

(Be wary of other people offering you forms, especially if they ask for payment).

The form is an important document and initially its receipt will be acknowledged by the Council.

On receipt of a Right to Buy application we only carry out property repairs that are of an emergency/health and safety nature. We will not do anything, which may affect the valuation of the property.

LANDLORD'S RESPONSE NOTICE

After your application is processed, we send a notice (RTB2) telling you whether or not you have the right to buy.

You should receive your RTB2 within four weeks if you have been a tenant with us for three years or more.

If you have had tenancies with other landlords, we will need to contact them to establish your discount entitlement. If we need to contact a previous landlord for you to reach the three year eligibility period, you should receive your RTB2 within eight weeks.

LANDLORD'S SECTION 125 NOTICE

If we agree to sell you your home, before we send this notice, we shall send an independent valuer to value your home. The company will contact you directly to arrange a mutually convenient appointment to visit you.

We shall then send a notice, which tells you the price you will have to pay, and the terms and conditions of the sale. This notice should be sent within eight weeks of the RTB2 notice if your home is a house or a freehold purchase, and 12-weeks if your home is a flat or leasehold purchase.

DETAILS OF PRICE

Your home will be valued by professional valuers employed by the Council, following a valuation inspection. The valuers will decide the open market value of the property, following a valuation inspection. In turn, the Council will calculate the percentage discount you are entitled to, based on the length of time you have been a public sector tenant.

The maximum discount the Government permits local authorities to grant is reviewed annually. Therefore, if your percentage entitlement exceeds the maximum amount, it is capped at the current maximum prevailing at the time.

When a property is newly built, acquired or has undergone a major refurbishment scheme in all cases since April 2012, for 15 years it will be subject to Cost Floor provisions. This will limit the amount of discount entitlement on those specific properties.

The discount is deducted from the market value to give the net price you will have to pay for the freehold or leasehold of the property.

YOUR NEXT STEPS

When your offer is received you have 12 weeks to respond. If you do not reply in this time, we shall send you a reminder. If you do not respond within 28 days of this letter your application will be withdrawn.

If you decide not to continue with the purchase, you must withdraw your application in writing. If you withdraw and then change your mind, you must submit a further application resulting in a new valuation of the property.

If you want to buy your home, you may need to obtain a mortgage and will need to take legal advice. You can change your mind at any point up until the purchase is completed.

THE PURCHASE PROCESS

When you have arranged your finances and taken legal advice you should inform the Council you want to go ahead. The legal formalities in the conveyancing process may take several months for the sale to be completed from the date of your acceptance.

APPEALS AND QUERIES

If you feel the valuation is too high or have questions about any details on the section 125 Notice, contact the Council.

DELAYS OR PROBLEMS

Most sales are completed in a reasonable time but on occasions there may be problems or delays. If the Council does not send the response notice or the section 125 Notice within required time scales or is otherwise delaying the sale, you may be eligible for a reduction in price, subject to serving of the appropriate notice and certain conditions.

ALTERATIONS TO YOUR HOME AFTER PURCHASE

Permission to make alterations to your property depends on your lease terms and with freehold properties on the Covenants within the legal transfer of the Title to your home. You will require permission from North Kesteven District Council prior to carrying out alterations to your home. In certain instances, our maintenance staff may visit you to discuss your planned work. You are responsible for ensuring that planning permission and building control consent is obtained if required.





FUTURE SALE OF YOUR HOME

If you own the freehold, you do not need our permission to sell your home and can sell your home at any time. However, if you purchased the property after 18th January 2005, you are required to offer the property back to the Council if you decide to sell within 10 years following completion. If the property falls within towns and parishes where the Right of First Refusal legislation applies, the Council should reject or accept this offer within eight weeks.

If the property is in areas of the district where the Rural Area Designation applies under law, then the property must be sold to purchasers who can demonstrate that one party to the purchase has lived or worked (or a combination of the two) within the North Kesteven District for a minimum of three years.

If you are a leaseholder or a freeholder and wish to sell your home in the first five years, you will usually have to pay back some or all of the discount, based on the new market value of the property. For more details on the repayment requirements, ask the Council or read the Government booklet, *Your Right to Buy your home*.

When you buy your property, you will become either a leaseholder or a freeholder. A leaseholder is someone who owns their home, but does not own the land that it stands on or the building that it is in. North Kesteven District Council grants a lease allowing the leaseholder the right to live in part of a building for a period of time. Normally the lease is for 125 years.

A freeholder is someone who owns both the land and the building that is on it. These buildings are usually houses and associated outbuildings.

LEASEHOLDERS

If you own the leasehold, you need our permission to sell your home. On the sale of your property, the lease is not ended. It is assigned with the purchaser becoming the new leaseholder and liable for all future service charges.

Leaseholders possess a lease, which is a legally binding document. The lease sets out your rights and responsibilities as a leaseholder and those of your landlord (North Kesteven District Council). The lease is an important document - you should therefore request a copy from your solicitor at the time you buy your home.

It is important to notify the Council if the occupant(s) of the property is/are to be different to the leaseholder(s)

Each lease may be slightly different, but there is a basic format. Your lease will include the following details:

- Purchase price of your property.
- Service charges and ground rent.
- Building insurance details where applicable.
- Your duties and responsibilities as a leaseholder.
- Our duties and responsibilities as a landlord; and
- What leaseholders can expect from the Council:

The Council is responsible for:

- Insuring the building of your home, but not its contents; and
- Undertaking the communal area maintenance and decoration.

Further information can be obtained from the Council's Leaseholders' Handbook.

Leases have complex legal language. The most common phrases in your lease have the following meanings.

- **Estate** - the land and building or buildings which your property forms part of.
- **Flats** - all the flats within the block.
- **Reserved property** - those areas of the building that have not been included in anyone's lease. These will be any common areas, such as passageways and stairways.
- **Premises** - the interior of the flat. It can also include any gardens, sheds or garages included when you purchased your lease.
- **Lessee** - you, the owner of the premises.
- **Lessor** - the freeholder, which is North Kesteven District Council.
- **Owner** - you, the person who owns the lease; and
- **Term** - this is the length of time the lease has been granted for.

LEASEHOLDER RESPONSIBILITIES

As a leaseholder you are responsible for the following:

- To pay any service charges, ground rent and insurance premiums.
- To maintain and repair your property.
- Not to cause nuisance or harassment to neighbours.
- Not to use the property for anything other than a private home.
- Not to alter the premises without North Kesteven District Council's permission; and
- To pay all taxes due on the property, e.g., Council Tax.

BUILDING INSURANCE

It is a lease condition that North Kesteven District Council provides the buildings insurance on your behalf, the cost of which is charged back to you. If you think you have a claim covered by the building's insurance, contact us for a claim form, which you should complete and return to the Insurance company direct.

Please note you are responsible for providing your own contents insurance.

SERVICE CHARGES

Service charges are payable if you are a leaseholder benefiting from additional services provided by the Council. On rare occasions, freeholders may have a service charge, for example if the Council provides sewerage services to the property. Service charges to leaseholders normally include the cost of:

- Buildings insurance.
- Communal repairs.
- Communal lighting and communal equipment.
- Servicing of and repairs to equipment such as door entry systems and TV systems.
- Cleaning (including windows) in communal areas; and
- Grounds maintenance.

CALCULATING SERVICE CHARGES

Service charges are based on the cost to the Council of providing these services over the last year. We will provide you with an estimate of the charge at the start of the financial year (usually in March) and an annual statement showing the confirmed final figure in August. You can choose to pay your charge monthly, quarterly, or annually.

Further details can be found in the Council's Income Policy at Section 5.

MAINTENANCE WORKS

Within your lease, you have a liability for a reasonable proportion of maintenance works carried out to the block, such as a security door entry system or new roof. However, such work follows a consultation process with all leaseholders within the premises, in accordance with The Commonhold and Leasehold Reform Act 2002.

WINDOW REPLACEMENT

If, once you have bought your flat, you would like to replace your windows you must first get written permission from North Kesteven District Council. Specification and details of your proposed contractor will be needed to ensure that replacement glazing complies with building regulations. Following receipt of your proposals, we shall write to you regarding permission.



YOUR VOICE

If you are not satisfied with the service you receive at any time you can make a complaint. For more information on the complaints procedure, and how to escalate your complaint, you can visit the website at www.n-kesteven.gov.uk/feedback or contact the Senior Customer Services Advisor using the contact details on back of this leaflet. If you have a complaint and you feel you need extra support or guidance, in addition to making contact with the Council, you can approach the Housing Ombudsman at any point.

You can find more information about the Housing Ombudsman at www.housing-ombudsman.org.uk or **0300 111 3000** (lines are open Mon to Fri from 9:15 to 17:15) or info@housing-ombudsman.org.uk



North Kesteven
DISTRICT COUNCIL

Phone: **01529 414155**

Web: www.n-kesteven.gov.uk

Email: customer_services@n-kesteven.gov.uk

Facebook: Search for 'NKDC Housing'

Housing and Property Services, North Kesteven District Council,
Kesteven Street, Sleaford, Lincolnshire. NG34 7EF

This document is available in large print, braille, audio tape, electronic formats such as CD, or in a different language. For a copy please contact a Duty Housing Officer.