

Right to Buy and Right to Acquire Policy

1.0 Purpose of policy

- 1.1 The purpose of this Right to Buy and Right to Acquire Policy is to demonstrate the commitment Karbon Homes has in respect of the Right to Buy and the Right to Acquire and to provide tenants with information about the service they can expect.

2.0 Objectives

- 2.1 This policy has been developed to adhere to requirements as laid down by regulations and legislation in relation to the sale of property under Right to Buy and Right to Acquire.
- 2.2 To allow Karbon Homes to maximise the availability of affordable homes, whilst ensuring that it also meets its legislative requirements.

3.0 Right to Buy

- 3.1 Under the Right to Buy (RTB) scheme, tenants can buy their home at a price lower than the full market value. This is because the length of time spent as a tenant entitles them to a discount.
- 3.2 The RTB is available to secure tenants of local authorities and non-charitable housing associations, and to assured tenants of registered providers (housing associations) who moved with their homes from a local authority to a housing association as part of a stock transfer.

Preserved Right to Buy

- 3.3 Most housing association tenants do not have the RTB. If they were previously a secure tenant of a local authority and they became an assured tenant because ownership of their home was transferred to a registered provider, they may have what is known as the Preserved Right to Buy (PRTB). This only applies if they were living in their home when it was transferred. It can also apply if they then moved to another property owned by Karbon. But it does not apply if you moved to a property owned by a different landlord.
- 3.4 The PRTB operates in a similar way to Right to Buy.

Do I qualify for RTB/PRTB?

- 3.5 Customers must have been a public sector tenant for at least 3 years in order to qualify for the RTB/PRTB. Customers living in a house can get a discount of 35% after 3 years tenancy. This remains at 35% after 4 and 5 years tenancy. For each extra year after the 5 years, customers get another 1% for each year of tenancy up to a maximum of 70%.
- 3.6 The amount of discount for which you are eligible depends on the time you have spent as a public sector tenant, with:
- Karbon Homes
 - Another 'Right to Buy landlord'
 - Any of the public bodies listed (see government guidance).
- 3.7 If you live in a flat, you can get a discount of 50% after 3 years as a tenant. You also get 50%, this remains at 50% after 4 and 5 years tenancy.
- 3.8 The qualifying period for discount can include time spent in different homes and with different landlords. This doesn't have to be continuous, so long as it was a public sector tenancy. You may also be able to count a period when your husband, wife or civil partner was a public sector tenant or lived in housing provided by the armed forces. If you lived with your parents after the age of 16 and you later became the tenant of the same house or flat, you may be able to count that time too.
- 3.9 If an application is a joint one Karbon will calculate your discount based on the person who has the longest qualifying period (subject to the **£80,900** limit).

Discount rules

- 3.10 The RTB/PRTB schemes give tenants a discount on the market value of their home. The longer a customer has been a tenant, the more discount they get.
- 3.11 Whatever percentage you are eligible for, your discount cannot be greater than **£80,900**. This changes from 06 April (£82,800). This can be subject to an annual increase.
- 3.12 Your discount may be reduced by a special rule called the cost floor. This may apply if your home has recently been purchased or built by your landlord or he has spent money on repairing or maintaining it. Under the cost floor, the discount you receive must not reduce the price you pay below what has been spent on building, buying, repairing or maintaining it.
- 3.13 If the cost of works carried out over the 10 year period is greater than the market value of your home, you will not receive any discount. This period is 15 years if your home was built or acquired by your landlord after 2 April 2012.
- 3.14 If you are buying under the Preserved Right to Buy, the cost floor period is 15 years regardless of when it was built or acquired.

Do I ever have to repay a discount?

- 3.15 If you have bought your home under the Right to Buy, you can sell it whenever you like.
- 3.16 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
- 3.17 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.
- 3.18 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.
- 3.19 Certain sales or transfers are exempt from the requirement to repay discount, e.g. transfers between certain family members.

What if I have purchased before?

- 3.20 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.

Are there any exclusions that apply to the Right to Buy/Preserved Right to Buy?

- 3.21 As well as some personal exclusions that may prevent a tenant from accessing their Right to Buy/Preserved Right to Buy, there are also some types of properties that cannot be sold under the Rules that govern the scheme.
- Properties that are particularly suitable for disabled or elderly tenants.
 - Properties that have been specially built for people with a mental disorder.
 - Properties that are suitable for tenants of a pensionable age and were originally let to a person aged 60 or over.

4.0 Right to Acquire

- 4.1 Right to Acquire (RTA) allows most eligible housing association tenants to buy their home at a discount. You apply using the [Right to Acquire application form](#).
- 4.2 You can apply to buy your housing association home if you've had a public sector landlord for 3 years. These landlords include:
- Housing associations.
 - Councils.
 - The armed services.

- NHS trusts and foundation trusts.

Eligibility

4.3 Your property must either have been:

- Built or bought by a housing association after 31 March 1997 (and funded through a social housing grant provided by the Housing Corporation or local council).
- Transferred from a local council to a housing association after 31 March 1997.

4.4 The home you want to buy must also be:

- A self-contained property
- Your only or main home

4.5 You can't use RTA if:

- You're being made bankrupt.
- A court has ordered you to leave your home.
- You have 'Preserved Right to Buy'.

Are there any exclusions that may apply to the Right to Acquire scheme?

- Properties designed and built for people with physical disabilities or special needs.
- Properties let to persons of a pensionable age.
- Properties that have been designed or built with special features.
- Properties held on a Crown tenancy
- Properties situated within a rural area designated by order of the secretary of state.

Discounts

4.6 You can get a discount of between £9,000 and £16,000 on the price of your property.

4.7 The amount of discount you'll get depends on where you live in the UK. We will tell you what discount you'll get when you apply to buy your home. You can also [download a table of discounts](#), broken down by location.

4.8 Your discount might be reduced if you've used Right to Acquire or Right to Buy in the past.

Selling your home

4.20 If you sell your home within 10 years of buying it through RTA, you must first offer it to Karbon Homes.

4.21 The property should be sold at the full market price agreed between you and Karbon Homes.

4.22 If you can't agree, a district valuer will say how much your home is worth and set the price. You won't have to pay for their valuation.

4.23 If we don't agree to buy your home within 8 weeks, you can sell it to anyone.

Do I ever have to pay back the discount?

4.24 If you sell your home within 5 years of buying it, you'll have to pay back some or all of the discount you got.

4.25 If you sell within the first year, you'll have to pay back all of the discount. On top of this, the amount you pay back depends on the value of your home when you sell it. So, if you got a 10% discount, you'll have to pay back 10% of the selling price.

4.26 If you sell after the first year, the total amount you pay back reduces. You pay back:

- 80% of the discount in the second year
- 60% of the discount in the third year
- 40% of the discount in the fourth year
- 20% of the discount in the fifth year

CUSTOMERS THINKING OF APPLYING TO RTB/PRTB/RTA, SHOULD GET INDEPENDENT LEGAL AND FINANCIAL ADVICE ABOUT THEIR INDIVIDUAL CIRCUMSTANCES AND TO HELP WITH THE LEGAL PROCESS OF BUYING A HOME. THEY SHOULD ALSO GET INDEPENDENT FINANCIAL ADVICE ABOUT THE DIFFERENT TYPES OF MORTGAGE THAT ARE AVAILABLE.

5.0 Monitoring and Review

5.1 This policy will be reviewed at least every 3 years or if there is a change in regulation/legislation governing RTB/PRTB/RTA homes. Review will be coordinated by the Strategic Planning and Insight Team.

5.2 The Assistant Director Sales & Marketing is responsible for the monitoring and implementation of this policy.

6.0 Equality and Diversity

6.1 This policy is implemented in line with the Group's Equality and Diversity Policy and associated legislation. Consideration will be given to all protected characteristics under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations.

6.2 This policy and associated documents are available in different languages and alternative formats where necessary."

7.0 Data Protection and Privacy

- 7.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the General Data Protection Regulation. This is clearly set out in the Data Protection Policy for the Karbon Homes Group which in association with the Data Protection Procedures must be followed throughout the operation of this policy.