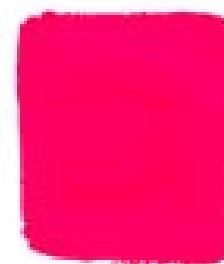
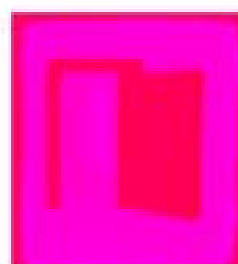
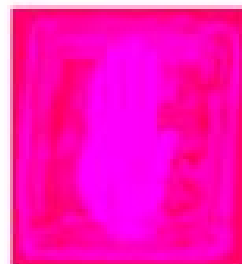
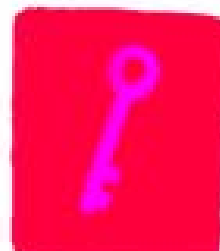
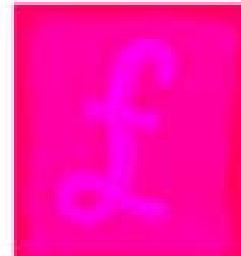


Your Right to Buy your home

A guide for tenants of councils, new towns and registered social landlords including housing associations



housing

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Introduction – the Right to Buy

Under the Right to Buy scheme, you can buy your home at a price lower than the full market value. This is because the length of time you have spent as a tenant entitles you to a discount.

This booklet describes the Right to Buy scheme as it works today, taking account of the changes made by the Housing Act 2004. The information in it applies only to England and Wales. We have tried to make it easy to understand – **but it is not a substitute for professional advice.**

The booklet is a summary of the law relating to the Right to Buy. It is not intended to be comprehensive. If you wish to exercise your Right to Buy, it is recommended that you seek independent legal and financial advice about your individual circumstances and to help with the legal process of buying a home (you may wish to send your legal advisor a copy of this booklet). You should also seek independent financial advice about the different types of mortgage that are available.

The Right to Buy is aimed at secure tenants of local authorities and those assured tenants of Registered Social Landlords who previously held secure tenancies with local authorities – for example, those who became assured tenants after their council homes were transferred to housing associations (see the section on the ‘Preserved Right to Buy’, see page 7).



Warning – things to consider before deciding to buy your home

Buying your home is probably the biggest financial decision you will ever make. So take time to consider whether it is the right choice for you.

For example, you may need to get a loan or mortgage to enable you to exercise the Right to Buy. You will also become responsible for all the costs of maintaining your home, including routine repairs, major structural repairs, and improvements to it. If you become a leaseholder by buying your flat, you will have to pay service charges each year, and also meet the costs of major repairs and refurbishment.

As a tenant, you may be able to claim housing benefit to help with your rent. As an owner-occupier, you will not receive any housing benefit to help with your mortgage costs. You may be entitled to income support to assist with housing costs, but this is not usually payable for 39 weeks after you first claim it.

If you are elderly and own your home, its value may be taken into account in assessing whether you are eligible for financial help with the costs of residential care.

If you need advice on any aspect of the Right to Buy scheme, contact your landlord (the organisation you pay rent to or have a tenancy agreement with – for example, your council or housing association) first. If you are approached by a person or company offering to help you buy your council home, check out what's in it for them and talk to your landlord before signing up to any deal.

People sometimes claim that the Right to Buy scheme may be changed or ended. In fact the Government is totally committed to the principle of Right to Buy. But it is concerned that sales are affecting the availability of affordable housing in some areas, and that the rules are being exploited by companies. So in March 2003 it reduced the maximum discount available to tenants in 41 local authority areas. A list of maximum discounts available under the scheme is on pages 7 and 8 of this booklet.

The Housing Act 2004 makes further changes to the Right to Buy rules.

On 18 January 2005:

- the initial qualification period was extended from 2 years to 5 years for new tenants (see pages 8-9);
- the discount repayment period was extended from 3 years to 5 years (see page 10);
- the amount of discount to be repaid if a property is resold within 5 years is now a percentage of the market value of the property when it is resold (see page 10);
- the Right to Buy is suspended where an initial demolition notice has been served and ends where a final demolition notice is served (see pages 22-23);
- tenants who agree to sell their home to a third party during the discount repayment period must repay some or all of their discount as if they had actually sold their home at the time of the agreement (see pages 5 and 10);
- owners who wish to resell their home within 10 years of it having been sold under the Right to Buy must first offer it at market value to their former landlord or to another body prescribed by the Secretary of State (see page 11);
- landlords can serve a notice after 3 months requiring a tenant to complete their Right to Buy purchase instead of after 12 months (see page 19);
- tenants will no longer be able to choose to exercise the Right to Buy on Rent to Mortgage terms after 17 July 2005;
- landlords must give their tenants information on the costs and responsibilities of home ownership.

Repayment of discount

If you have bought your home under the Right to Buy, you can sell it whenever you like. But if you wish to sell within the discount repayment period specified below you will usually have to repay some or all of the discount. The amount you repay will depend on when you made your application to buy.

If you applied for the Right to Buy before 18 January 2005 and sell within 3 years of buying your home.

If you sell within the first year after your purchase, the whole of the discount will have to be repaid. Two thirds must be repaid if you sell in the second year, and one third in the third year. After 3 years, you can sell without repaying any discount. The discount is the sum you actually received when you purchased your home.

If you apply for the Right to Buy from 18 January 2005 onwards and sell within 5 years of buying your home.

If you sell within the first year of purchase, the whole discount will have to be repaid. Four fifths must be repaid if you sell in the second year, three fifths in the third year, two fifths in the fourth year and one fifth in the fifth year. After 5 years, you can sell without repaying any discount.

In addition, the amount of discount to be repaid if you sell within 5 years of purchase will be a percentage of the resale value of the property, disregarding the value of any improvements. For example, if your home was valued at £100,000 at the time you bought it from your landlord, and you received a discount of £20,000, that means that your discount was 20 per cent.

If your home is valued at £150,000 when you wish to sell it, and you want to sell within the second year of purchase, you will have to repay $£150,000 \times 20 \text{ per cent discount} \times \frac{4}{5}$ i.e. £24,000.

Certain sales or transfers are exempt from the requirement to repay discount, eg transfers between certain family members. In addition, if you would face hardship by having to repay discount, and your circumstances justify it, your landlord can decide not to ask you to pay some or all of what you owe.

From 18 January 2005, if in advance of your purchase, or within the discount repayment period you enter into an agreement to transfer your property to a third party in the future, then this will trigger repayment of your discount.

Discount repayment is triggered from the date that you enter into the agreement. So, for example, if you enter into such an agreement before you have bought the property or during the first year after buying, you will have to repay the full amount of discount you received.

What if I have purchased before?

If you have purchased under the Right to Buy scheme before, the amount of discount you got then will usually be deducted from your discount when you buy again.

Right of first refusal

If you purchase your home under the Right to Buy scheme on or after 18 January 2005, and you wish to resell or dispose of it within 10 years, you will be required to offer it to either your former landlord or to another social landlord in your area at full market value. The market value must be agreed between the parties or, if they are unable to agree, will be determined by the District Valuer (this Office will pay the costs of employing a District Valuer). If your offer has not been accepted within 8 weeks, you will be free to sell the property on the open market.



Buying a flat or maisonette

What are the differences from buying a house?

If you buy a house, you will purchase the freehold and will own the property outright. If you buy a flat or maisonette, you will usually purchase a long lease. This allows you and your successors to live in it for a fixed time, usually 125 years. The block will still be owned by a landlord, and he will be responsible for the upkeep of the building as a whole and of any communal areas and facilities.

As a leaseholder, you only have to pay the landlord a nominal rent (known as a 'ground rent') of £10 a year. But you and other leaseholders will also have to pay service charges (see page 12). These can be perhaps several hundred pounds each year, or much more if the block needs major repairs or maintenance, such as a new roof or new windows, and improvements.

Leaseholders can sell their properties at any point during the lifetime of the lease. The person who buys it pays to take over the remainder of the lease. So if you buy your home on a 125-year lease, and sell it after 15 years, the buyer will get a 110-year lease.

Under your lease:

- Your landlord will be responsible for repairing the structure and outside of your flat and the rest of the building. This includes routine repairs and maintenance, and also major maintenance and refurbishment works (for example, repairing the roof or replacing a lift), which can be very expensive.
- Your landlord will usually provide services like communal lighting, and cleaning staircases and passageways, and perhaps supplying hot water to your flat.

- You will have to pay a reasonable share of the costs for these works and services. Your share is determined by the number of flats or maisonettes in the block.
- You will also usually have to pay a charge towards the landlord's costs of managing the block – often calculated as a percentage of the charges for services and maintenance.
- You will also be responsible for keeping the inside of your flat in good repair.

Service charges

Your share of the landlord's costs is known as a service charge. These vary considerably. Service charges for flats in tower blocks can be very high, especially when a block is quite old and needs a lot of refurbishment.

There are two kinds of service charges: annual charges for day-to-day maintenance and 'major works' service charges (a lump sum, which can be £20,000 or even more) when a lot of repair or refurbishment work is needed. To get a rough idea of how high service charges are in your block, it is worth asking someone who has already bought a flat in it what charges they have had to pay. Or you could contact your local residents' or leaseholders' association.

If you decide you want to buy, your landlord must tell you how much the property will cost and he must also give you an estimate of any service charge you will have to pay during the first five years of your lease. If the lease says you must pay some of the costs of improvement, the estimate must cover these too. Once he has given you an estimate, the landlord is not allowed to charge you more than that figure during the first five years of your lease, except to take account of inflation.

There is no special limit on charges for repairs carried out after the first five years. You need to remember that you may have to pay 'major works' service charges whenever your block is repaired. There are several schemes to help you with this – ask your landlord about them.

Some freeholders may also have to pay service charges for the repair and maintenance of shared communal areas on an estate – for example, pathways, play areas and gardens.

Other points on service charges:

- The estimate of service charges before you buy will also cover charges for building services such as caretaking or the provision of hot water. But charges of this kind can change, even during the first five years of a lease.

- You will also be told about any known structural defects affecting the building. If your landlord wants you to pay for work to put them right during the first five years, the estimate of service charges for repairs must cover this. But you may also have to pay for some of the costs of work done after the first five years.
- You may have the right to a loan from your landlord to help pay a service charge for repairs during the first 10 years of your lease. The service charge bill will say if a loan is available.
- The law protects you from service charges that can be shown to be unreasonable. Your rights are described in a booklet (Long Leaseholders) that is available free from Communities and Local Government and from the National Assembly for Wales. If you want a copy, write to one of the addresses on pages 29-30.



The costs of buying

Buying your home is a major financial commitment. Apart from paying for it (upfront in cash or with a loan), you will then have to maintain it. As explained above, if you buy a flat on a long lease, you will also have to pay service charges.

Unless you are going to buy your home with cash, you will need a mortgage (ie a particular kind of loan). There are various kinds of mortgage which your bank or building society can tell you about. An independent adviser may also be able to help. The process you will go through to obtain a mortgage has been regulated by the Financial Services Authority (FSA) since 31 October 2004. You can use the following link to check that the bank, building society or mortgage broker you want to talk to is regulated by the FSA – www.fsa.gov.uk/register/. The FSA also publishes useful information about mortgages including tables that help you compare different mortgages. You can access this information using the following link:

www.moneymadeclear.fsa.gov.uk.

The FSA also has a Consumer Helpline on 0845 606 1234.

You will have to repay the mortgage, plus interest, by instalments (usually, monthly ones). Normally, mortgages have to be repaid over a period of 25 years, but the period can be shorter. Flexible mortgages are available which allow you to vary your payments (subject to rules set by the lender). The lender may not be prepared to lend you the full amount that you need to purchase your home. If so, you will have to pay the rest from your savings. If you sell your home later, you can use the money from that sale to pay off the rest of your mortgage. But remember that the value of homes can go down as well as up and in some cases people find themselves in 'negative equity'. This is when the mortgage on your home is larger than the amount for which you are able to sell it.

If you can't keep up the repayments on your mortgage, the lender may go to court and ask to take over your home. The council does not have to give you another tenancy if you lose your home in this way.

If you lost your income through unemployment, you would not normally receive Income Support for the first nine months. The Income Support you would be entitled to claim would only be for the mortgage interest payments, and may not cover the full amount.

How much would I need to borrow?

The amount you need to borrow depends on:

- the full market value of your home
less
- any discount you may be entitled to
less
- any cash you can put towards the purchase.

Your landlord will tell you how much he thinks your home is worth when you apply to buy it. He will then calculate the price he thinks that you should pay. Remember, your discount can be reduced by the cost floor rule and cannot be more than the maximum discount available in your area.



Other regular costs of home ownership

Council tax and water charges

You may pay water charges as part of your rent, and perhaps your council tax as well. But if you buy your home, you will have to pay these separately, straight to the water services company and to the council. So, to compare the weekly costs of buying with those of renting, you must deduct your landlord's charges for water and council tax from your rent.

Insurance

You will need to consider taking out insurance cover for your home and mortgage. There are four main types:

- Buildings insurance. This is essential. It is needed to cover the full cost of rebuilding your home if it were to be destroyed by fire or some other incident. In the case of flats, this insurance is often arranged for the whole block by the landlord, in which case the landlord will expect you to contribute towards the cost of the insurance. If you need a mortgage to help buy your home, the lender will insist that you have buildings insurance.
- Contents insurance. As well as buildings insurance, you should insure the contents of your home against theft and other risks.

- Life assurance. This is needed to pay off your mortgage if you die before the end of the mortgage period. It means that your family is not left with the heavy burden of mortgage debt.
- Mortgage payment protection insurance. You need to think seriously about how you would meet your mortgage repayments if you lost your income, say through unemployment or ill-health. In many cases, mortgage payment protection insurance will give you the security that you need.

There are various insurance policies which offer cover against these risks. The terms, level of cover, and costs vary. You should therefore shop around for policies that best suit your needs.

Repair and maintenance

If your home is a house and you buy it, you will be responsible for the costs of all repairs and maintenance, regardless of the condition of the property when you bought it. If you are buying a flat on a long lease, you will have to pay the landlord's service charges. What this means is described earlier in this booklet. It is your responsibility to get advice on the condition of your home before you complete the purchase. It is therefore important that you have a survey done, as described later in the booklet.

One off costs of buying your home

You should employ a solicitor or a licensed conveyancer to look after the legal side of buying your home. Your landlord or a Citizens Advice Bureau can advise on local firms, and your local public library should have a list of the solicitors in your area and the type of work they do. Before employing anyone, always ask how much their advice will cost.

You should have a survey of your home done. These can cost between £250 and £600, or more if your home has any special problems. You should consider one of these:

- An RICS Home Buyers' Survey and Valuation. This is a report and valuation in a standardised format, to tell the buyer of all significant defects, but not minor ones. It is likely to be adequate for most properties and provides a guide to value. It is likely to cost around £250-£500.
- A Building Survey. This involves a detailed examination of all the visible parts of the property. It is a good idea to have such a survey done if the property is old, or obviously in need of repair, or if you are considering making alterations. It may cost £600 or more, and may not be available if your home is a flat.

You can get more information about both of these from the RICS (Royal Institution of Chartered Surveyors). Your lender may be able to arrange for its valuer to carry out the survey, which could save you paying for a separate valuation.

You should get a survey done after you receive your section 125 notice (the notice that has to be sent to you by your landlord if you apply to buy your home, which is described later in this booklet). You should ask how much it will cost before you ask anyone to go ahead with the survey.

Some types of house have been officially designated as 'defective' under Part 16 of the Housing Act 1985. What this means is described on page 24. Your landlord is legally obliged to tell you if this applies to you.

If you take out a mortgage loan, you may have to pay for the cost of arranging it. You will also have to pay a valuation fee (average cost £200-£300).

When a sale is completed, you must pay the Land Registry to register you as the new owner.

You may have to pay Stamp Duty, which is a tax that people pay when they become homeowners. Stamp Duty is worked out as a percentage of the price you pay for a property that is worth more than £120,000.



How do I apply? (A step by step guide)

This section aims to take you through each stage of the process of buying your home.

STEP 1: Applying to buy

Start by asking your landlord for the Right to Buy claim form (Form RTB1). Your landlord must give you one for free if you ask. (Be wary of other people offering you forms, especially if they ask you to pay them for this.) If you have trouble getting a form, contact Communities and Local Government or the Welsh Assembly Government. Their addresses and phone numbers are at the end of this booklet.

Fill the form in carefully. It is used to decide:

- whether you have the Right to Buy; and
- how much discount you will get.

When you have filled in the form, return it to your landlord. Because the form is an important legal document, it is a good idea to use recorded delivery or to deliver it by hand and get a receipt, otherwise you may be unable to prove that your landlord has received the form. You should keep a copy of the completed form for yourself.

STEP 2: Your landlord's Response Notice

Having received your claim form, your landlord must send you a notice (Form RTB2) telling you whether or not you have the Right to Buy. You should get this within 4 weeks from the date on which your landlord received your RTB1 form (or within 8 weeks if you have been a tenant of your landlord for less than 2 years).

If your landlord says that you don't have the Right to Buy your home, he must explain why. The property may be one of the exceptions listed on page 23-24. If you don't agree with his explanation, you can get advice from a Citizens Advice Bureau or from a solicitor. If you are still not satisfied, you can write to Communities and Local Government or to the Welsh Assembly Government or the Housing Corporation at the addresses given in this booklet.

STEP 3: Your landlord's Section 125 Notice

If your landlord has agreed to sell your home to you, he must send you a separate offer notice (known as the Section 125 Notice) which tells you the price you have to pay and the terms and conditions of the sale. He must send this within a further 8 weeks after you have received your RTB2 form if your home is a house and you are buying a freehold, or within 12 weeks if your home is a flat or maisonette. If you are buying a house on leasehold terms, the time limit is also 12 weeks.

The Section 125 Notice is an important document and you should read it very carefully. It will tell you five main things:

- It will describe the property which you have the Right to Buy.
- It will tell you the price the landlord thinks you should pay for it. To calculate this, your landlord must first work out how much your home was worth at the date on which you submitted your application form, and then take off your discount. If you have made improvements, these are not allowed to put the price up. If your discount is reduced by the cash limit or the cost floor, the notice must say so.
- It will give estimates of the service charges or improvement costs you will have to pay during the first 5 years after you buy your home, if it is a flat or maisonette.
- It will describe any structural defects that the landlord knows about.
- It will contain the **terms and conditions** that your landlord thinks should be attached to the sale. These may be set out either in the form of a draft of the legal document for you to sign, or as part of the notice, or on a separate sheet.

STEP 8: Telling your landlord what you want to do next (continued)

- buy your home outright for the full Right to Buy price, less any discount for which you are eligible;
- forget about buying, withdraw your application, and carry on paying rent.

When you have decided, you must tell your landlord in writing. You must let him know your decision within 12 weeks of receiving your Section 125 notice. If you have asked to have your house valued by the District Valuer, you must tell your landlord what you want to do within 12 weeks of getting that valuation.

If you do not let your landlord know what you intend to do in time, the landlord will send you a reminder. If you do not reply within 28 days, your landlord will think you don't want to buy, and your application will not be dealt with any further.

If for any reason you are not able to decide within the time limit what you want to do, you can ask the landlord to wait a bit longer for your reply. If you are unable to decide for a good reason (for example, if you were in hospital and you could not return the form in time), you should tell your landlord and your time limit will then be extended automatically.

You don't have to buy your home just because you have told your landlord you want to. You can still change your mind. **But if you do not tell your landlord what you want to do, your landlord will think you don't want to buy, and you will have to start again.** If the value of your home has gone up in the meantime, then you will have to pay the higher price.

STEP 9: Enquiring about a mortgage

If you need a mortgage, this is when you should talk to a bank or building society.

STEP 10: Completing your purchase

If you are happy with your landlord's terms for selling your home to you, and you have arranged to raise the money, you are ready to go ahead and buy. You should tell your landlord that you are ready, and ask your solicitor for advice on the legal documents and making your payment. It may take a couple of months before you become the owner of your home.

You can take the time you reasonably need to get a mortgage or legal advice. You can also take your time to discuss the terms of the sale with your landlord.

You should aim to let your landlord know as soon as you are ready to go ahead and buy. If your landlord doesn't hear from you for a long time, you may get a warning notice. This will ask you either to complete the purchase within 8 weeks or to write and tell your landlord that you disagree with the terms of the sale. If you don't, your landlord may send you a second notice asking you to complete your purchase. If you then don't complete, your application will not be taken any further.

Your landlord cannot send you a warning notice until at least 3 months (or 12 months if you applied for the Right to Buy **before** 18 January 2005) after your Section 125 notice.



Exceptions to the Right to Buy

Homes suitable for occupation by the elderly

(This does not apply to **sheltered housing** for the elderly – please refer to pages 23-24 for other exceptions)

Summary

Your landlord may refuse to let you buy on the grounds that your home is particularly suitable for occupation by elderly people (under paragraph 11 of Schedule 5 to the Housing Act 1985). If so, you can ask a Residential Property Tribunal if you live in England, or the National Assembly for Wales if you live in Wales, to decide if your landlord is right. But you must ask them within 56 days after the landlord has refused to sell your home. If you don't ask in time, you lose this right of appeal.

What the law says

You do not have the Right to Buy if your home:

- is particularly suitable for occupation by elderly persons, taking into account its location, size, design, heating system and other features;
- was let to you or the previous tenant for occupation by a person aged 60 or over, whether they were the tenant or not; and
- was first let (to you or someone else) before 1 January 1990.

When considering if your home is 'particularly suitable', your landlord must ignore features that you have provided (for example, a central heating system).

How do I ask for a decision?

If the property is in England you will need to contact the Residential Property Tribunal office at 10 Alfred Place, London, WC1E 7LR, telephone number 0845 600 3178, to determine where your appeal should be sent. This is because the appeal will be dealt with by the panel for the region in which your home is located.

If the property is in Wales, write to the Welsh Assembly Government, Housing Directorate, Cathays Park, Cardiff, CF10 3NQ.

What happens then?

When both sides have had the chance to put their case and the facts have been established, the Residential Property Tribunal or the National Assembly for Wales will decide whether or not your home is excluded from the Right to Buy.

What effect will the decision have?

If the Residential Property Tribunal or Welsh Assembly Government decides that your home does fall within the criteria set out in paragraph 11 of Schedule 5 to the Housing Act 1985, you will not have the right to buy it.

If the decision is that paragraph 11 does not apply to your home, you will be able to go ahead with your purchase unless there is some other reason why you do not have the Right to Buy (the landlord may have denied the Right to Buy for more than one reason).

On what basis will the decision be made?

The decision-maker will normally expect to be satisfied on the following points:

- a) There should be easy access on foot to your home: access is unlikely to be regarded as easy if it is necessary to climb three or more steps (in addition to the threshold) and there is no handrail
- b) The accommodation should normally be on one level
- c) In the case of a flat above ground floor level there should be easy access by lift
- d) There should be no more than two bedrooms
- e) There should be heating arrangements which function reliably and provide heat to at least the living room and one bedroom
- f) Your home should be located reasonably conveniently for shops and public transport, having regard to the nature of the area.

The Residential Property Tribunal or Welsh Assembly Government will also take into account any other relevant features of your home which are drawn to his/their attention.

Homes due to be demolished

If your landlord intends to demolish your home, he may serve on you an initial demolition notice, valid for up to 5 years. Such a notice suspends his obligation to complete a Right to Buy purchase. If you have already applied for the Right to Buy, you can still complete if demolition does not in fact take place. You can also make a new application while an initial demolition notice is in force, but your landlord does not have to complete the sale under those circumstances.

However, if your landlord serves a final demolition notice, then any existing Right to Buy claims are ended and no new applications can be made. Your landlord can only serve such a notice if all other premises which are to be demolished within the relevant area have been acquired or are subject to binding agreements to acquire. This is to prevent tenants from being disadvantaged by unresolved compulsory purchase issues. A final demolition notice will be valid for 2 years, and can be extended on application to the Secretary of State.

If you have established a valid claim to exercise the Right to Buy before either an initial demolition notice or a final demolition notice is served, you have 3 months in which to claim compensation for expenditure connected with the conveyancing process, such as legal or survey fees.

If your landlord subsequently decides not to demolish the property, he must serve a revocation notice on you as soon as is reasonably practicable. If it appears to the Secretary of State or the National Assembly for Wales that a landlord has no intention of demolishing properties he may serve a notice revoking the initial or final demolition notice on you.

Other exceptions to the Right to Buy

- a) Sheltered housing for the elderly, the physically disabled, the mentally ill or the mentally disabled. Special rules must be met in these cases. 'Sheltered housing' normally means that the property is one of a group of such dwellings, that a warden service is provided, and that there is a common room nearby. 'Housing for the disabled' means a property that is one of a group and has features that are substantially different from those of ordinary dwellings and with special facilities that are provided nearby.
- b) Houses and flats on land which has been bought for development, and which are being used as temporary housing before the land is developed.
- c) The tenancies of employees who have to live in homes owned by their employers so that they can be near their work.
- d) The tenancies of employees whose home is inside the boundaries of a school, a social service home, another type of operational building or a cemetery.
- e) The tenancies of members of a police force whose homes have been provided free from rent and rates.
- f) The tenancies of fire authority employees who have to live near to the station they work in and whose homes have been provided by the employer.
- g) Temporary lettings (of up to 3 years) of homes usually let to the employees mentioned above*.
- h) Some homes which are let as part of business or agricultural premises (for example public houses, farms, shops).
- i) Homes which the landlord has leased from someone else and which have to be given up empty when the owner wants them.
- j) Almshouses.
- k) Homes which are let by a charitable registered social landlord, a charitable housing trust or association, by certain co-operative housing associations, or by a housing association or other registered social landlord which has not received grants from public funds.

- l) Tenancies given to students so they can follow certain full-time courses at a university or college. This rule does not apply if the tenancy continues for more than 6 months after the tenant stops attending the course*.
- m) The tenancies of people moving into the area from another district to take up a job and given a home temporarily while they look for a permanent home. This rule does not apply if tenants are still living there after one year*.
- n) Tenancies for homeless people secured under section 193 of the Housing Act 1996.
- o) The tenancies of people who used to be squatters but have now been given a licence to occupy a home.
- p) Long fixed-term leases (of over 21 years).
- q) Temporary lettings to people who were not secure tenants in their previous homes which are being improved or repaired.

*For exclusions (g), (l) and (m) to count, the tenant must be notified before the start of any tenancy.

Rural restrictions

If your home is in one of the following areas:

- a National Park
- a designated Area of Outstanding Natural Beauty
- an area designated by the Secretary of State or Welsh Assembly Government as rural for Right to Buy purposes

and you want to buy your home from your local council or a housing association under the Right to Buy (or under the Preserved Right to Buy from a registered social landlord, if your home was transferred), special rules apply. When you buy in these areas, the sale will be on the condition that you may only resell it to someone who has been living or working in the area for 3 years. Alternatively, your landlord may require you to offer it your home if you want to resell within 10 years of buying (see the section on the 'Right of first refusal' on page 11 for further information). The landlord would then have to pay you the full value of the property.

You may find it difficult to get a mortgage for your home because of these restrictions on resale.

Defective dwellings

Certain types of houses and flats have been designated as defective under Part 16 of the Housing Act 1985, because:

- they are defective by reason of their design or construction; and
- their value has been reduced substantially because their defects have become generally known.

If your home is one of these, your landlord must tell you before you buy. You should then consider very carefully whether it is wise to buy. You might have difficulty in selling later, because anyone thinking of buying your home from you might be unable to get a mortgage. If you do decide to buy, it is very important to find out the structural condition of your home. You should make sure that the price you pay for it reflects the structural problems and the fact that you may find it difficult to re-sell it later.



Right to Buy landlords

To have the Right to Buy your home you must be a secure tenant of one of the following bodies in England and Wales:

- A district council
- A county council or county borough council
- A London borough council
- The Common Council of the City of London
- The Council of the Isles of Scilly.

- A metropolitan county police authority
- The Northumbria Police Authority
- A metropolitan county fire and civil defence authority
- The London Fire and Civil Defence Authority
- A metropolitan county passenger authority
- The London Waste Regulation Authority
- The West London, North London, East London and Western Riverside Waste Disposal Authorities
- The Merseyside and Greater Manchester Waste Disposal Authorities
- A registered social landlord such as a housing association which is registered with the Housing Corporation or Welsh Assembly Government. This only applies if you are a former secure tenant of a local authority or another Right to Buy landlord and your home was transferred to a registered social landlord (see Preserved Right to Buy – page 7).

You may not buy your home if you are the tenant of a registered social landlord which is:

- A charity
- A landlord which has not received public subsidy
- A co-operative association
- The Housing Corporation.

