



Ministry of Housing,  
Communities &  
Local Government

## Your Right to Buy Your Home:

A guide for tenants of councils and registered providers,  
including housing associations



© Crown copyright 2024

*Copyright in the typographical arrangement rests with the Crown.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at [www.gov.uk/mhclg](http://www.gov.uk/mhclg)

If you have any enquiries regarding this document/publication, use our [online contact form](#) or write to us at:

Ministry of Housing, Communities & Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

For all our latest news and updates follow us on X: <https://X.com/mhclg>

December 2024

Introduction .....	5
Things to consider before deciding to buy your home .....	5
Who has the Right to Buy?.....	6
Joint Applications	7
Exceptions to the Right to Buy .....	8
Certain types of properties are exempt from the Right to Buy	8
Homes suitable for occupation by the elderly	8
Homes due to be demolished	9
Other exceptions to the Right to Buy	9
Rural restrictions	11
Defective dwellings	11
What discount could you get? .....	12
Qualifying period	12
Things that could affect the discount amount .....	14
The cost floor rule: the cost of work carried out by your landlord on your home	14
Previous Discounts	14
The costs of buying .....	15
Mortgages and Loans	15
How much would I need to borrow?	16
How much can you borrow?	17
One-off costs of buying your home	17
Other regular costs of home ownership	19
Buying a flat or leasehold house .....	20
The Right to Buy Application Process .....	21
Step 1: Applying to buy	21
Step 2: Your landlord's Response Notice	22
Step 3: Your landlord's Section 125 Notice	22
Step 4: Resolving questions about the Section 125 notice	23
Step 5: Enquiring about a mortgage	24
Step 6: Getting a survey	24

Step 7: Getting financial and legal advice	24
Step 8: Telling your landlord what you want to do next	24
Step 9: Arranging a mortgage	25
Step 10: Completing your purchase	25
Withdrawing from the scheme	25
Application timeline	26
Delays or problems with the sale.....	27
Complaints Process .....	27
Resale.....	28
Right of first refusal	28
Repayment of discount	28
Further help with Right to Buy .....	29
Annex 1 .....	31
Frequently asked questions on Right to Buy	31
Glossary	34
Right to Buy landlords	36
Annex 2: Preserved Right to Buy .....	39
Annex 3: Right to Acquire.....	39
Annex 4: Right to Buy Service Charges .....	40
Annex 5: Right to Buy Service Charges Loans.....	42

## Introduction

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 an eligible tenant entitles you to a discount. This booklet describes how the Right to Buy scheme works and will help you check whether you are eligible to apply. The information in it applies only to England. We have tried to make it easy to understand – but it is not a substitute for professional advice.

Maximum cash discounts are £16,000 to £38,000. The level of the maximum discount available depends on where you live (please see ‘What discount could you get’ section for details). Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the previous maximum discounts of £102,400 across England, or £136,400 in London boroughs.

Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the current discounts.

The booklet is a summary of the law relating to the Right to Buy. It is not intended to be comprehensive. If you are thinking of applying for your Right to Buy, you should get independent legal and financial advice about your individual circumstances, and to help with the legal process of buying a home. You may also want to get independent financial advice about the different types of mortgages that are available.

## Things to consider before deciding to buy your home

Buying your home is a big decision. Your home can be an asset for you and your family in future years, and home ownership can give you more freedom, such as being able to make some changes to your home without needing your landlord’s permission, and to move where you want, when you want.

But owning a home also brings some added responsibilities and you need to be sure this is the right choice for you and your family.

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. It’s important to bear in mind that house prices could go down as well as up. It is a good idea to investigate 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 cannot arrange this for you. An overview of the costs can be found on page 13 onwards.

5 key questions you can ask yourself before you buy are:

- Do I have the Right to Buy?
- Can I afford it?
- Can I afford it if things change in the future?
- What are the benefits and risks?
- Where can I get advice?

If you need advice on any aspect of the Right to Buy scheme, you may wish to contact your landlord

(the organisation you pay rent to or have a tenancy agreement with – for example, your council or housing association). You can usually find the contact details for your landlord on their website.

The ‘Right to Buy Agent’ is a service you can telephone, email or webchat for free advice on things like:

- the Right to Buy and Preserved Right to Buy process
- eligibility
- how to fill in your application form
- where you can get financial and legal advice
- what to do if your application is delayed

Contact details for the Right to Buy Agent service can be found in the useful addresses section on page 32.

## Who has the Right to Buy?

You could be eligible for the Right to Buy if:

<p>You are a council tenant</p> <p>OR</p> <p>You were a council tenant when your home was transferred to your current landlord</p>	<p>If you were 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 (see Annex 2 on page 43).</p> <p>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 (see Annex 3: Right to Acquire on page 43).</p>
<p>You have been a public sector tenant for at least 3 years</p>	<p>If you have been a tenant for 3 or more years (it does not 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 and must be self-contained.</p>
<p>You do not live in sheltered housing or other housing particularly suitable for elderly or disabled people</p> <p>OR</p> <p>Your home is due to be demolished</p>	<p>You will need to be a secure tenant of a Right to Buy landlord (see page 36) to be eligible.</p> <p>There are some homes that you may not be able to buy under the scheme.</p> <p>Check this out with your landlord if you are not sure.</p>

You do not 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 do not 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 have not had any anti-social behaviour issues	A landlord can apply to the Court for an order to suspend the Right to Buy (including Preserved Right to Buy and Right to Acquire) for a specified period on the grounds of anti-social behaviour.  Whilst an application for a Suspension Order is in place, the duty for landlords to complete a sale is removed pending the decision of the Court.

If you can answer 'YES' to these statements, you are probably eligible, but your landlord will need to confirm this.

## Joint Applications

You do not have to apply on your own – you may be able to make a joint application for Right to Buy. So, if you are eligible, you might be able to buy your home with:

- Someone who shares your tenancy. If you are unsure whether you are a tenant, you should check with your landlord.
- Your spouse or civil partner.
- Up to 3 family members who have lived with you for the past 12 months and are over the age of 18. They do not have to be on your tenancy agreement, but it must be their main home.

Persons who qualify as family members are as follows:

- The spouse or civil partner of the tenant; or the tenant and the person who live together as if they were husband and wife or civil partners, or
- The tenant's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece.
- A half-brother or half-sister, who will be treated the same as a full brother or sister.
- The stepchild of a person, who will be treated as their child.

Please be advised that evidence of residence must be provided for family members e.g., being on council tax or electoral rolls. Spouses and civil partners must provide evidence that this is their main or only home and have evidence of the marriage or civil partnership.

In-laws, and cousins do not count as family members for the purposes of Right to Buy.

A landlord may ask that those named on a Right to Buy application attend a face-to-face meeting as part of their checking process.



# Exceptions to the Right to Buy

**Certain types of properties are exempt from the Right to Buy.**

## **Homes suitable for occupation by the elderly**

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: <https://www.legislation.gov.uk/ukpga/1985/68/schedule/5>).

**Both** of the following criteria must be met before an application can be denied under this ruling.

The right to buy does not arise if the dwelling-house is:

particularly suitable, having regard to its location, size, design, heating system and other features for elderly persons

**and**

was let to the tenant or a predecessor in title of his for occupation by a person who was aged 60 or more (whether the tenant or predecessor or another person)

If your application is denied for the criteria set out for elderly persons' dwellings, you are entitled to appeal your decision within 56 days of the date of the receipt of the RTB2 form. The RTB2 form is the notice that a landlord sends to a tenant who has applied to buy their home through the Right to Buy scheme and sent their completed RTB1 form. To do this you can ask the First-tier Tribunal (Property Chamber) to decide if your landlord is right. If you do not ask in time, you lose this right of appeal.

### **How do I ask for a decision?**

You will need to contact the First-tier Tribunal (Property Chamber) – see

<https://www.gov.uk/courts-tribunals/first-tier-tribunal-property-chamber> for details of how to contact them. The appeal will be dealt with by the panel for the region in which your home is located.

### **What happens then?**

When both sides have had the chance to put their case and the facts have been established, the First-tier Tribunal (Property Chamber) will decide on whether your home is excluded from the Right to Buy.

### **What effect will the decision have?**

If the First-tier Tribunal (Property Chamber) decides that your home falls 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). The legislation can be found here: <https://www.legislation.gov.uk/ukpga/1985/68/schedule/5>.

### **On what basis will the decision be made?**

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

- 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 First-tier Tribunal (Property Chamber) will also consider any other relevant features of your home which are drawn to their attention.

### **Homes due to be demolished**

If your landlord intends to demolish your home, they may serve you with an initial demolition notice, valid for up to 7 years. This notice suspends their obligation to complete a Right to Buy purchase. If you have already applied for the Right to Buy, you can still complete your purchase if demolition does not 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 by an application from the landlord to the Secretary of State for MHCLG.

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, they must serve a revocation notice on you as soon as is reasonably achievable. If it appears to the Secretary of State that a landlord has no intention of demolishing properties, they may serve a notice revoking the initial or final demolition notice which has been served 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) Certain tenancies held by members of a police force.

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 provider, a charitable housing trust or association, by certain co-operative housing associations, or by a housing association or other registered provider 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 you want to buy your home and it is in one of the following areas, special rules may apply:

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

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 at least 3 years. Alternatively, your landlord may require you to offer your home to them if you want to resell within 10 years of buying (see the section on the 'right of first refusal' on page 28 for further information). The landlord would then have to pay you the full market value of the property.

It may be helpful to check with your mortgage provider that they are happy to give mortgages on homes with a rural restriction.

## **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 resell it later.

So, before you decide whether to buy or not, it is a good idea to:

- Speak to people who already own their homes in the building or on the estate. You could ask if they have had difficulty selling.

- Speak to the landlord who may be able to tell you the number of people who have bought flats in a particular block or estate, and whether any of them are having difficulty in selling or might have difficulty in the future.
- Ask estate agents or surveyors in the area whether your flat would be easy to resell, and how this might be affected by a change in the housing market.

## What discount could you get?

Maximum cash discounts are £16,000 - £38,000. Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the previous maximum discounts of £102,400 across England, or £136,400 in London boroughs. See the review of the increased Right to Buy discounts. The level of the maximum discount available depends on where you live, as outlined in the table below.

Region	Maximum Discount
North East	£22,000
North West	£26,000
Yorkshire and the Humber	£24,000
East Midlands	£24,000
West Midlands	£26,000
Eastern	£34,000 Except the district of Watford (£16,000)
South East	£38,000 Except the areas of Reading Borough Council and West Berkshire Council, the districts of Hart, Oxford and Vale of the White Horse and the boroughs of Tonbridge and Malling, Epsom and Ewell, and Reigate and Banstead (£16,000)
South West	£30,000
London	£16,000 Except the London Boroughs of Barking and Dagenham and Havering (£38,000)

Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the previous maximum discounts.

### Qualifying period

Subject to this limit, the amount of discount for which you are eligible depends on the time you have spent as a public sector tenant, with:

- your present landlord
- another 'Right to Buy landlord'
- any of the public bodies listed (see pages 36 - 38).

Discount levels for houses and flats are worked out differently, as described in the tables below.

## House

You get a 35% discount if you have been a public sector tenant for three years. The discount remains at 35% until you have five years public sector tenancy.

After year five, the discount goes up by 1% for every extra year you have been a public sector tenant, up to a maximum of 70% – or £16,000 to £38,000 (depending on where you live), whichever is lower. For example, 10 years tenancy = 40%, 20 years tenancy = 50%.

### Buying a house – regional example

Current house value	£120,000
Years as a tenant	10 years
Eligible discount (35% + 1% for each year over 5 years)	40%
Discount value	£48,000 (capped at cash maximum £26,000 for West Midlands region)
Price you pay for house (£120,000 less £26,000)	£94,000

### Buying a House – London\* example

Current house value	£430,000
Years as a tenant	20 years
Eligible discount (35% + 1% for each year over 5 years)	50%
Discount value (50% discount in this example is £215,000, which is above the cash maximum)	£16,000
Price you pay for house (£430,000 less £16,000)	£414,000

\*Except the London Boroughs of Barking and Dagenham and Havering where maximum discount is £38,000

### Flat

You get a 50% discount if you have been a public sector tenant for three years. The discount remains at 50% until you have five years public sector tenancy.

After year five, the discount goes up by 2% for every extra year you have been a public sector tenant, up to a maximum of 70% – or £16,000 to £38,000 (depending on where you live), whichever is lower. For example, 10 years tenancy = 60%, 15 years = 70%.

Buying a Flat – regional example:

Current flat value	£100,000
Years as a tenant	10 years
Eligible discount (50% + 2% for each year over 5 years)	60%
Discount value	£60,000 (capped at cash maximum £24,000 for Yorkshire Humber region)
Price you pay for house (£100,000 less £24,000)	£76,000

Buying a Flat – London\* example:

Current flat value	£270,000
Years as a tenant	10 years
Eligible discount (50% + 2% for each year over 5 years)	60%
Discount value (60% discount in this example is £162,000, which is above the cash maximum)	£16,000
Price you pay for house (£270,000 less £16,000)	£254,000

\*Except the London Boroughs of Barking and Dagenham and Havering where maximum discount is £38,000

The qualifying period for your discount can include time spent in different homes and with different landlords. The three years do not have to be continuous, as long as they were all under 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. 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.

Any period spent in armed forces accommodation can count towards the three-year qualifying period for Right to Buy and the qualifying period for the discount. A tenant can also count this time if their spouse or civil partner was a member of the armed forces and they lived with them in this accommodation. If a tenant currently lives in armed forces accommodation, you do not have the Right to Buy.

If you are buying jointly with someone who has a qualifying period longer than yours, you will get their higher rate of discount (subject to the limit). If you have taken part in a mutual exchange, you will retain your own tenancy history (not the other tenant's).

## Things that could affect the discount amount

### **The cost floor rule: the cost of work carried out by your landlord on your home**

Your discount may be reduced by a rule called the 'cost floor'. This may apply if your home has recently been purchased or built by your landlord, or they have spent money on repairing or maintaining it. Where the cost floor is higher than the sale price or higher than the market value, the discount amount is adjusted.

If the cost of works carried out over the period is greater than the market value of your home, you will not receive any discount. This period is 30 years regardless of when your home was built or acquired by your landlord.

Please note however that if you successfully lodged an application with your landlord prior to 21 November 2024, the cost floor period will be 10 years, or 15 years if your home was built or acquired by your landlord on or after 2 April 2012.

If you are buying under the Preserved Right to Buy (see Annex 2 on page 41 for details), the cost floor period is 15 years regardless of when it was built or acquired.

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.

### **Previous Discounts**

If one or more of the applicants has previously benefited from a discounted sale on another property, either with your current landlord or with another public sector landlord, this will be deducted from the discount amount. If the previous discounted sale was shared, a proportion of



the discount they received is deducted for each party who is joining in the current application.

# The costs of buying

## Mortgages and Loans

Buying your home is a major financial commitment. As well as paying for it (upfront in cash or with a loan), you will also have to maintain it.

There is nothing in law that specifies how a Right to Buy purchase should be financed, provided they are from a legitimate source. A family member (or someone else) could provide the funding for the purchase. However, legal ownership of the property can only be in the names of the eligible tenant/s and other eligible applicants.

Unless you are going to buy your home with cash, you will need a mortgage (a loan used to buy a property). There are various kinds of mortgages, which your bank or building society can tell you about. An independent financial adviser (IFA) or mortgage broker may also be able to help. The process you will go through to obtain a mortgage is regulated by the Financial Conduct Authority (FCA). You can use the following link to check that the bank, building society advisor or mortgage broker you want to talk to is regulated by the FCA – [www.fca.org.uk](http://www.fca.org.uk).

The type of house or flat that you are buying might affect mortgage availability. Some lenders do not lend on certain properties. For example, flats in high-rise blocks, or in blocks of non-traditional construction, or properties on large or run-down estates. This means you might have fewer mortgage products available to you. Even if you do not need a mortgage yourself, you might find it difficult to move on later if people wanting to buy your home cannot get a mortgage.

There are different mortgage options available from different lenders. For example, some will treat your Right to Buy discount as your deposit, while others will not. A landlord cannot deny your Right to Buy application if you do not have a mortgage in principle although they may ask for this as part of their anti-money laundering checks.

You will have to repay the mortgage, plus interest, by instalments (usually, monthly ones). In general, mortgages must be repaid over a period of 25 years, but the period can be longer or 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. If you sell your home later, you can use the money from that sale to pay off the rest of your mortgage. However, you must 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 can sell it.

## Important things to consider before buying your home

It is worth noting that as a tenant, you may be able to claim housing benefit to help pay your rent. You cannot claim this to help pay your mortgage costs.

If you cannot 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.

You also need to think about what would happen if you bought your home with other people, such as family, and their circumstances change.

If you lost your income through unemployment, you may be entitled to Support for Mortgage Interest to help with your mortgage costs (interest only) and service charges. There are restrictions on the help available, and you will need to satisfy the conditions of entitlement.

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

You must also be aware that the value of your home can go down as well as up. Before borrowing money to buy your home, take time to consider all the costs involved and the choices available. You should get independent financial advice to help you decide whether buying your home is the best option for you.

You should compare the loan deals on offer before making up your mind. Get independent information by reading publications such as *What Mortgage*, or *Your Mortgage*, or talk to an independent financial adviser.

Before agreeing to any offer or deal through a financial adviser, ask the adviser if:

- they are regulated by the FCA
- who they work for
- whether they sell mortgages or other financial services
- whether they get a commission for selling you a particular product

Make sure that you understand what any deal means for you, before signing. In particular:

- Do you fully understand the terms and conditions?
- What is the interest rate? And what happens to your mortgage payments when the interest rate changes – for example, does your payment change when your mortgage interest deal runs out?
- What happens if you miss any repayments?
- What would it cost to repay the loan early – and does the deal let you do that?
- What are the fees for setting up your mortgage or loan, for example arrangement and valuation fees?
- What happens if you sell your home?

Resist any pressure to agree on the spot. Go away and think before signing anything. Can you afford the loan, and the other cost of buying and looking after your home? What would happen if you lost your job, or fell ill? If you are buying a flat or leasehold house, consider the service charges you will have to pay as a leaseholder (these are explained in Annex 4), which could be substantial.

## **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 they think your home is worth when you apply to buy it. There is no charge for this service. They will then calculate the price they think that you should pay.

## How much can you borrow?

- This depends on your personal circumstances, such as your income, your outgoings, whether you are buying alone or with someone else.
- The type of property you live in can also affect whether you can get a mortgage – for example, some lenders will not lend money on a flat in a high-rise block.
- The period of the mortgage you agree with the lender 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.
- Even if you do not need a mortgage yourself, it is 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.

## One-off costs of buying your home

There are some one-off costs when buying your home, as well as ongoing costs. Costs below are correct at time of publication and are only provided as a guide.

Before borrowing money to buy your home, take time to consider all the costs involved and the choices available. You should get independent financial advice to help you decide whether buying your home is the best option for you.

**The Money and Pensions Service** is a free, impartial service, set up by the Government, to help people make informed choices about managing their money. You can get useful information from their website, [www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk) or you can telephone them on 0800 138 7777. See pages 32 and 33 for more information on useful contacts.

If you are approached by a person or company offering to help you buy your home, you should consider what is in it for them and talk to your landlord before signing up to any deal. Sometimes, tenants are asked to pay a lot of money for things that landlords will do for nothing – for example, Right to Buy application forms are available free from landlords or can be downloaded from <https://www.gov.uk/right-to-buy-buying-your-council-home/applying>.

### Legal Fees

You will need to employ a solicitor or a licensed conveyancer to look after the legal side of buying your home (e.g. searches, land registry fees, deeds etc). Costs can vary, typically £500-700. Your landlord or a Citizens Advice Bureau (see page 30 for contact details) can advise on firms,

alternatively a list of firms can be found at <https://solicitors.lawsociety.org.uk/>. Before employing anyone, always ask how much their advice will cost.

When a sale is completed, you must pay the Land Registry to register you as the new owner. You can get more information on this from <http://www.landregistryservices.com>.

### **Survey**

You may want to have an independent survey of your home done to highlight any problems (such as repairs) before you buy. This can cost between £400 and £1,500 for a basic valuation survey.

You should consider one of the following surveys:

- A Royal Institute of Chartered Surveyors (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. The cost of this may start at £400.
- 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. The cost of this may start at about £400, but it could be considerably more, and may not be available if your home is a flat.

You can get more information about both from the RICS at [www.rics.org/usefulguides](http://www.rics.org/usefulguides). Your lender may be able to arrange for its valuer to carry out the survey, which could save you paying for a separate valuation.

If you are looking to get a survey done independently, this should be done after you receive your section 125 notice (the offer notice that is 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 houses have been officially designated as 'defective' under Part 16 of the Housing Act 1985 (described on page 12). Your landlord is legally obliged to tell you if this designation applies to your home.

### **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. Eligible first-time buyers may also be exempt. Further Information on Stamp Duty and a calculator for working out the amount of stamp duty you will need to pay can be found at: <https://www.gov.uk/stamp-duty-land-tax/residential-property-rates>.

### **Other potential costs**

Some companies offer tenants money up front in a deal under which the company ends up owning the property – this is known as a deferred resale agreement. This is good for the company, which can charge a higher rent than your landlord could when it let the property. However, it is not always good for tenants, because the money they get may not be enough to buy another home. Some

tenants have found themselves homeless after agreeing to such deals. Also, if you enter into a deferred resale agreement, you may have to repay your Right to Buy discount.

## Other regular costs of home ownership

- **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. If you are a leaseholder, 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 may want to insure the contents of your home against theft and other risks.
- **Life assurance:** This may be 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 mortgage debt.
- **Income protection insurance:** You need to think about how you would meet your mortgage repayments if you lost your income, for example through unemployment or ill-health. Income protection products such as mortgage payment protection insurance may give you extra security.
- **Maintenance and repairs:** 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 is 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. If you are a leaseholder, you may be required to do certain things, such as paint every few years.
- You may pay **water charges** as part of your rent. But if you buy your home, you will have to pay these separately to the water services company. Therefore, to compare the weekly costs of buying with those of renting, you must deduct your landlord's charges for water from your rent.
- **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 will 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 Annex 4 - Right to Buy Service Charges). 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.
- **Home improvements for leaseholders:** You may need permission from the freeholder (your current landlord) to make certain changes to your property. These should be set out in your lease – check it carefully with your solicitor before you sign it. The same rules apply to all leases (whether it is a council or a private property).
- **Ground rent:** Following the Leasehold Reform (Ground Rent) Act 2022 ground rent is a 'peppercorn' rent, effectively restricting it to zero financial value. New leaseholders

should not be charged any ground rent.

It is worth noting that once a Right to Buy application has been submitted there may be certain repairs and maintenance work that a landlord does not need to carry out anymore, as the value is based on the condition of the property on the date of the application.

## Buying a flat or leasehold house

In most cases if you buy a house, you will also purchase the freehold and will own the property outright. If you buy a flat or leasehold house, you will usually purchase a long lease. This allows you to live in it for a fixed time, usually up to 125 years. The block will still be owned by a landlord, and they will be responsible for the upkeep of the building as a whole as well as any communal areas and facilities. Your landlord will usually provide services like communal lighting, and cleaning staircases and passageways, and perhaps supplying hot water to your flat.

Any other land that is let together with your home (for example, gardens and garages) will usually be treated as part of your home.

As a long leaseholder (i.e. a tenant under a long lease) you have bought the right to live in your property for a fixed number of years. However, your landlord (who may also be the freeholder) retains the right to enforce the tenant's obligations in the lease and, in a building containing flats, the landlord retains ownership and responsibility for the common parts of the building. This may include other common areas which you have use of under your lease – e.g. a garden. The property will also revert to the landlord when the lease expires, unless either the freehold is purchased (enfranchisement), the lease is extended, or rights to stay on in the property as a renting tenant are exercised.

If you have a long lease on a house that you bought under the Right to Buy, you will normally be able to enfranchise, except where the freehold is owned by a charity and your immediate landlord is a housing association, or you have a shared ownership lease. Special rules apply to long leases bought under the Right to Buy and you should seek legal advice if you have this type of lease.

The costs associated with being a leaseholder are outlined above and in Annex 4 - Right to Buy service charges. The Leasehold Advisory Service (LEASE) provides free, independent information and advice on being a leaseholder [www.lease-advice.org](http://www.lease-advice.org).

# The Right to Buy Application Process

This section aims to take you through each stage of the process of buying your home once you have considered your eligibility and the associated costs of homeownership. A full application timeline is included at the end of the section.

## Step 1: Applying to buy

Start by asking your **landlord** for the Right to Buy application form (Form RTB1). The RTB1 form can also be downloaded from the GOV.UK site at <https://www.gov.uk/right-to-buy-buying-your-council-home/applying>. Some local authorities now only accept RTB1 forms via their own online portals. You should check if this is the case for your landlord via their website.

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

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

Make sure you have the following information to hand before you fill in your application form. Our Right to Buy Agents can help you complete the form.

### 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.

### THE TENANT(S) AND FAMILY MEMBER(S)

- The full names of everyone listed on your tenancy agreement (or 'rent book'). Remember to tick the boxes to say whether the property is each tenant's only or principal home, and if they wish to buy. Not all tenants within a joint tenancy 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 member, and be over 18. Wider family members must have lived in the property as their only or main home for at least the last 12 months.

### 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. If you are unsure of tenancy dates, you can put down estimates or call your landlord for more information.

### 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 any discounted government scheme on another home. Include the full address of the property purchased.



## **TENANT 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 do not pay twice.

## **SIGNATURES**

- Signatures of all tenants. Make sure all tenants sign in the correct place.

### **When you have filled in the form, return it to your landlord.**

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.

Landlords cannot charge a tenant for any costs associated with processing a Right to Buy application, including postal fees.

Some landlords may have other forms they would like you, or others participating in the Right to Buy application (joint tenants and family members), to complete, such as funding forms to ensure money is not coming from illegal sources.

Your landlord may ask for information from you and others participating in the purchase about your income, savings and details of any mortgage offer provided by a financial institution.

Be wary of other people offering you forms, especially if they ask you to pay for them. If you have trouble getting a form, contact the Right to Buy Agents.

## **Step 2: Your landlord's Response Notice**

Having received your claim form, your landlord must send you a notice (Form RTB2) telling you whether you have the Right to Buy. You should get this within 4 weeks of 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 3 years).

If your landlord says that you do not have the Right to Buy your home, they must explain all the reasons why. The property may be one of the exceptions listed on pages 8 - 11. If you do not agree with their explanation, you can get advice from a Citizens Advice Bureau (see page 33 for contact details) or from a solicitor. If you are still not satisfied, you can write to the MHCLG at the address given on page 2 of this booklet.

## **Step 3: Your landlord's Section 125 Notice**

If your landlord has agreed to sell your home to you, they 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. They 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 leasehold house.

The Section 125 Notice is an important document, and you should read it very carefully. It will tell you six 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, the cost of these are not allowed to put the price up. If your discount is reduced by the discount limit or the cost floor, the notice must say so. It is not specified in legislation that a landlord must attend a property to value it. You do not need to pay for the first valuation.
- 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 leasehold house.
- The length and expiry date of the lease if it is a flat or leasehold house.
- 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.

You have up to 12 weeks to accept your landlord's offer. It is during this time that you will need to arrange a mortgage or loan, get a survey, and hire a solicitor for conveyancing, etc. It is also time to get independent financial and legal advice (if you have not already) and check you understand all the costs before you sign anything

#### **Step 4: Resolving questions about the Section 125 notice**

If you want to question anything in the Section 125 notice (the valuation of your home, size of your discount, the effect of the cost floor, service charges, conditions of sale, your home's boundaries etc.), you should contact your landlord. If you and your landlord disagree about something, you have the right to go to the county court for a ruling. But this can be expensive, and you should get legal advice first.

#### **APPEALING TO THE DISTRICT VALUER**

You may feel that what your landlord thinks is the full market value of your home is too high. If so, you have a right to obtain an independent valuation from the District Valuer.

Before doing so, you must tell the landlord, within 3 months of receiving the Section 125 notice, that you want a 'determination of value' under Section 128 of the Housing Act 1985 (<http://www.legislation.gov.uk/ukpga/1985/68/section/128>).

You then have 4 weeks to put your case to the District Valuer. You will not have to pay for this service.

A District Valuer will then need to inspect your home. The District Valuer's valuation will be the one that counts, even if it is higher than the landlord's valuation. You will have to accept it or withdraw

your application to buy your home unless you or your landlord meet the criteria to request a review of the District Valuer's determination. A review can only be requested if there has been a significant factual error in the determination, or the District Valuer did not take into account representations made by the tenant or the landlord in relation to the determination. Both landlord and tenant have 28 days to request a redetermination in writing to the district valuer. Once an appeal has been submitted the district valuer has 14 days to advise whether they will be carrying out a redetermination.

### **Step 5: Enquiring about a mortgage**

**If you may need a mortgage, you should talk to an independent mortgage adviser or a mortgage lender such as a bank or building society. It is also a good time to get independent financial advice on the costs of buying and maintaining your home.**

### **Step 6: Getting a survey**

Before you finally decide to buy, you may want to get an independent survey from a qualified surveyor. When you apply for a mortgage, the bank or building society will have a survey done, but this is only to value your home. It may not uncover any structural problems that may exist. Further information can be found on page 12.

### **Step 7: Getting financial and legal advice**

Before deciding whether to buy, you should get legal advice from a solicitor or licensed conveyancer, particularly if you have worries about the terms of the sale. If you do not know a solicitor or a licensed conveyancer, you might ask your landlord, or your bank or building society to suggest one. Your landlord, bank, building society or a Citizens Advice Bureau (see page 30 for contact details) can advise on firms, a list of firms can also be found at <https://solicitors.lawsociety.org.uk/>. Before employing anyone, always ask how much their advice will cost.

### **Step 8: Telling your landlord what you want to do next**

You will see that you have a lot of choices at this stage. The information contained in your Section 125 notice may not be straightforward and easy to understand. You will now have to decide if you want to:

- buy your home outright for the full Right to Buy price, less any discount for which you are eligible; or
- choose not to buy your home, withdraw your application, and carry on paying rent.

If you decide to withdraw your application, please notify your landlord using the Notice of Intention (Form S125D). Alternatively, you can get your solicitor or representative to do this for you.

When you have decided, you must tell your landlord in writing. You must let them 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. Alternatively, if you meet the criteria to request a review of the District Valuer's determination, this must be done within 28 days of getting the determination.

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 do not want to buy, and your application will not be dealt with any further. You will be served with a Default Notice (S125E).

If for any reason you are not able to decide what you want to do within the time limit, you can ask the landlord to wait a bit longer for your reply. Where the landlord considers it reasonable, they have the discretion to extend the 28 days default notice period. This can be done as often as the landlord considers appropriate.

### **Step 9: Arranging a mortgage**

If you need a mortgage, this is when you should go back to your independent mortgage adviser or mortgage lender to make the formal arrangements.

### **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 does not 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 do not, your landlord may send you a second notice asking you to complete your purchase. If you then do not complete, your application will not be taken any further.

Your landlord cannot send you a warning notice until at least 3 months after they send your Section 125 notice. It will help things to go smoothly if, throughout the process, you or your solicitor keep the landlord informed of your circumstances, such as how you are progressing with raising funds or on any other issues that may delay the purchase.

If you were accepted as a family member on the RTB2 form, alongside a named tenant that has sadly passed away during the application process, you are deemed a secure tenant and are able to continue the claim for the Right to Buy. However, if they were the sole applicant on the RTB2 form, this provision does not apply.

### **Withdrawing from the scheme**

You do not 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 do not want to buy, and you will have to start again. Also, you should be aware that if the value of your home increases in the meantime you will have to pay the new higher price.

## Application timeline

**Landlord Response Notice (RTB2)**- landlord must reply within 4 weeks of receiving RT1 form (or within 8 weeks if you have been a tenant of your landlord for less than 3 years).



**Offer Notice (Section 125 Notice)**- landlord must send within 8 weeks of receiving RTB2 form if your home is a house or you are buying a freehold, or within 12 weeks if your home is a flat or leasehold house.



**Appealing to the District Valuer**- tenant must inform landlord within 3 months of receiving the Offer Notice (Section 125 Notice) if they want a 'determination of value'.



**Case to District Valuer**- case must be put to District Valuer within 4 weeks of informing landlord that you are appealing the value of your house/flat.



**Decision on whether to buy**- tenant must tell landlord their decision within 12 weeks of receiving the Section 125 Notice or within 12 weeks of house being valued by District Valuer. Alternatively, if you meet the criteria to request a review of the district valuer's determination this must be done within 28 days of getting the determination.



**Reminder from landlord**- If you do not reply to the landlord in the time scales above the landlord will issue a reminder. Tenants then have 28 days to respond before application is then cancelled

## Delays or problems with the sale

Most sales go through quickly, but sometimes there are problems or delays. If your landlord does not send you an RTB2 form (the notice telling you if you have the Right to Buy) or the Section 125 notice (offer notice) within the timescale mentioned in the step-by-step guide above, or is otherwise delaying the sale, you may be allowed a reduction in the purchase price.

To get this reduction, you first need to fill in an initial notice of delay (Form RTB6) and send it to your landlord. You should say what action your landlord took last, as far as you know, in dealing with your application and give your reason for saying that the landlord is causing delay by ticking A, B or C on the form. You must give your landlord at least one month to take the next step in the sale process. Your landlord may send you a counter notice if they have already served you with a Response Notice or a Section 125 Notice, or if there is no action that can be taken by them to speed up the sale.

If your landlord does not send you a counter notice within the time allowed, you can send the landlord an operative notice of delay (Form RTB8). The rent you pay while the delay goes on may then be taken off the price you have to pay for your home, but you must continue to pay rent. Payments in respect of council tax or service charges do not count as rent. If the landlord delays the sale again, you can repeat this procedure.

If you decide to go ahead, your landlord has to complete the sale of your house or flat to you as soon as all the details have been settled. There are **no set time limits** for this, but you can use the delay procedure if you think that delays by the landlord are holding up your purchase.

You can get the delay forms from either your landlord, the Right to Buy Agents Service (see contact details on page 32) or from GOV.UK (<https://www.gov.uk/right-to-buy-buying-your-council-home/delays>).

If there are any other problems with the sale and you cannot settle them with your landlord, you can get advice about your rights at the Citizens Advice Bureau (see page 33 for contact details) or from a solicitor.

Delays can get complicated, particularly if your landlord does not agree that the delay is their fault. It is a good idea to keep copies of everything, confirm proof of postage, such as using recorded or registered delivery, or if you deliver it in person get written confirmation from the person you gave it to. This will reduce the likelihood of any dispute over the dates on which forms were sent, as you will have evidence.

## Complaints Process

If you are concerned about whether your landlord has appropriately dealt with your Right to Buy application, you can make a complaint through their complaints procedure. If you are not satisfied with the outcome of this complaint, you may wish to raise their concerns with the Housing Ombudsman. Details of how to do this are available at: <http://www.housing-ombudsman.org.uk>.

## Resale

Many people will have no trouble selling their house or flat, but the housing market changes, and lenders may change their minds about what type of property they will offer a mortgage on. A house or flat may be easy to sell one year, but hard to sell another year at the price you need. For example, some people in high-rise blocks, system-built blocks, or on large estates have had difficulty in the past.

If you are unable to sell your home and you need to move, you can talk to your former landlord. In a very few cases your landlord may be willing to buy your flat back or offer to sell you another more suitable property in exchange. But you should not rely on this, because the landlord is under no obligation to buy back the property.

If the landlord is willing to buy back the property, you may be offered less than the house or flat's actual value and this could be less than you paid for it.

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.

### Right of first refusal

If you purchase your home under the Right to Buy scheme and you wish to resell or dispose of it within 10 years, you will first have to offer it for sale 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 (the government 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.

### Repayment of discount

If you have bought your home under the Right to Buy, you can sell it whenever you like. However, if you sell within the first five years of ownership, you will usually have to repay some or all the discount.

You will have to pay back all the discount if you sell within the first year. After that, the total amount you pay back reduces to:

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

After 5 years, you can sell without repaying any discount.

The amount of discount to be repaid if you sell within 5 years of purchase will be calculated as a percentage of the resale value of the property, disregarding the value of any improvements.

For example, if your home was valued at £125,000 at the time you bought it from your landlord, and you received a discount of £50,000, that means that your discount was 40%.

If your home is valued at £160,000 when you wish to sell it, and you sell within the second year of purchase, you will have to repay an amount of the same percentage of the sale price. In this case, as the initial discount was 40%, and selling in the second year required four fifths of the discount to be paid back, the amount needing to be paid would be four fifths of 40% of £160,000, which is four fifths of £64,000, or £51,200.

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

## Further help with Right to Buy

If you have difficulty getting a copy of the Right to Buy application form or require further information or advice, contact your landlord. You can usually find the contact details for your landlord on their website.

In addition to this guide there are several resources available to support you in delivering Right to Buy including:

- GOV.UK: <https://www.gov.uk/right-to-buy-buying-your-council-home>

Alternatively, you can contact:

**Right to Buy Agent Service**

Email: [enquiry@righttobuyagent.org.uk](mailto:enquiry@righttobuyagent.org.uk)

Telephone: 0300 123 0913

The Right to Buy Agent service offers free advice on things like:

- the Right to Buy and Preserved Right to Buy process
- eligibility
- filling out your application form
- where you can get financial and legal advice



- what to do if your application is delayed

If you need further support, please contact:

**Ministry of Housing, Communities and Local Government**

Right to Buy

Fry Building

2 Marsham Street

London, SW1P 4DF

Email: [RTB@communities.gov.uk](mailto:RTB@communities.gov.uk)

**Other Help**

For free, impartial advice about money contact:

**The Money and Pensions Service**

Website: <http://www.moneyandpensionservice.org.uk>

Telephone: 0800 138 7777

For free, impartial advice on leasehold law and rights (flats and leasehold houses), contact:

**The Leasehold Advisory Service (LEASE)**

Website: <http://www.lease-advice.org>

Email: [info@lease-advice.org](mailto:info@lease-advice.org)

Telephone: 020 7832 2500

For information on mortgage lenders contact:

**The Financial Conduct Authority (FCA)**

Website: <http://www.fca.org.uk>

Telephone: 0800 111 6768

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

- <https://www.gov.uk/stamp-duty-land-tax>

If you want to know about your rights, you can ask:

- Citizens Advice (<https://www.citizensadvice.org.uk/>) or a solicitor

If you disagree with your landlord about buying your home, you can contact Right to Buy Agents or the MHCLG.

# Annex 1

## Frequently asked questions on Right to Buy

### What is Right to Buy?

The Right to Buy was introduced in 1980 and gives eligible social housing tenants the right to buy their home at a discount.

### How do I know if I am eligible for the Right to Buy

You probably have the Right to Buy if you are a secure council tenant and have spent at least 3 years as a public sector tenant. The 3 years does not have to be continuous, and you can add together any time you have spent as a public sector tenant. A public sector tenant is someone whose landlord is a public body such as a council, housing association or government department.

Eligibility criteria also includes having no legal issues with debt, outstanding possession orders and no history of tenancy fraud. You should be aware that some properties are exempt from Right to Buy. Your eligibility would be confirmed by your landlord as part of the Right to Buy application process.

### I am a housing association tenant; do I have the Right to Buy?

You might have – most housing association tenants do not currently have the Right to Buy, but if you were a secure council tenant and were living in your home when it was transferred from the council to another landlord, like a housing association, then you may have a 'Preserved' Right to Buy. If you do, then you can buy your home under the scheme in the same way as if you were still a council tenant. Your landlord will be able to tell you whether you have the Preserved Right to Buy.

### What discount am I eligible for?

You could currently get a discount of up to £136,400 if your home is in London or £102,400 across the rest of England, but this depends on how long you have been a public sector tenant. Following the Government's review of Right to Buy discounts, maximum cash discounts will be reduced to £16,000 - £38,000 from 21 November 2024. The level of the maximum discount available will depend on where you live. See the [review of the increased Right to Buy discounts](#). Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the current discounts.

### Are there any other limits on discount?

Yes:

- a rule called the cost floor may apply. Your discount will be reduced to reflect what your landlord has spent on building, buying, repairing, or improving your home over a specific period before you apply to buy; and
- if you have previously bought another council property, any discount that you got then will usually be deducted from the discount that you get when you buy again.

**What is a leaseholder?**

If you buy a house, you will usually buy the freehold. This means you will be the outright owner.

Flats are not usually sold with a freehold. They are usually sold on a long lease, and you become a

leaseholder – there are also some leasehold houses. Normally, this means that you will be responsible for the interior of your home whilst your landlord will be responsible for looking after the structure and the exterior of the block. They will ask you to pay for major repair and improvement works, through service charges. These can be high – sometimes as much as several hundred pounds each year, or even several thousand pounds if your block needs major repairs.

#### **Who values my home if I want to buy it?**

Landlords have to do this. If you think your landlord has valued your home too highly, you have a right to an independent valuation from the District Valuer. But you have to accept their valuation, even if it is higher than the landlord's.

#### **Do I have to complete the purchase within a specified time?**

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 sale with your landlord. But you should let your landlord know as soon as you are ready to go ahead and buy. If they do not hear from you for a few months, you may get a warning notice asking you to either complete the purchase or to discuss any problems.

If you do not respond to this, you may receive a second notice asking you to complete the purchase within a certain time. If you do not do this, your application will be withdrawn.

#### **Can I apply to buy if I have rent arrears?**

Yes, but your landlord is not bound to complete the sale if you have not paid all the rent or any other payment within 4 weeks from the date you were asked to pay it. Also, you may lose your secure tenancy and no longer have the Right to Buy if your landlord has obtained a suspended possession order against your property, as a result of your rent arrears, which you subsequently breach.

#### **Do I need a specific 'Right to Buy' mortgage**

No. You have access to the same mortgage products available on the market as everyone else. Shop around and get impartial advice before making up your mind on the mortgage product that is best for you.

#### **What happens if my landlord delays the sale?**

Landlords have to deal with Right to Buy applications within certain time limits. If there is a delay because (for example) your landlord has not sent you the right form or notice when they are supposed to, you may be able to get the purchase price reduced. There are **no set time limits** for a landlord to complete on the sale, but you can use the delay procedure if you think that delays by the landlord are holding up your purchase.

#### **What if I want to re-mortgage?**

You can re-mortgage your home at any time. However, before doing this, you should talk to your mortgage provider to obtain professional advice (as this may incur a penalty charge) and also if you are considering borrowing extra money.

#### **I have bought my home through Right to Buy. Who is responsible for repairs now?**

If you buy the freehold of your home, you will be responsible for all the costs of maintaining your home, including routine repairs, major structural repairs, and improvements.

If you buy the leasehold (usually the case with flats and maisonettes in larger blocks) you will be responsible for internal improvements and routine repairs. External repairs and improvements and major structural repairs to the whole block will be the responsibility of the freeholder. You will have to pay service charges each year and are likely to have to meet the costs of major repairs and refurbishment, which can be substantial.

### **Can I sublet my home?**

Once you have completed the Right to Buy, you will usually be able to sublet your property. However, if you have a mortgage, you may need to check this with your mortgage provider. If you have bought your property on a leasehold basis, you may also need to check with the owner of the freehold.

### **Can I resell my home after purchasing it under the Right to Buy?**

You may sell your home whenever you like. However, if you sell within 5 years of buying it, you will have to repay some or all the discount that you received. If you sell:

- during the first year, all the discount will have to be repaid;
- during the second year, four fifths must be repaid;
- during the third year, three fifths must be repaid;
- during the fourth year, two fifths must be repaid; and
- during the fifth year, one fifth must be repaid.

The repayment of discount will be a percentage of the market value of the property when it is resold within the first 5 years of purchase (an example of how this works is provided on pages 28 and 29). After 5 years, you can sell without having to repay any discount. However, if you live in a rural area, you may only be able to resell to a person who lives or works locally (see page 11). In addition to this, if you wish to sell your home within 10 years of buying, you must first offer it back to your landlord. Your landlord would have to pay you the full value of your property.

### **What is the Preserved Right to Buy?**

If you are a secure tenant of a local authority, and your home is transferred to a registered provider (for example, a housing association) and you become an assured tenant, you are very likely to still have the Right to Buy.

## Glossary

This is a rough guide to some of the terms you will come across. The definitions given are not precise legal ones.

**Common parts:** The parts of the building or estate which can be used by all the residents, for example, stairs, lifts, paths, communal gardens etc.

**Discount:** If you buy under the Right to Buy, you will get a discount on the market value of a flat of between 50% and 70%. On a house the discount ranges from 35% to 70%.

**Freehold:** Outright ownership of the property and the land on which it stands.

**Ground rent:** Following the Leasehold Reform (Ground Rent) Act 2022 ground rent is a 'peppercorn' rent, effectively restricting it to zero financial value. New leaseholders should therefore not be charged any ground rent

**Land Registry Fee:** A fee paid to Land Registry to register ownership of a property.

**Landlord:** A landlord is a person who owns the property and leases it out to tenants in return for rent payment. In the circumstances of the Right to Buy, this is normally a local authority or a housing association, but a full list is below.

**Lease:** The lease is your agreement with the landlord and sets out your rights and responsibilities.

**Leasehold:** You have the right to occupy the property for a fixed period, but you do not own it outright. This means that when the lease runs out the property returns to the person or body which owns the freehold unless an extension is agreed.

**Major works:** These are works to a building or estate which will cost any individual leaseholder more than £250.

**MHCLG:** The Ministry of Housing, Communities and Local Government who have responsibility for the Right to Buy policy within Government.

**Mortgage:** A legal agreement with a bank or building society to loan you an amount of money at a rate of interest for you to buy or improve your home. If you fall behind with your mortgage repayments, you might lose your home.

**Right to Acquire:** A scheme giving eligible tenants of registered social landlords, for example housing associations, the right to purchase the home they currently rent. Your landlord can tell you if you have the Right to Acquire.

**Right to Buy:** The right to buy the home you live in. This is available to most secure tenants of public sector landlords. Your landlord can tell you if you have the Right to Buy.

**Service Charges:** Charges that you have to pay to your landlord to cover their costs of managing, maintaining, repairing, and possibly improving the structure and exterior of the building.

**Stamp Duty:** A government tax on the purchase price of a property.

**Survey:** Inspection of the property by a qualified surveyor, structural engineer, or architect. A survey carried out by a mortgage lender will value your home but may not discover any structural problems.

## Right to Buy landlords

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

- 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 provider such as a housing association which is registered with Homes England. This only applies if you are a secure tenant; or a former secure tenant of a local authority or another Right to Buy landlord and your home was transferred to a registered provider (see Annex 2: Preserved Right to Buy).

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

- A charity
- A landlord which has not received public subsidy
- A co-operative association
- Homes England

### **Other public bodies**

When working out whether you qualify to buy and the amount of discount to which you are entitled, you may count any periods of tenancy of a house or flat with any of the bodies listed below. You cannot buy your home from most of the bodies listed below, but you can count the time you were a tenant with any of them towards your qualifying period and discount:

- Community councils
- Local authorities
- New town corporations
- Parish councils
- Urban Development Corporations
- Housing Action Trusts
- Registered providers (but not co-operative housing associations)
- Government departments
- Ministers of the Crown
- Secretary of State (in some circumstances)



- Area electricity boards
- Fire and rescue authorities
- Internal drainage boards
- National Health Service trusts and foundation trusts
- Passenger transport executives
- Police authorities
- Water authorities
- AFRC Institute for Grassland and Animal Production
- Agricultural and Food Research Council
- British Airports Authority
- British Broadcasting Corporation
- British Coal Corporation
- British Gas Corporation
- British Railways Board
- British Steel Corporation
- British Waterways Board
- Central Electricity Generating Board
- Church Commissioners
- Civil Aviation Authority
- Coal Authority
- Electricity Council
- English Sports Council
- Environment Agency
- Historic Buildings and Monuments Commission for England
- Housing Corporation
- Lake District Special Planning Board
- Lee Valley Regional Park Authority
- Medical Research Council
- National Bus Company
- Natural England (in some circumstances)
- Natural Environment Research Council
- Peak Park Joint Planning Board
- Post Office
- Science and Engineering Research Council
- Sports Council
- Transport for London
- Trinity House (in some circumstances)
- United Kingdom Atomic Energy Authority
- United Kingdom Sports Council

#### **In Wales**

- Countryside Council for Wales
- National Library of Wales
- National Museum of Wales
- Sports Council for Wales

- Welsh Assembly Government

#### **In Scotland**

- Councils
- Development Corporations
- Housing Associations (in some circumstances)
- Water authorities
- Commissioners of Northern Lighthouses
- Highlands and Islands Enterprise
- North of Scotland Hydro-Electric Board
- Scottish Homes
- Scottish Natural Heritage
- Scottish Sports Council
- South of Scotland Electricity Board

#### **In Northern Ireland**

- District Councils
- Education and Library Boards
- Registered housing associations
- Fire Authority for Northern Ireland
- Northern Ireland Electricity Service
- Northern Ireland Housing Executive
- Northern Ireland Policing Board
- Northern Ireland Transport Holding Company
- Sports Council for Northern Ireland

#### **In respect of housing co-operative agreements**

- In England and Wales, a local housing authority, new town corporation or the Development Board for Rural Wales. In Scotland, a local housing authority.
- And any predecessor of these landlords.

## Annex 2: Preserved Right to Buy

If you are an assured tenant of a registered provider, such as a housing association, in normal circumstances you do not have the Right to Buy (although you may have the right to purchase your home if your housing association has a scheme – ask your landlord if you are unsure).

However, if you were previously a secure tenant of a local authority and you became an assured tenant because ownership of your home was transferred to a registered provider, you may have what is known as the Preserved Right to Buy. This only applies if you were living in your home when it was transferred. It can also apply if you then move to another property owned by the new landlord. The Preserved Right to Buy is lost if you move to a property owned by another housing association or where your tenancy is terminated or when you move to a property in the private sector.

The Preserved Right to Buy operates in a similar way to the normal Right to Buy.

## Annex 3: Right to Acquire

If you are a housing association tenant in England, you could be eligible to buy the home you rent at a discount of between £9,000 and £16,000 on the price of your home. Your landlord will be able to confirm whether you are eligible.

You can apply to buy your housing association home if you have had a public sector landlord for 3 years or more. These landlords include:

- housing associations
- councils
- the armed services
- NHS trusts and foundation trusts

In addition, 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.

However, you cannot use Right to Acquire if:

- you are being made bankrupt
- a court has ordered you to leave your home
- you are a council tenant – you may be able to use the Right to Buy instead
- you have the 'Preserved Right to Buy'
- you are found to have committed housing and tenancy fraud

The amount of discount you will get depends on where you live.

If you sell your home within 10 years of buying it through Right to Acquire, you must first offer it to your old landlord. The property should be sold at the full market price agreed between you and the landlord. If you cannot agree, a district valuer will say how much your home is worth and set the price. You will not have to pay for their valuation. If the landlord does not agree to buy your home within 8 weeks, you can sell it to anyone.

If you sell your home within 5 years of buying it, you will have to pay back some or all the discount. If you sell within the first year, you will have to pay back all 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 will have to pay back 10% of the selling price.

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

For further information, guidance on Right to Acquire is available at:  
<https://www.gov.uk/right-to-acquire-buying-housing-association-home>

## Annex 4: Right to Buy 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 refurbishments. There are two kinds of service charges: annual charges for day-to-day maintenance (these could include the repair or replacement of, the roof, windows, lifts, staircase, or external painting) and 'major works' service charges (a lump sum, which can be £10,000 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 they 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 they have 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.

You have the right to challenge your landlord if you are not happy with the services they provide or think that work they have done is not good value for money. Talk to your landlord as soon as you have any concerns. You should pay any charges you do think are reasonable when they are due.

There is no 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 pay<sup>44</sup> your service charges – 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 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. Further information on service charge loans is below.
- Service charges will usually vary from year to year. When you are given an estimate for the first five years, do not assume they will stay at that level later. **They could go up.**
- The law protects you from service charges that can be shown to be unreasonable. Citizens Advice and the Leasehold Advisory Service (LEASE) can provide free initial advice and information on leaseholders' rights. LEASE is a specialist body funded by MHCLG to provide initial advice and information on a wide range of residential leasehold issues, including service charges. Contact details can be found on pages 29-30 of the guidance.
- Either you or your landlord can ask the First-tier Tribunal (Property Chamber) to decide whether the charges are fair. If they are, you will have to pay them. If you do not pay them, your landlord might look to take your home back, in line with any conditions in your lease.
- Your rights are described in a booklet (Long Leaseholders) that is available free from the MHCLG. If you want a copy, this can be downloaded from: <https://www.gov.uk/government/publications/residential-long-leaseholders-a-guide-to-your-rights-and-responsibilities>; or you can obtain a hard copy by contacting this Department (see page 2).

### **What are my rights after I buy?**

Your lease will set out your rights and obligations. But you also have rights under the law. These include:

- the right to obtain a summary of the relevant costs of any service charges
- the right to look at the documents on which the summary is based
- the right to be consulted about planned major works
- the right to challenge a charge which you think is unreasonable; and
- the right to challenge works or services which you think are not of a reasonable standard.

These rights take priority – even over the terms of the lease.

## Annex 5: Right to Buy Service Charges Loans

As per the above if you own a flat which was originally sold under the Right to Buy scheme in England, you will be the leaseholder of that flat and will have to pay a share of the costs of any repairs and improvements which the freeholder (probably your former landlord) carries out. You may have the right to a loan to help you meet these costs.

You do not have to be the person who originally purchased the flat under the Right to Buy, but your landlord must either be the housing authority which sold the flat (usually a local authority or housing association) or another housing authority.

You do not have the right to a loan if you or a previous purchaser bought your flat under the Preserved Right to Buy. The Preserved Right to Buy applies to housing association tenants who were living in their council home when the council transferred it to the housing association.

If your landlord is a local authority, you can apply to them for the loan. The loan takes the form of a 'right to leave' the service charge outstanding for a specific period. This means that you will make monthly payments to your landlord over the specified period. The payments will include interest.

If your landlord is a housing association, Homes England will give you a loan to enable you to pay your landlord the service charge. You will make monthly payments to Homes England over the term of the loan.

You only have the right to a loan in respect of charges for repairs and improvements carried out by the landlord to the flat, the building of which it forms part or any other building or land, where the charges are payable in the 10 years beginning either: on the day the property was sold under the Right to Buy, or on a date specified by the landlord (this is a date not later than 6 months after the landlord has sent the Right to Buy offer notice).

### **How much am I entitled to borrow?**

You do not have the right to a loan until your service charges in one accounting period total £1,500 or more. The total can include charges for repairs, improvements, maintenance, management etc., although the loan itself can only cover charges for repairs and improvements. Separate service charges bills may be added together for this purpose.

The accounting period is the annual period for which charges are payable under the lease. If no period is specified, it will be the period of twelve months beginning on the date you bought the property and the subsequent twelve-month periods beginning after that.

You may borrow the amount by which the service charges for the accounting period exceed £1,500, but you may only borrow in respect of charges for repairs and improvements. For example, if your charges total £7,000, made up of £2,500 for repairs, £4,000 for improvements and £500 for maintenance, the maximum loan you are eligible for is £5,500 (i.e., £7,000 minus £1,500).

The loan must be for more than £500. You may not borrow more than £20,000 (taking earlier outstanding loans into account).

All the figures mentioned above will be adjusted for inflation by reference to the retail prices index for January 1993 and each subsequent January. Your landlord will be able to provide you with the up-to-date figures.

### **What will be the terms of the loan?**

You will have to repay the loan by equal instalments of principal and interest over three years for loans under £1,500, five years for loans which are for £1,500 or more but less than £5,000, and ten years where the loan is for £5,000 or more. You can choose to pay over a shorter period if you wish.

If your landlord is a local authority, you will have to pay interest at the local authority mortgage interest rate. Otherwise, interest will be charged at a rate which is decided by the landlord. This rate must be reasonable. The landlord can also charge up to £100 to cover its administrative expenses.

The landlord will take a charge on the flat to protect the loan; this is in effect a mortgage.

### **How do I apply?**

Your landlord must tell you whether you will be eligible for a loan when it sends you a demand for service charges. You must let your landlord know in writing within six weeks if you want to take up a loan.

### **What if I intend to dispute the charges with my landlord?**

You can claim a loan while making it clear to your landlord that you do not accept that the charges are right. You can get further help and advice on this subject if you approach your landlord for advice first. MHCLG may also be able to help or, for housing association tenants, Homes England.

### **Other booklets you may need**

There are two other free booklets that may help you.

Before you apply to buy a flat or leasehold house, it is strongly recommended that you read our booklets, *Residential Long leaseholders – A guide to your rights and responsibilities* and *Thinking of buying a council flat*. They can be downloaded from:

<https://www.gov.uk/government/publications/residential-long-leaseholders-a-guide-to-your-rights-and-responsibilities>

<https://www.gov.uk/government/publications/thinking-of-buying-your-council-flat--2>

The Leasehold Advisory Service will give you free, impartial advice and information on buying a leasehold property.

### **The Leasehold Advisory Service (LEASE)**

Website: [www.lease-advice.org](http://www.lease-advice.org)

Email: [info@lease-advice.org](mailto:info@lease-advice.org)

Telephone: 020 7832 2500