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Providing a strong foundation for life.

RIGHT TO BUY AND PRESERVED RIGHT TO BUY POLICY

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Right to Buy and Preserved Right to Buy Policy

Responsible Officer	Group Director Assets & Regeneration
This policy is applicable to	Karbon Group
Policy version	3
Date this version implemented	August 2026
Date of next review	November 2027

Policy Statement

This policy explains how Karbon Group manages applications from customers who may be eligible to purchase their home through the Right to Buy or Preserved Right to Buy schemes.

In accordance with relevant legislation and regulatory requirements, Karbon Group will provide clear information and guidance to customers throughout the application process. We will assess applications fairly and consistently, ensuring that eligibility and any applicable discount are determined in line with statutory requirements.

Through the administration of these schemes, Karbon Group aims to support eligible customers in accessing home ownership, whilst balancing this with the need to protect the long-term availability of affordable housing and fulfil our legal, regulatory and charitable obligations.

Risk the policy is designed to control

6. Governance and Compliance – Statutory Sales & Asset Disposals - ensuring that applications are administered in accordance with relevant legislation, regulatory requirements, and government guidance.

Customer outcomes – ensuring customers are treated fairly, transparently, and consistently throughout the application process.

Reputational and financial risk – protecting the Group from legal challenge, financial loss, and reputational damage arising from incorrect administration of applications.

Key performance measures

- Number of active Right to Acquire applications – reported monthly to Asset Disposals Manager
- Number of completions – reported monthly to Asset Disposals Manager
- Gross income – reported monthly via the Asset Management Performance Report

Definitions

Right to Buy – the right for qualifying tenants to buy their properties at a discounted rate.

Qualifying tenants – a secure tenancy, or a tenant with a Preserved Right to Buy following stock transfer to Karbon Group.

Qualifying tenancy – a secure tenancy, or a tenancy with a preserved right to buy following stock transfer to Karbon Group.

Abbreviations

RTB Right to Buy
PRTB Preserved Right to Buy

Policy Detail

1.0 Purpose of policy

1.1 The purpose of this Right to Buy and Preserved Right to Buy Policy is to demonstrate the commitment Karbon Group has in providing a route to home ownership and to provide customers with information about the service they can expect.

2.0 Objectives

2.1 This his policy has been developed to follow the requirements outlined within the regulations and legislation in relation to the sale of property under Right to Buy and Preserved Right to Buy schemes. To allow Karbon Group to maximise the availability of affordable homes, whilst ensuring that it also meets its legislative requirements.

3.0 Policy detail

3.1 **Right to Buy**

3.1.1 Under the Right to Buy and Preserved Right to Buy schemes, customers can buy their home at a price lower than the full market value. This is because a discount is applied to the full market value, based on the length of time they have lived in the property.

3.1.2 The Right to Buy and Preserved Right to Buy schemes are available to customers if they are a secure tenant as they have been a Karbon tenant since prior to 15 January 1989, or if they previously had a secure tenancy with another public sector landlord such as a Local Authority and now have the Preserved Right to Buy following stock transfer. For the purposes of this Policy these tenants will be referred to as “Qualifying tenants”.

3.2 Preserved Right to Buy

3.2.1 Many housing association customers do not have the Right to Buy their home. 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. This right only applies if the customer(s) were living in their home when it was transferred.

3.2.2 The Preserved Right to Buy scheme operates in a very similar way to the Right to Buy scheme.

3.3 Do I qualify for the Right to Buy or Preserved Right to Buy scheme?

3.3.1 Qualifying tenants must have been a tenant for at least 3 years to qualify for the Right to Buy or Preserved Right to Buy scheme if they are considering buying their home.

Qualifying tenants will only benefit if the tenants occupy as their only or principal home.

3.3.2 The amount of discount for which you are eligible depends on the time you as a customer have held a qualifying tenancy with Karbon Group and with any landlord prior to stock transfer to Karbon Group.

For houses, customers can get a discount of 35% if they have held a qualifying tenancy continuously for between 3 and 5 years. If the customer has held a qualifying tenancy for over 5 years, they will get an additional 1% discount for each year, up to a maximum discount level of 70%, or the regional maximum cash discount for the region (whichever is lowest) set out by the Government.

For flats, qualifying tenants can get a discount of 50% if they have held a qualifying tenancy continuously for between 3 and 5 years. If the customer has held a qualifying tenancy for over 5 years, they will get an additional 2% discount for each year, up to a maximum discount level of 70%, or the regional maximum cash discount for the region (whichever is lowest) set out by the Government.

3.3.3 The qualifying period for the discount can include time the qualifying tenant 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 held a public sector tenancy or lived in housing provided by the armed forces.

3.3.4 For applications made in joint names, Karbon Group will calculate your discount based on the person who has the longest qualifying period, subject to a maximum cash discount applicable to the region, as defined by the Government. This is subject to change.

3.5 Discount rules

3.5.1 The Right to Buy and the Preserved Right to Buy schemes give customers a discount on the market value of their home. The longer a customer has held a qualifying tenancy, the more discount they get.

3.5.2 Whatever percentage you are eligible for, your discount cannot be greater than 70% or the maximum regional cash discount, set out by the Government.

3.5.3 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 where they have spent money on repairing or maintaining your home. Under the cost floor, the discount you receive must not reduce the price you pay below what has been spent on the property.

3.5.4 If the cost of works carried out over the last 10 years is greater than the market value of your home, you will not receive any discount. This period is extended to 15 years if your home was built or acquired by your landlord after the 2 April 2012.

3.5.5 If you are buying under the Preserved Right to Buy scheme, the cost floor period is 15 years regardless of when it was built or acquired.

3.6 Do I ever have to repay a discount?

3.6.1 If you have bought your home under the Right to Buy scheme, you can sell it whenever you want to.

3.6.2 If you sell within five years of purchasing the property under the Right to Buy or Preserved Right to Buy Scheme, you will have to pay a percentage of the discount back as outlined below:

First year:	100% discount repaid
Second year:	80% discount repaid
Third year:	60% discount repaid
Fourth year:	40% discount repaid
Fifth year:	20% discount repaid

After 5 years, you can sell without having to repay any of the discount.

3.6.3 It is important to note that the amount you have to pay back, depends on the value of your home when you sell it, so the amount being paid back can be more than the original discount received.

3.6.4 If you transfer ownership of the property to a family member, you may not have to pay back any discount, but you should check this by taking advice from a solicitor.

3.7 What if I have purchased before?

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

3.8 Are there any exclusions that apply to the Right to Buy or Preserved Right to Buy schemes?

3.8.1 Some homes are exempt from the Right to Buy, Preserved Right to Buy schemes, where the property is:

- in a rural designated area defined by the government
- in a national park
- in an area of outstanding national beauty
- particularly suitable for disabled or the elderly

- specifically built for those with physical or mental disabilities
- suitable for customers of a pensionable age and that were originally let to those aged 60 and over

3.9 Are there any circumstances that can stop the sale of a property under the Right to Buy or Preserved Right to Buy schemes completing?

3.9.1 There are circumstances under which the sale of a property can no longer take place and these include, but are not limited to:

- the customer or customers have moved into a care facility and there is no other person living in the property that has succession rights to continue the application
- the customer or customers have sadly passed away and there is no other person living in the property that has succession rights to continue the application
- The customer is in breach of their tenancy agreement
- The customer is unable to verify their funding or do not meet our funding checks

4.0 Customer Vulnerabilities

4.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.

4.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.

4.3 Policies and key information are made available on our website.

5.0 Monitoring and Review

5.1 This policy will be monitored and reviewed by the Group Director of Assets & Regeneration

5.2 This policy will be reviewed at least every three years.

5.3 Policy review will be undertaken before the expected review date if there are significant changes to legislative or regulatory requirements, good practice or any other situation arises that makes a review necessary.

6.0 Equality and Diversity

6.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.

6.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

6.3 If you would like this or any other policies in a different language or format please contact inclusion@karbonhomes.co.uk.

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 UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.