

RIGHT TO BUY



**Important information if you
are thinking about buying
your Council house or flat**



STOCKPORT
METROPOLITAN BOROUGH COUNCIL

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Introduction

This leaflet is designed to provide information that may help you if you are thinking about purchasing your home through the 'Right to Buy' scheme. Buying your home is probably the biggest financial decision you will ever make, so take time to consider whether it is the right choice for you.

How much will it cost to buy my property and what is the valuation based on?

The valuation of your property is based on the market value at the date of your application, disregarding any improvements you have made. As each property is valued individually, we cannot provide you with the price before you apply, although you will be able to get a good indication by looking at the cost of similar properties advertised for sale in your area through local estate agents.

How much discount am I entitled to?

The maximum discount that can be applied to the valuation of your property is £77,000 and will increase annually at the rate of CPI (Consumer Price Index). The exact amount of discount will depend on how long you have been a tenant and whether you live in a house or a flat. This means that you will have to find the difference between the valuation and the discount appropriate to your circumstances, and have regard to your other associated costs, including legal, survey etc.

Discount for Houses

A tenant of a house starts with 35% discount. This increases by 1% a year for each year of tenancy after a qualifying period of 5 years, up to a maximum of 70%. So a tenant of 15 years receives 35% + 10% (1% for each of the 10 years after the qualifying period) = 45%.

Discount for Flats

A tenant of a flat starts with 50%. This increases by 2% a year for each extra year of tenancy up to a maximum of 70%. So a tenant of 10 years receives 50% + 10% (2% for each of the five years after the qualifying period) = 60%.

As with houses, the government rules say that the maximum discount you can get is £77,000 regardless of how long you have been a tenant in a house or a flat. The maximum discount cap will increase annually at the rate of CPI (Consumer Price Index).

Will I need a mortgage?

There are many lenders offering different types of mortgages. You must therefore consider all the options so that you can choose the type of mortgage and provider that suits you best. You should take advice from an independent financial advisor. The Financial Services Authority (FSA) will be able to help and can be contacted by telephone on 0845 6061234 and at www.fsa.gov.uk. Remember, if you can't keep up the repayments on your mortgage your lender may go to court to repossess your home.

The Council doesn't provide mortgages for tenants or future buyers.

For example, Mr A has been a secure tenant in a house for fifteen years and the value of the property is £125,000. He will be entitled to 45% discount which is £56,250. This means that Mr A has to find £68,750 to purchase his home. Mr A is able to find £5,000 from his savings, leaving £63,750 to be financed through his bank or building society.

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What other costs are involved?

In addition to the purchase cost of the property (valuation less discount), there are a range of other costs you need to consider. These may include the following:

One off costs:

- Legal fees
- Valuation/Survey fee
- Land Registry
- Stamp Duty.

Additional future annual costs:

- Mortgage repayments
- Life assurance
- Internal upkeep and maintenance (including annual gas appliance test/servicing)
- External repairs/improvements
- Service charges (if applicable i.e. flats and maisonettes).

How much stamp duty will I have to pay?

You may have to pay stamp duty. Stamp duty is a one off tax payment worked out as a percentage of the price you pay for a property that is worth more than £125,000. Currently for properties priced between £125,001 and £250,000, 1% of the price needs to be paid. For example on a £150,000 this would be £1,500.

Please note, these levels of stamp duty are set by the Government and may change.

Can someone else buy my property for me?

The property can only be purchased by secure tenants, or jointly with their spouse and/or members of the family who have lived at the premises for at least 12 months.

I have received a leaflet saying that a company will arrange the 'Right to Buy' scheme for me. Should I trust them?

Be suspicious if anyone tries to tell you that the 'Right to Buy' is going to end, they may be trying to persuade you to do something that benefits them rather than you. Tenants do not always receive good advice from private companies and individuals offering to help them buy their homes. Do not feel pressurised into signing up to an agreement you are not comfortable with, go away and think before signing anything. We would always recommend that you try several lenders to make sure you get good value from your mortgage deal and use a reputable, independent solicitor to conduct the purchase.

Can you afford the loan, and the other costs of buying and looking after your home? What would happen if you lost your job, or fell ill? As a tenant, you may be able to claim housing benefit to help with your rent. As an owner-occupier, you will not receive any housing benefit to help with your mortgage costs.

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Who is responsible for improvements and repairs?

After you buy your home, you alone will be responsible for future decoration, repair and maintenance of the inside of the property and its services. If you buy a house, you will also be responsible for all services to the outside of the property and its grounds.

In most circumstances, if you buy a flat or maisonette, the Council will be responsible for the external repair and maintenance of the block and common parts. The Council may also provide communal services such as lighting, caretaking and district heating.

You will pay a service charge to cover these costs. These charges can vary according to what work is done in a particular year and the level of services provided in that year.

If you apply to buy your property under the 'Right to Buy' scheme you will be taken off any improvement programmes that you are on, such as those for new kitchens, bathrooms or central heating.

You will need to consider how you are going to pay for future maintenance costs when required. As a guide the following table provides estimates of the typical replacement periods and cost for replacing items within the home.

Items	Typical Costs	Typical Replacement Period
Kitchen & Bathroom	£7,000	20-30 yrs
Roof	£3,000	50 yrs
Windows & Doors	£5,000	30 yrs
Boiler	£2,000	15-20 yrs
Gutters & Facia	£1,000	50 yrs

Can I sell my property in the future?

If you have bought your home under the 'Right to Buy' scheme, you may sell it at any time. However, if you wish to sell within the five year discount repayment period, you will have to repay some or all of the percentage discount which is calculated based on the new sale value of the property. If you sell within the first ten years of buying you will be required to offer it as first option to the Council who in turn may offer it to other social landlords in your area.

Who should I contact for further advice?

To find out more information please contact:

The UK Government website

www.direct.gov.uk/righttobuy

Department for Communities and Local Government

Right to Buy, Eland House, Bressenden Place, London SW1E 5DU

Tel: 0303 444 3798

Email: RTB@communities.gsi.gov.uk

Right to Buy Section

Stockport Legal Services, Town Hall, Stockport SK1 3XE

Telephone: 0161 474 3221

Email: righttobuy@stockport.gov.uk

Strategic Housing

Stockport Council, Town Hall, Stockport SK1 3XE

Telephone: 0161 474 4390

Email: Housing.Strategy@Stockport.gov.uk

Citizen Advice Bureau (CAB)

Tel: 0844 826 9800

**A free interpreting service is available
if you need help with this information.**

Stockport Interpreting Unit

0161 477 9000

Email: eds.admin@stockport.gov.uk

Fax: 0161 480 1848

如果你需要他人為你解釋這小冊子/傳單的內容，我們可以提供免費的傳譯服務。請致電 0161 477 9000 或托收特傳譯部。

W przypadku gdybyś potrzebował pomocy odnośnie tej broszurki/ulotki, dostępne są usługi tłumaczeniowe. Prosimy dzwonić do Interpreting Unit pod numer 0161 477 9000.

यदि एहि पुस्तिका/प्रचार पत्रको सामर्थक आपनको केन साहाया बरकार हो अउर बिना बरतेर आपनको जन्य सेवाग्राहिक बरबरा कता हउत शउर। सेवेहवाली करे सिकरपोट ईन्टरप्राइजि इन्डिस्ट्री केन कवन टेलिफोन नमबर, 0161 477 9000.

اگر آپ کو اس آڈیو ڈیسک کے بارے میں کوئی شک و شبہ ہے تو مفت ترجمانی کی سروس دستیاب ہے۔ براہ مہربانی انٹرپرائزنگ یونٹ کو 0161 477 9000 پر فون کریں۔

خدمات ترجمہ رایگان این نشریه/کتابچه در صورت نیاز موجود میباشد. لطفاً با شماره تلفن 0161 477 9000 با واحد ترجمه (اینتراپرائزینگ یونیت) ما تماس بگیرید.

لتوفر خدمة ترجمة شفوية انا تطلب مساعدة في فهم هذا الكتيب/النشرة. ترحو الاتصال اربن ريشول على رقم الهاتف: 0161 477 9000.

**If you would like a copy of this document in large
print, on audio tape or in Braille please phone**

0161 474 4614/16

Minicom: 0845 644 4306

Fax: 0161 476 2746

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