



## **Voluntary Right to Buy (VRTB)**

### **What is Voluntary Right to Buy?**

To support the Government goal of helping people into home ownership they have committed to extend the Right to Buy scheme to housing association tenants. This idea is being tested across the Midlands and emh homes is taking part in this pilot.

### **When will the VRTB pilot start?**

The pilot will commence 16 August 2018.

### **Am I eligible for VRTB?**

You could be eligible for a discount under the Voluntary Right to Buy scheme if:

- You are over the age of 18
- You have the Right to Reside in the UK
- You have been a public sector tenant (usually of a council or a housing association) for at least 3 years and have been the tenant of the property that you would like to purchase for at least 1 year
- You are not eligible for the Preserved Right to Buy scheme (if your home was previously owned by Blaby District Council or Erewash Borough Council and was sold to us while you were living in it)
- The property is your only home at the point of sale
- You do not have any current or former rent arrears
- Your home is not due to be demolished or disposed of
- You do not have any outstanding possession orders
- You are not subject to bankruptcy proceedings
- You are not subject to an anti-social behaviour order or notice of intent to seek possession for breach of tenancy conditions
- You do not live in a property contained in an older persons scheme or other supported housing, or that is let under the following tenancies:
  - Rent to Buy
  - Mortgage Rescue
  - Market Rent
  - Starter/One year fixed term probationary
  - Assured Shorthold Periodic

Full eligibility is set out on the Government website: <https://righttobuy.gov.uk>

emh homes will check your details against all of the criteria to ensure you are eligible when you apply to us with your unique reference number from the Government's right to buy website – see below.

### **Is my home eligible for VRTB?**

emh homes has a policy which excludes certain property types. These properties include:

- Properties that are subject to clawback by the local authority as part of a stock transfer agreement

- Properties bequeathed for charitable or public benefit purposes and there are restrictive covenants or other legal agreements preventing the sale of the home
- Properties 'gifted' with covenants restricting the property for the sole purpose of social housing
- Where there are clear restrictive covenants in existing resident contracts around the protection of rural homes
- Where emh homes cannot grant a long enough lease (21 years for a house and 50 years for a flat) or a lease prevents the creation of a further sub-lease
- Housing which is excluded from the VRTB pilot scheme, namely those with the definition of Supported Housing and Sheltered or Housing for Older People. This would generally mean a home designed with special features for people with physical disabilities; a home for people with special needs and that require intensive housing support; a home for people with a mental disorder where social services or other special facilities are provided.
- Properties with a major adaptation where no household member requires the adaptation. (Unless the adaptation is obsolete or there is no identified housing register need for the particular adaptation in place.)
- Tied accommodation occupied because the tenant is employed by a social landlord
- Certain specialist properties of historic interest that have special significance to the community, such as almshouses
- Properties due for demolition
- Flats located within a longer term disposal zone as part of our Asset Management Strategy
- Properties that have restrictive covenants in a S106 agreement
- Properties with loan agreements that prevent the sale of the property
- Properties where, after the application of cost floors, would lead to a loss when sold

It should be noted there are a number of homes emh homes owns that cannot be purchased through the voluntary scheme due the nature of these homes and that the customers living in these homes would not be eligible to participate in the scheme. This includes (but not an exhaustive list):

- Hostel and supported housing schemes where license agreements are issued
- Intermediate Market Rent/Market Rent properties where an Assured Shorthold Tenancy is issued
- Rent to Buy products where an Assured Shorthold Tenancy is issued and different purchase arrangements are in place
- Shared ownership properties where a lease is in place and different purchase arrangements are in place

It is also worth noting that the VRTB agreement will not apply to Co-operative Housing Associations.

### **What happens if my property is not eligible for VRTB?**

If your property is not eligible to purchase under VRTB because emh homes has excluded it, we may still be able to work with you to identify another property which does qualify. This could be with emh homes or another landlord in the Midlands. This process is called porting.

### **How does porting work?**

If your property is excluded from VRTB and you decide that you would like to seek an alternative property, emh homes will help you to find an alternative property to purchase that can be sold under the VRTB. We will also provide you with advice about registering for a mutual exchange using HomeSwapper. We will try to help you to find a property that is suitable for your needs and circumstances. If you do 'port' to another landlord, their policy will apply.

**IMPORTANT:** If you find a property and secure finance within 3 months your application will continue, if not, your application will be cancelled.

### **So, if me and my home are both eligible will the sale go ahead?**

Before completing an application form you must first register through the Government's Right to Buy website ([www.righttobuy.gov.uk](http://www.righttobuy.gov.uk)) to receive a unique reference number (URN).

There is a limited amount of funding provided by the Government for this scheme, and so the number of URNs will be restricted. The URN must be included on your application form and emh homes will not accept applications without it.

Further details on the allocation of places for the pilot will be published on [www.righttobuy.gov.uk](http://www.righttobuy.gov.uk) when the pilot launches.

### **Additional Voluntary Right to Buy (VRTB) Information**

**During the application process you will be required to pay an admin fee of £250.00 which is normally only refundable if the sale completes. Please pay attention to the timescales for this process as failure to comply may mean that your application is cancelled and you lose your payment.**

If you choose to sell or sublet the property within the first 5 years of purchase you will have to repay some or all of the Voluntary Right to Buy discount, according to the terms set out in the sales contract.

### **Additional Applicants**

You may apply to purchase your home with up to three family members **over the age of 18**. They must be a spouse, civil partner or family member as defined by Housing Act 1985, Section 186 (see appendix 1) and be able to evidence that they have completed at least 12 months residency prior to submitting the application form to emh homes. Family members who don't live in the property **cannot** be included on the application.

Once the application has been verified and approved by emh homes **you cannot add or remove any applicants** without cancelling the application. If you have already paid the £250.00 fee, this will not be refunded.

The agreement of any tenant who does not want to buy must be obtained before you apply to purchase your home. They should sign the application form where indicated to confirm they understand this and agree to this. Their tenancy will end when you buy the property.

### **Repairs and Maintenance**

Once you make the application any improvements or repairs that are due to be carried out will be cancelled except where the work is required by law to keep the property safe and weather-tight. The reason for this is that the valuation is based on the date the application was made and any improvements or repairs after that date would affect the valuation. Any repairs outstanding at the time the purchase is completed will become the responsibility of the purchaser(s).

### **WARNING - Is someone trying to advise you to buy your home?**

**If you are considering buying your home, application forms and advice on how to complete them are available from emh homes for free.**

If you need advice on any aspect of purchasing your home, **contact emh homes first**. If you are approached by a person or a company offering to help you buy your home please talk to emh homes before signing anything. Some companies have hidden charges which you will end up paying, or you may end up purchasing financial products you did not want or need.

You should also obtain impartial financial and legal advice. Buying your home is a big decision. It's a good idea to find out if you can afford to purchase and maintain your home before you make an application.

**You can get free information and advice from:**

- The Government's Right to Buy website: <https://righttobuy.gov.uk> or helpline: 0300 123 0913
- The Right to Buy agents – a free, impartial source of information funded by the Government. You can phone them on 0300 123 0193 or contact them via the website: <https://righttobuy.gov.uk/agent-service/>
- The emh homes leasehold team. You can phone them on 0300 123 6000
- Your local Citizens Advice

**What is the process?**

- Visit the [www.righttobuy.gov.uk](http://www.righttobuy.gov.uk) website to register for the pilot and obtain your unique reference number (URN)
- Visit [www.emhhomes.org.uk](http://www.emhhomes.org.uk) website and complete the application form for VRTB
- Remember to include your URN. It is a good idea to keep a copy of the completed form
- Within four weeks we will review your application form and evidence you have provided. We may then ask for further information. Once we are satisfied with the information you have provided we will contact you confirming whether you have the Voluntary Right to Buy and whether your property is available for purchase under our Right to Buy policy, this can be found on our website
- If your property is excluded by our policy but you are eligible, we will offer you the opportunity to port to an alternative property
- If we accept your application and your property is available to buy we will notify you and you will then need to arrange an appointment to bring in documents, pay an application fee for £250 and select a surveyor. You need to arrange this within 10 working days of receiving the acceptance letter. If you do not contact us within this time your application will be cancelled
- Please note that the application fee is only refundable at the point of completion of the purchase
- At the appointment you will be asked to select a surveyor to undertake the valuation of your home. We have a list of participating Royal institute of Chartered Surveyors (RICS) qualified surveyors for you to choose from
- Upon completion of the valuation, we will send you an offer notice. This offer notice will set out:
  - The RICS qualified surveyor's valuation of your property\*, your discount and the price you'll pay.
  - Any structural problems the landlord knows about.
  - Any terms and conditions of the purchase.
  - For leasehold properties only, your offer notice will also include an estimate of the service charges that you will need to pay over the next year.

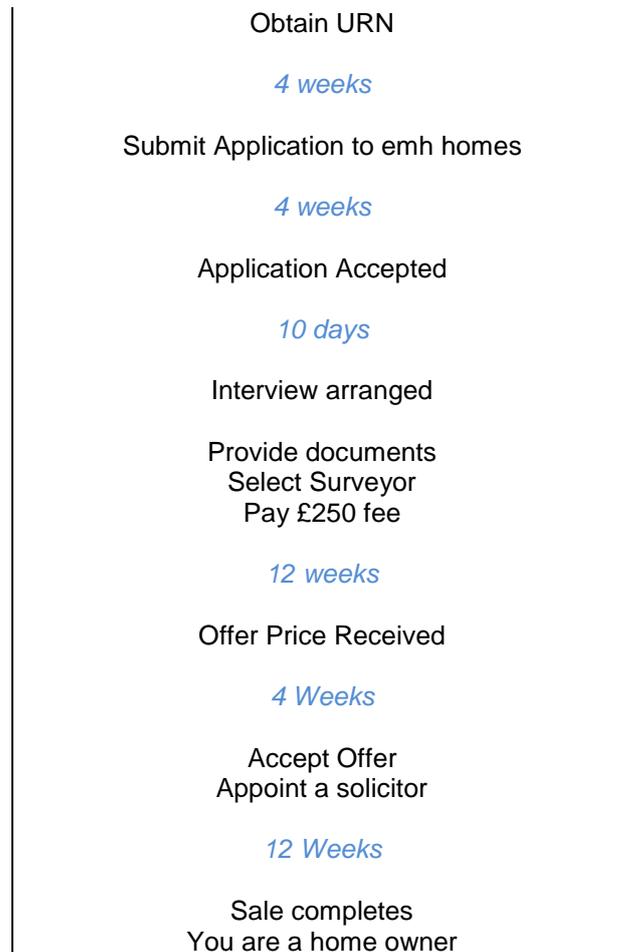
\*If you are not happy with the valuation you can ask for a second valuation at your own cost from another RICS qualified surveyor from the approved list. You may want to check the costs of a second valuation before proceeding.

- You will then need to decide whether you want to go ahead with VRTB you have up to 4 weeks to accept the offer. It is during this time that you will need to arrange a mortgage or loan if you need one, get a survey, instruct a solicitor and get independent financial and legal

advice if you have not already done so. It is important that you understand all costs involved before you accept the offer

- If you do not respond within 4 weeks with the solicitors details your application may be cancelled
- Once you are happy with our terms and have arranged payment for your home you can complete the purchase. It is usually during this time that you pay any stamp duty if applicable and finalise and sign all paperwork. Your solicitor should advise you and help with arrangements for these final stages of the process. This conveyancing stage should be completed within 12 weeks

### **Time line of a successful application**



### **Appendices**

#### **Appendix 1- Housing Act 1985, Section 186.**

*Housing Act 1985, Section 186*

*A person is a member of another's family within the meaning of this Part if—*

*he is the spouse [or civil partner] of that person, or he and that person live together as husband and wife [or as if they were civil partners] , or*

*he is that person's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece.*

*For the purposes of subsection (1)(b)—*

*a relationship by marriage [or civil partnership] shall be treated as a relationship by blood,*

*a relationship of the half-blood shall be treated as a relationship of the whole blood,*

*the stepchild of a person shall be treated as his child, and*

*an illegitimate child shall be treated as the legitimate child of his mother and reputed father.*

## **Appendix 2 – Public sector landlords whose tenancies contribute to Voluntary Right to Buy**

Note. Your time as a tenant of the following list of landlords may contribute to the eligibility period for calculating the voluntary Right to Buy discount. It does not mean that you can buy your home under the voluntary Right to Buy if you are currently a tenant of one of these landlords. If in doubt, please check that your landlord is a party to the voluntary Right to Buy scheme. Some examples of landlords which are included are:

### **England:**

Community Councils	Police Authorities	Water Authorities
Local Authorities	Sectary of State (in some circumstances)	Civil Aviation Authority
British Railways Board	Area Electricity Boards	Environment Agency
Parish Councils	Fire and Rescue Authorities	British Airport Authorities
Urban Development Corporations	Internal Drainage Boards	British Broadcasting Corporation
Housing Action Trusts	National Health Service Trusts and Foundation Trusts	British Coal Corporation / Coal Authority
Registered Social Landlords (but not co-operative housing associations)	Passenger Transport Executives	British Gas Corporation
Government Departments	British Waterways Board	British Steel Corporation