WANT TO MAKE YOUR HOME YOUR OWN?
Now might be your best opportunity to become a homeowner. You may be eligible for a discount of up to £77,900, or up to £103,900 if you live in London. These amounts will increase every year on the 6th April in line with the Consumer Price Index (CPI). Your home could be a valuable asset for you and your family and an investment for the future. This could be your first important step to owning your own home.

Home ownership provides a special sense of pride. It would give you more freedom to make the changes you want to your home, and to move when and where you want to – for example, to take up a new job in another area, or take the next step up the property ladder.

Buying your home is a big decision for you and your family. The responsibilities, costs and financial commitments that ownership brings need to be thought about carefully, so you should always seek impartial advice before buying.

However, with the opportunity for bigger discounts available now, this could be the perfect time to decide if it's the right choice for you.

This booklet sets out the main information you need to get you started, the questions you should ask, how to take the next steps, and useful contacts for free, unbiased advice and information.
DO YOU HAVE THE RIGHT TO BUY?

You are a council tenant

OR

If you were living in your home when it was transferred from the council to another landlord, like a housing association, you may have a ‘Preserved’ Right to Buy.

You were a council tenant when your home was transferred to your current landlord

If so, you could be eligible to buy your home in the same way as if you were still a council tenant. If not, you may still be able to buy your home at a discount.

You have been a public sector tenant for at least 3 years

If you have been a tenant for 3 or more years (it doesn’t have to be 3 years in a row) you could qualify to buy the home you currently live in. It must be your only or main home.

You don’t live in sheltered housing or other housing particularly suitable for elderly or disabled people

There are some homes that you may not be able to buy under the scheme.

OR

Your home is not due to be demolished

Check this out with your landlord if you are not sure.

You don’t have any legal problems with debt

For example, if you are an un-discharged bankrupt, have a bankruptcy petition pending against you, or have obtained a debt relief order.

You don’t have any outstanding possession orders

You cannot buy your home if a court has made a possession order which says that you must leave your home (usually made because you have not paid your rent, or have breached the terms of your tenancy agreement in some other way).

YOU DON’T HAVE TO DO IT ALONE

You can make a joint application. So if you’re eligible, you might be able to buy your home with:

• Someone who shares your tenancy.
• Your spouse or civil partner.
• Up to 3 family members who’ve lived with you for the past 12 months. They don’t have to be on your tenancy agreement, but it must be their main home.

YOU COULD BE ELIGIBLE FOR A RIGHT TO BUY DISCOUNT IF:

If you can answer ‘YES’ to these statements, you are probably eligible but your landlord will need to confirm this.
YOU MAY QUALIFY FOR AN EVEN BIGGER DISCOUNT

WHAT DISCOUNT COULD YOU 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 discount of £77,900 (£103,900 if you live in London).

Discount levels for houses and flats start at 3 years of eligible tenancy, increasing to a maximum of 70% of the property value depending on how long you’ve been a tenant.

See our website for a handy Right to Buy Calculator. It’ll help you work out the discount you could receive.

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

From 21 July 2014, the maximum percentage discount for a house increased to 70% (in line with flats) and the maximum cash discount will increase in April every year in line with inflation.

You might get a slightly lower discount if you previously purchased another home through Right to Buy, or if your landlord has spent some money on improving your home.

If you have made improvements to your home yourself, make sure you inform your landlord (as part of the application form) so that they can reflect this in the valuation.

Discounts start at 35% for 3 years’ tenancy. This remains at 35% until you reach 5 years’ tenancy. After 5 years add 1% for each extra year of tenancy up to 70% or the cash maximum, whichever is lower.

(e.g. 10 years tenancy = 40%, 20 years = 50%)

Discounts start at 50% for 3 years’ tenancy. This remains at 50% until you reach 5 years’ tenancy. After 5 years add 2% for each extra year of tenancy up to 70% or the cash maximum, whichever is lower.

(e.g. 10 years tenancy = 60%, 15 years = 70%)

BUYING A HOUSE

**EXAMPLE 1**

- **Current house value**: £120,000
- **Years as a tenant**: 10 years
- **Eligible discount**: 40%
- **Discount value**: £48,000
- **Price you pay for house**: £72,000

**EXAMPLE 2 (LONDON)**

- **Current house value**: £230,000
- **Years as a tenant**: 10 years
- **Eligible discount**: 60%
- **Discount value**: £115,000
- **Price you pay for house**: £126,100

BUYING A FLAT

**EXAMPLE 1**

- **Current flat value**: £100,000
- **Years as a tenant**: 10 years
- **Eligible discount**: 60%
- **Discount value**: £60,000
- **Price you pay for flat**: £40,000

**EXAMPLE 2 (LONDON)**

- **Current flat value**: £270,000
- **Years as a tenant**: 10 years
- **Eligible discount**: 70%
- **Discount value**: £162,000
- **Price you pay for flat**: £108,000
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) and work out if you can afford it not only now, but in the future too, when your circumstances may change. And 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 as early as possible, before you get too far into the Right to Buy process. You are responsible for how you finance your Right to Buy – your landlord 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’s a checklist on pages 14 and 15 that can help get you started.

CAN YOU AFFORD IT?

MORTGAGE OR LOAN?

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 a 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.

HOW MUCH CAN YOU BORROW?

This depends on your personal circumstances, such as your income, your outgoings, whether you’re buying alone or with someone else.

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 when you retire this 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 won’t lend money on a flat in a high-rise block.

Even if you don’t need a mortgage yourself, it’s worth checking whether lenders are willing to give mortgages on the type of property you are buying. You may want to sell in the future to someone who does need a mortgage.
Get advice
Check all the costs upfront
(the cheapest quote may not be the best one for you)

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, typically £500-£750.

Stamp Duty
This is a one-off tax you pay when you buy a property. The amount is 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).

Mortgage Advice
You may choose to get advice from an independent financial adviser or mortgage broker.

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’ll 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.
As a homeowner, your landlord will no longer organise repairs to your home. You will need to organise and pay for these yourself. This could include electrical and plumbing jobs through to more expensive repairs such as a new boiler or repairing your roof.

It’s a good idea to 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) so check before you get started.

**SERVICE CHARGES WHEN BUYING A FLAT OR LEASEHOLD HOUSE**

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

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

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

You are protected from unexpected costs for the first 5 years. When you buy, your landlord must give you an estimate of your service charges for this period (see step 4 on page 17). They can only increase this amount to take account of inflation – even if something unexpected needs doing.

After 5 years, 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, works or improvements to your block of flats or surrounding area.

**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).

You may also want (or be required by your lender) to get income protection or life insurance in case anything happens to you while you’re paying off your mortgage or loan.

**OTHER CONSIDERATIONS**

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

Your home could be at risk if you aren’t able to keep up your mortgage or loan payments.

**CHECKLIST**

- Check if you are buying a leasehold property and look into the costs.
- Work out your monthly outgoings. Don’t forget to include all your living costs, such as food, clothes etc.
- Set aside some money each month for maintenance and repairs.
- Think about what you’ll do if things change in the future.
- Fill out the table on pages 14 and 15.
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, car, etc.

Compare your outgoings to your household income.

<table>
<thead>
<tr>
<th>One-off costs when you buy (see page 11 for details)</th>
<th>Now (tenant)</th>
<th>Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal fees £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td>Stamp duty £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td>Survey fees £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td>Other costs £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>Now (tenant)</th>
<th>Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td>Housing benefit £</td>
<td>€</td>
<td>n/a</td>
</tr>
<tr>
<td>Other income (benefits, etc.) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ongoing costs (monthly)</th>
<th>Now (tenant)</th>
<th>Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage or loan payments n/a £</td>
<td></td>
<td>€</td>
</tr>
<tr>
<td>Rent £</td>
<td>€</td>
<td>n/a</td>
</tr>
<tr>
<td>Council tax £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Utility bills (water, electricity, gas, telephone, etc.) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Insurance (buildings and contents) £</td>
<td>€ Contents only</td>
<td>€</td>
</tr>
<tr>
<td>Life assurance and illness cover (if applicable) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Internal upkeep/maintenance (repairs to heating system, DIY, etc. if applicable) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Major repairs / improvements (if applicable) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Service charges and ground rent (if applicable) £</td>
<td>n/a</td>
<td>€</td>
</tr>
<tr>
<td>Other costs (general living expenses such as food, going out, clothes, etc.) £</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

The **Money Advice Service** has a range of tips and tools to help you budget and work out what you can afford. See page 20 for contact details.
If you’re eligible for the Right to Buy discount you could be on your way to owning your home. Here are the six key steps you need to follow.

1. **CHECK ELIGIBILITY, WORK OUT THE COSTS AND GET ADVICE**
   - Once you’ve checked your eligibility (see page 5), it’s a good idea to look into the costs of home ownership as early as possible, so you have an idea of what it might cost and what you can afford before you get too far into the process.
   - Go to page 14 to get started.
   - You may also want to speak to a Right to Buy Adviser for free, impartial advice. See page 20 for details.

2. **FILL IN AN APPLICATION FORM**
   - Ask your landlord for an application form (RTB1) or download one from our website at: www.communities.gov.uk/righttobuy
   - Fill it in and send it to your landlord.*
   - *See pages 18 and 19 for the information you will need to have to hand before you fill in your application form

3. **CONFIRM ELIGIBILITY**
   - Your landlord has up to 4 weeks to reply confirming whether you have the Right to Buy (if you have been with your current landlord for less than 3 years).

4. **RECEIVE AN OFFER**
   - Your landlord then has up to 8 weeks to send you an offer notice for a house or up to 12 weeks for a flat. This offer notice, which is known as a S125 notice, sets out:
     - their valuation of your property*, your discount, the price you’ll pay
     - any structural problems they know about
     - any terms and conditions
   - For leasehold properties only, the S125 offer notice will also include an estimate of the service charges that you will need to pay over the next 5 years (see page 12).

5. **OVER TO YOU – MORTGAGE, SURVEY ... AND GET ADVICE**
   - You have up to 12 weeks to accept your landlord’s offer. It’s during this time that you’ll need to arrange a mortgage or loan, get a survey and hire a solicitor for conveyancing, etc.
   - Get 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’re happy with your landlord’s terms and have arranged how you will pay for your home, carry on and complete your purchase.
   - It’s usually during this time that you pay your stamp duty, etc., finalise the paperwork and sign the contract.
   - You are now a homeowner!

What to do if your landlord doesn’t meet the timescales

Buying a home can be a long process and can take several months. Your landlord must process your Right to Buy application within certain timescales (shown in step 4). If they don’t meet these timescales, or delay without reason, you could get a reduction in the sale price. Find out more about delay notices on https://righttobuy.communities.gov.uk/apply/delays/

*If you’re not happy with the valuation you can appeal.
GUIDE TO COMPLETING YOUR APPLICATION FORM (RTB1)

If you think you are eligible and feel ready to apply for the Right to Buy, you need to fill out the RTB1 application form.

You can create an application online at www.communities.gov.uk/righttobuy on the 'Completing your application form' page, or get one from your landlord. Make sure you have the following information to hand before you fill out your application form. Our Right to Buy advisers can help you complete the form. See page 20 for their contact details.

Part A
THE PROPERTY
The full address of the property you want to buy
Remember to include the area where you live and the full postcode.

The name of your landlord
For example, Basildon Council.

Part B
THE TENANT(S) AND FAMILY MEMBER(S)
The full names of everyone listed on your tenancy agreement (or 'rent book')
For example RICK SMITH would probably be RICHARD JAMES SMITH. Remember to tick the boxes to say whether the property is each tenant's only or principal home, and if they wish to buy. On joint tenancies, not all tenants may wish to buy.

The full names of family members who wish to share the Right to Buy with you
They must be a spouse, civil partner or wider family members and over 18. Wider family members can also join in, but they must have lived in the property as their main home for at least the last 12 months.

Part C
QUALIFICATION AND DISCOUNT
Details of your current and previous tenancies
You will need dates, names of tenants, addresses and names of landlords for your tenancies. This includes those of your spouse/civil partner, those of your former spouse/civil partner who you have separated from/divorced, or who has died, and parents who previously held the tenancy.

ONCE YOU’VE COMPLETED ALL SIX SECTIONS OF THE FORM AND SIGNED IT, SEND IT TO YOUR LANDLORD.

Part D
PREVIOUS DISCOUNT(S)
Details of any other properties you have bought under the Right to Buy scheme, or at a discount through any other Government scheme (for example, Right to Acquire).
You do not need to give details of applications, only purchases.
You might get a slightly lower discount if you have purchased through Right to Buy on another home. Include the full address of the property purchased.

Part E
TENTANT IMPROVEMENTS
Details of any improvements you have made whilst living in the property
The improvements may have increased the value of the property. If you list them in your application, the value of the improvements will not be included in the valuation of the property so you don’t pay twice.

Part F
SIGNATURES
Signatures of all tenants
Make sure all tenants sign in the correct place. The boxes on page 10 are for tenants who wish to buy. On page 11 the first set of boxes is for tenants who do not wish to share the Right to Buy. The second set of boxes on page 11 is for family members who are not tenants but want to share the Right to Buy.

5 QUESTIONS TO ASK YOURSELF BEFORE YOU BUY

Q DO I HAVE THE RIGHT TO BUY?
Before you start this process, use the checklist on page 5 to see if you might have the Right to Buy.

Q CAN I AFFORD IT?
Use the checklist on pages 14 and 15 to work out the costs, benefits and possible drawbacks of buying. It’s worth doing this before you get too far into the process.

Q CAN I AFFORD IT IF THINGS CHANGE IN THE FUTURE?
Remember that your home could be at risk if you’re not able to keep up your mortgage or loan payments. So work out your budget, don’t over-extend yourself financially and make sure that you have some savings set aside for a rainy day.

Q WHAT ARE THE BENEFITS AND RISKS?
Owning a home can be a good investment for the future, and gives you more freedom to make your home your own. But make sure you’ve also considered the risks and responsibilities.

Q WHERE CAN I GET ADVICE?
See page 20 for contact details of organisations that can give free and unbiased advice on buying your home.

See reverse for useful contacts
WHERE TO GET THE ADVICE YOU’LL NEED

Buying a home can be exciting, but there is a lot to think about. Your landlord can help you with part of the process, but you need to arrange other parts (such as finances) yourself.

RIGHT TO BUY AGENT SERVICE
The Government’s Right to Buy Agent service offers free and impartial advice on Right to Buy and, if you decide home ownership is the right choice for you, can help you through the process of buying your home, including providing information on finding a mortgage, appointing a solicitor and arranging a survey. Right to Buy advisers are available from Monday to Friday, 8am to 6pm. You can phone or chat online with them.

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

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

0207 832 2500
www.lease-advice.org

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

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

GENERAL RIGHT TO BUY INFORMATION
Visit the Government’s dedicated Right to Buy website, with online chat, eligibility quiz, discount calculator, application form and guidance, delay notices and more information.

www.communities.gov.uk/righttobuy

NOT ELIGIBLE FOR RIGHT TO BUY?
For information about other government home ownership schemes, visit GOV.UK at:

www.gov.uk/affordable-home-ownership-schemes

The Government works with a number of organisations which provide free and unbiased advice and can help point you in the right direction.

To find out who your landlord is, look for contact details on a recent letter or newsletter.

USEFUL CONTACTS

MONEY ADVICE
The Money Advice Service is an independent organisation set up by the Government.

They provide 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.moneyadviceservice.org.uk

Visit our website
www.communities.gov.uk/righttobuy

Visit our website
www.communities.gov.uk/righttobuy

Published by Department for Communities and Local Government. Crown copyright 2015.