



South Tyneside Council

BEFORE YOU BUY **YOUR** HOME...

SOUTH TYNESIDE COUNCIL
**HOUSING
SERVICES**

Spread the word!

**THIS IS
SOUTH
TYNESIDE**

The decision to buy a home is probably the biggest financial decision most people will ever make, and it is a decision that should not be taken lightly. There are a number of important factors that anyone considering buying their own home should take into account.

These include:

- **Can you afford the mortgage repayments and associated costs of running your own home? Remember unlike your rent, your mortgage repayment will not include buildings insurance and a free repairs service – if you buy your home you will have to pay for these things yourself.**
- **Are you eligible for Housing Benefit? Remember, as an owner-occupier you will not receive any housing benefit to help with your mortgage costs.**
- **If you are elderly and own your own home, its value may be taken into account in assessing whether you are eligible for financial help with the cost of residential care.**
- **If you are buying a leasehold flat/maisonette, remember you will have to pay a service charge. Information in respect of these charges will be provided to you as part of your Right to Buy offer letter.**
- **Beware of Right to Buy Sales People who may try to get you to sign deals on the doorstep. Ask what is in it for them and always get independent financial advice. Never sign any loan agreement unless you have read the terms and conditions, you are satisfied with them, and you are fully aware of what you are committing yourself to.**
- **Remember our Right to Buy Team is here to help you with free advice. You can contact the team by email at rtb@southtyneside.gov.uk**

When will I learn if I have the right to buy?

We will inform you whether or not you have the Right to Buy your home, using form RTB2. You should receive this within four weeks of your application, or eight weeks if you have been a tenant of your landlord for less than two years.

If you do not have the Right to Buy, you must be told why. If you disagree with our explanation and decision you can get advice from a Citizens Advice Bureau or from a solicitor or you can write to the Ministry of Housing, Communities & Local Government.

When will I receive details of the price at which I can buy my home?

An offer notice (Section 125 Notice) will be issued to you within a further 8 weeks if your property is a house or 12 weeks if your property is a flat or maisonette. The section 125 Notice will describe the property which you have the right to buy, detail the price at which you can buy your home and the terms and conditions of the sale. It will also describe any structural defects that the landlord knows about and detail any estimates in respect of service charges or improvement costs that may be applicable in respect of leasehold properties.

Your offer notice will include your discount entitlement, which may allow you to buy your home at a price below its market value. The longer you have been a tenant (of a Council, Registered Social Landlord or living in Armed forces accommodation) the bigger your discount entitlement, subject to a maximum of £22,000. If you live in a house you will get between 35% and 70% off the market value. If you live in a flat/maisonette then your discount will be between 50% and 70%.

Your discount may be reduced if the council has spent money on purchasing, building, repairing or maintaining your property over the last 10 financial years. This reduction is known as the Cost Floor Rule and means that your property cannot be bought for less than the money spent by the council over the last 10 year period. In circumstances where the council has spent more than the market value of your home, you will not receive any discount.

Getting a survey

After you receive your section 125 Notice we would strongly advise you to get an independent survey from a qualified surveyor or a structural engineer or an architect. You should ask how much it would cost before you ask anyone to go ahead with the survey.

Your lender may be able to arrange for its valuer to carry out the survey, which could save you paying for a separate valuation.

What if I disagree with the offer price?

If you think we have valued your home too highly, you have the right to request an independent valuation from the District Valuer. You must request this through the Right To Buy Team and must do so within three months of receiving your section 125 notice. You will then have four weeks to put your case to the District Valuer. If you have had a survey done, you can send a copy of your own surveyor's report to the District Valuer. The District Valuer will also want to inspect your home. The District Valuer's valuation will be final, even if it is higher than our valuation. You will either have to accept it or withdraw your application.

Getting legal advice

Before deciding whether to buy, you should get legal advice, particularly if you have worries about the terms of the sale. You should always ask how much it would cost before you employ a solicitor or licensed conveyancer.

Deciding what to do next

Once you receive your section 125 Notice you will have several choices to decide upon and you must advise us of your decision within 12 weeks. If you fail to do this we will send you a reminder, which you must reply to within 28 days or your application will be withdrawn. If you have a valid reason why you cannot decide within the permitted time you should inform us and we may allow you further time to decide.

You must decide and inform us in writing if you want to:

- **Buy your home outright for the full right to buy price, less any discount for which you are eligible;**
- **Withdraw your application to buy your home and carry on paying rent.**

Getting a mortgage

If you need a mortgage to support your Right To Buy application you should talk to a bank or building society. Useful information about mortgages is available from the website of the Consumer Financial Education Body (cfef) at: www.moneyadvice.org.uk

Completing the house purchase

If you are happy with the terms for selling your home to you and you have arranged to raise money, you are ready to go ahead and buy. You should tell us that you are ready and ask your solicitor for advice on the legal documents and making your payment.

Delays in the sale

In the event that we delay the sale by not sending you Form RTB2 and your Section 125 notice within the times mentioned above, or otherwise delay the sale, you may be allowed a reduction in the purchase price. To obtain this you must serve a completed Form RTB6 (initial notice of delay) giving us 1 month to issue a counter notice and resolve any delay. If the delay remains after this period then you may serve an operative notice of delay (Form RTB8). This will then allow your rent paid in the period of delay to be offset against your purchase price in the event you complete the sale.

FREQUENTLY ASKED QUESTIONS

Q. Can I include anyone else in my application?

A. You may be able to buy your home jointly with members of your family who have lived with you for the past 12 months, or with someone who is a joint tenant with you.

Q. What if I have purchased before?

A. 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.

Q. What happens if I want to sell my house later?

A. You can sell your home whenever you like, but you may have to repay some or all of the discount within the first five years following completion of the sale; however in such cases any discount to be repaid will be based upon the resale value of your home less the value of improvements you have carried out following your purchase. In addition, should you choose to sell your home within ten years of buying you will be required to first offer the property back to South Tyneside Council who may choose to purchase from you at the full market value for your home.

If, in advance of 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 from the point you enter into such an agreement.

Q. I have rent arrears. Can I still buy my home?

A. If the Council has applied for or obtained a court order for possession in respect of your arrears, prior to the issue of the S.125 offer notice, your right to buy will be denied until the arrears are cleared in full. If you have rent arrears, but no court order, you will not be allowed to complete the sale unless the arrears are cleared in full.

Q. Once I apply to buy can I still access the free repairs service?

A. Only emergency repairs are provided while your application is being processed. No improvements or replacements will be made. If you complete the sale then you will be responsible for any repairs required to your property. In the event your application is withdrawn then you will be able to access the Council's normal repairs service.

Q. Will I still be included in the decent homes scheme?

A. No. Once you have been admitted to the Right to Buy you will be excluded from the Decent Homes scheme.

Q. If I have carried out my own improvements will these be included in the right to buy valuation?

A. Provided you detail your improvements on your right to buy application these will not be included in our valuation.

Q. What if my home is scheduled to be demolished?

A. If we intend to demolish your home, we may serve an initial demolition notice, valid for up to five years. This will suspend the landlord's obligation to complete the sale in respect of any Right to Buy application made prior to the serving of notice; and remove the need to complete any subsequent application. If we then serve a final demolition notice any existing Right to Buy applications are ended and no new applications can be made. A final demolition notice is valid for two years, and can be extended on application to the Secretary of State. If you have made a valid claim to exercise the Right to Buy either before an initial or final demolition notice is served, you will have three months in which to claim compensation for expenditure connected with the conveyancing process, for example legal or survey fees. If we then decide not to demolish the property then a revocation notice must be served on you as soon as possible.

Q. Can my right to buy be affected by anti social behaviour?

A. Yes. If you, members of your household or visitors to your home are responsible for anti social behaviour then your Right to Buy may be denied or suspended in certain circumstances. Your Right to Buy will be denied if the Council has obtained a court order for possession in respect of anti social behaviour.

Q. What does being a leaseholder mean?

A. If you buy a flat or maisonette you buy a leasehold interest. This means you have the right to live in your home for a certain period without having to pay rent, except for a small ground rent. The period is set out in the lease. As a leaseholder you only buy the right to live in your own flat and so you also have to pay a share of the costs of the upkeep and repair of the building and the estate where your flat is situated. The lease is the legal contract between you and South Tyneside Council and is a very important document. Once you and South Tyneside Council have signed the lease, you both have to carry out your responsibilities as it sets them out.

Your lease describes the flat that you have bought and has a plan showing the flat plus any garden, garage or shed. It also shows the building containing the flat and the estate it is on. South Tyneside Council Housing Services is responsible for the upkeep, maintenance, repair and improvement of the building as a whole and the estate; you are responsible for paying your share of these costs through your service charge.

Right to Buy Team

✉ rtb@southtyneside.gov.uk

🔍 www.southtyneside.gov.uk/housing

📍 South Tyneside Council, Town Hall & Civic Offices,
Westoe Road, South Shields NE33 2RL

If you know someone who needs this information in a different format, for example large print, Braille or a different language, please call 0191 427 7000..