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## **A GUIDE TO BUYING YOUR HOME**

The Southway Housing Trust guide to buying your home using  
the Right to Buy or Right to Acquire

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## Introduction

Thank you for your enquiry about purchasing your Southway Housing Trust home. Did you know there are several schemes available to help you get on the housing ladder? To give you the best possible service we have put together this pack which includes all the information you will need to help you decide what you want to do.

If, after reading the information enclosed, you want to use the Right to Buy (RTB) or Right to Acquire (RTA) scheme to purchase your home contact us for an application form. Return it to us as soon as possible. We'll do the rest.

If the Right to Buy or Right to Acquire are not suitable for you or you want to explore other ways to get on the property ladder you can visit our [Gecko Homes](#) website for information on Shared Ownership, Outright Sales and Private Rent.

Buying your home is a major financial commitment and you should make sure that you receive advice from reputable companies. If you have decided to buy your home using the Right to Buy or Right to Acquire schemes, we will contact you to discuss your application, at this point you can ask us any questions you may have and we will give you any advice we think you may need.

## Getting the Right Advice

We do not charge a fee to administer an application for the Right to Buy. So, if you require free impartial guidance about the 'Right to Buy' scheme, contact us using the details at the end of this booklet our staff will be happy to help you.

You can phone or come and see us as many times as you need to. Alternatively, the Government have a free, impartial Right to Buy advice service. The Right to Buy Agent can offer free advice on things like:

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

You can contact them on: 0300 123 0913 or [email](#) them.

Southway Housing Trust cannot give you legal or financial advice. You will need to employ a solicitor to get legal advice and pay their fees and you may need to get independent financial advice.

## Deferred Resale Agreements

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 we could when it lets the property. But 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.

If you are concerned that you have been approached by a company selling mortgages or other financial services inappropriately or you want general information about credit, debt or mortgages, you can contact the Citizens Advice Bureau [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or Money Advice Service [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) .

## Don't get into debt

Be wary of any company asking you to make payments upfront or pay for application forms. All the forms you need to be able to buy your home are included in this pack free of charge, and any additional forms you require, will be sent to you for free. Just tell us what you need. **If in doubt do not make any commitment unless you have sought independent advice.**

Southway offers free impartial debt advice to all our tenants. If you need advice on debt management contact our Advice Service using the details at the end of this booklet.

## Prevention and Detection of Fraud

Southway Housing Trust has to protect the public money it deals with and will use the information you give on your application form to prevent and detect fraud. We will carry out comprehensive checks at every stage of your Right to Purchase application.

The information you provide may be shared and verified with organisations such as credit reference agencies, Council Tax and Housing Benefit. This is so we can detect and prevent illegal activity, such as fraud and identity theft.

If you apply for the Right to Purchase and either give false/misleading information or withhold information, you may be prosecuted. The RTB1 application form tells you this.

If we uncover evidence of fraud after you have bought the property you can still be prosecuted. In order for us to process your Right to Purchase application you (and all joint applicants) must complete and return our declaration form.

If you are unsure about anything on the declaration, please seek independent advice.

## CORE

Some information that you give us will be shared with the Ministry of Housing, Communities and Local Government via a scheme they call CORE (Continuous Recording of Social Housing Lettings and Sales). A guidance note on how CORE use your data is included with your application pack, please read it carefully.

## Service Standards

In addition to the general service standards you can expect from all Southway Housing Trust Staff, the Southway Homes team has some additional standards that we aim to achieve.

We will check how we are doing against these standards by asking our customers to give us feedback through online or telephone surveys and we will publish the results regularly so you can see just how well we are doing.

When you request an application pack we will:

- Send a pack out within 5 working days of your request
- Tell you how to contact us by telephone, email or in person
- Tell you how to complain or comment on our service

When you submit your application for the RTB or RTA we will:

- Approve or deny your application within 4 weeks\*

*\* the legislation allows us up to 8 weeks and we will contact you if we think it will take this long.*

When you request information we will:

- Provide information in the language or format of your choice
- Provide information in Plain English
- Provide information within 5 working days or tell you if it will take us longer to send it
- Give you free, impartial advice about the RTB & RTA (**we cannot give legal or financial advice**)

## Proving your identity

When you apply for the Right to Buy or Right to Acquire you will be asked to prove your identity and the identity of anyone sharing your Right to Buy / Right to Acquire. The quicker you provide the information we require the quicker your application can be progressed. We are not responsible for any delays caused while we are waiting for you to provide us with supporting documentation.

We will tell you what information you need to provide but if you are unclear please speak to us. **Checking your identity protects you from fraud.**

## Bankruptcy & Credit problems

We will check all applicants against the insolvency register to make sure that applicants are not an un-discharged bankrupt, have a pending bankruptcy petition against them or have entered into an arrangement or agreement with creditors which has yet to be discharged. We will also carry out a credit check in order to confirm that each applicant has the right to purchase the property. Please refer to the section Prevention and Detection of Fraud for information about why we do this.

If you think you may be an un-discharged bankrupt or have other credit problems, you will need to resolve these before applying for the Right to Buy or Right to Acquire. You can check the insolvency register at [www.insolvencydirect.bis.gov.uk/eiir/](http://www.insolvencydirect.bis.gov.uk/eiir/)

## Getting a solicitor

Finding a list of solicitors in your area is easy using the Law Society's helpline or website. To start your search call 0870 606 6575 or visit [www.solicitors-online.com](http://www.solicitors-online.com),

The Law Society leaflet "Your Guide to using a Solicitor" can be obtained by contacting us or visiting the law society ([www.lawsociety.org.uk](http://www.lawsociety.org.uk)) **We cannot give you any legal advice so it is important that you speak to a qualified solicitor.**

## Getting a mortgage or home purchase plan

You can find mortgage advisers on the high street or online. Home purchase plans help you buy your home in a way that doesn't involve paying interest. So they may be of special interest to Muslims who want to buy a home in a way a number of scholars of Islamic law consider acceptable.

If you do not keep up with payments under the terms of your mortgage, your home could be repossessed by the bank / building society and you could be pursued personally for any outstanding charges.

Whoever you secure a mortgage or home purchase plan with should be regulated by the Financial Conduct Authority (FCA) or be agents of regulated firms. Please visit <http://www.fca.org.uk> for information. **We cannot give you financial advice so you must speak to a qualified Financial Advisor or Mortgage Broker in order to get the best deal for you.**

## Getting a survey

We will arrange a survey of your home but this is for valuation purposes only and is **not a full structural survey**. You should have a survey of your home done. These can cost between £250 and £600, or more if your home has any special problems. You should consider one of these:

- **A 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. It is likely to cost around £250-£500.

- **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. It may cost £600 or more, and may not be available if your home is a flat.

You can get more information on Surveys and find a Surveyor in your area by contacting the Royal Institute of Chartered Surveyors ([www.rics.org](http://www.rics.org)).

## Can I Afford to buy?

There are many things you should consider before you apply to buy your home. It is worthwhile making a list of your expenses as a renter and what your expenses will be as a homeowner, we have provided a template at the end of this booklet.

A 2012 Shelter report stated that:

*“Right to Buy borrowers are the most likely to experience arrears and payment problems. One in every 22 has had their home repossessed or a possession order made against it, compared to around one in every 77 across all borrower types”*

it is vital that you consider the costs of homeownership carefully before you buy. Some things you may want to think about are:

### Service Charges

If you buy a flat, you will need to pay Service Charges and contribute toward the maintenance of the block you live in. Service charges can vary and if we need to carry out major work to your home you will have to contribute, this can be expensive.

Please review the service charge information we send you carefully and ask any questions if you are unsure of anything. The booklet “Residential Long Leaseholders” gives you more information about buying a flat. You can download it from the [gov.uk](http://gov.uk) website or ask us for a copy.

### Housing Benefit & Council Tax Support

You may be entitled to housing benefit now to help with your rent payments. You may also be entitled to help paying your Council Tax. However, when you become a homeowner you may not be able to get help paying the mortgage and / or help towards your Council Tax.

If you get into financial difficulty as a homeowner, you might be entitled to claim [Support for Mortgage Interest](#) (SMI). SMI can only help toward your mortgage interest and will not cover the capital loan amount. You must be in receipt of certain benefits before you can apply.

SMI can't help you pay:

- the amount you borrowed - only the interest on your mortgage
- anything towards insurance policies you have
- missed mortgage payments (arrears)

## **Repairs**

As soon as you submit a right to purchase application we will stop carrying out repairs to your property. We will only remedy serious defects or undertake emergency repairs. If you are in receipt of concessionary decorating or gardening services, these services will stop immediately. Once you become a homeowner, you will be responsible for all repairs such as

- internal doors
- heating or boiler breakdowns
- leaks and burst pipes
- lost keys
- general maintenance
- roof repairs
- electrical repairs
- any communal repairs (if you live in a flat)

According to a 2013 study by Halifax Bank, maintenance and repair of an average house costs over £700 per year.

## **Home Insurance**

As a homeowner you will be responsible for buildings and contents insurance, this can cost around £400 per year.

## **Repossession**

In the unfortunate event that you are unable to pay your mortgage and your mortgage lender wants to take possession of the property, you could be liable to pay any repossession or legal costs. If you are not entitled to legal aid you may have to pay your own as well as the mortgage companies legal costs.

## **Being rehoused by the Council after repossession**

You may also struggle to find alternative accommodation. The Council may consider your failure to keep up with mortgage payments make you “intentionally homeless”. If they come to this decision they will only have to re-house you for 28 days and then they will have no obligation to support you to find housing. A private landlord may consider your inability to keep up with mortgage payments risky and you may fail any credit or referencing checks that would allow you to rent privately.

## **Buying a new home after repossession**

You must tell any new mortgage lender that your previous home was repossessed. This could make getting a new mortgage hard. Your previous lender may be able to claim some of the proceeds of your new home if you still owe them money when you sell it.

## **Care home Fees**

If you have bought your home and later in life you need to move into a nursing or residential home, you will be expected to pay for that care out of your savings. Anyone with assets worth over £23,250 including property, is expected to meet the cost of care in full, this is likely to mean you would need to sell your home to fund your care.

Please visit <https://www.wearejust.co.uk/> for further information.



### **Further advice**

We recommend that you visit the Money Advice Service Website for free and impartial money advice [www.moneyadviceservice.org.uk/en](http://www.moneyadviceservice.org.uk/en)

## **Proving you can afford the purchase**

As part of the application process we will ask you to provide evidence of how you are funding the purchase. We ask this to ensure our customers are not getting themselves into debt, being pressured into a purchase or using loan sharks. Making these checks helps to keep you safe.

If you have been on benefits for a while, or simply want some advice on budgeting and money management before you choose to buy your home, please contact the Advice Team on 0161 448 4200.

If you are being pressured into making a purchase, think you are being financially exploited or owe money to a loan shark please speak to us.

## **Frequently asked questions**

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

The Right to Buy (RTB) scheme was introduced by the Government in 1980. It means that you can buy your council home at a discount to the full market value.

If you are a secure tenant of a local authority, and your home is transferred to a Registered Social Landlord (for example, a housing association) and you become an assured tenant, you may still have the Right to Buy, although on slightly different terms.

### **Do I have the Right to Buy?**

You may be eligible for the **Preserved Right to Buy** (PRTB) if you are the tenant of a Southway Housing Trust home and you were a tenant of Manchester City Council before your home was transferred to us in November 2007 (this means that you have a protected tenancy - Check your [Tenancy Agreement](#) if you are not sure if you have a protected tenancy)

There must have been no breaks in your tenancy since transferring from Manchester City Council.

### **What is the Right to Acquire?**

The Right to Acquire is a scheme giving eligible tenants of Registered Social Landlords the legal right to buy the home they currently rent.

### **Do I have the Right to Acquire?**

You may be eligible for the **Right to Acquire** (RTA) if you are a Southway Housing Trust tenant who has joined us after November 2007. You must have been a council or housing association tenant for at least 3 years. Time spent in forces accommodation also counts.

For both schemes you must occupy the property as your only or principal home and your home must be a self-contained property.

### **When wouldn't I have the Right to Buy?**

There are certain circumstances where you would not have the Right to Buy or Right to Acquire. These are:

- If there is a possession order or suspended possession order against you
- If your RTB has been suspended by the court because of Anti-Social Behaviour
- If you are an un-discharged bankrupt, have a pending bankruptcy petition against you or have entered into an arrangement or agreement with creditors which has yet to be discharged

There are other reasons why you may not have the Right to Buy or Right to Acquire and these are explained in the booklet "Your Right to Buy Your Home" or "Guide to the Right to Acquire". If you are affected by any of the exclusion rules we will give you a full explanation of our decision and your right to appeal.

### **Can other family members buy my home on my behalf?**

Family members can provide you with the money to purchase your property. However, the purchase will be in the name(s) of the tenant and any other family members who are living in the property with you for the required 12 months. We will ask for proof as detailed under section "Proving your identity".

### **Why do you carry out credit checks?**

The Trust is committed to ensure that the Right to Buy is only exercised by those people who are genuinely entitled to purchase their home. We have a duty to check for and prevent fraud. To make sure that the Right to Buy or Right to Acquire schemes are not abused we carry out careful checks and we share information with other agencies such as Council Tax and Housing Benefit. If you have questions or concerns about this, speak to us.

### **What if I am a joint tenant but only one of us wants to buy the property?**

If the tenancy is joint, then both people would normally purchase the property. If one tenant does not wish to purchase he / she must sign the form consenting to the other tenant purchasing in their sole name.

### **Can family members help me to buy?**

You may be able to buy jointly with members of your family who have lived with you for the past 12 months, or with someone who is a joint tenant with you.

### **How long does the Process take?**

Each application is different but purchases normally complete within 9 months.

### **How much discount will I get?**

This is based on the number of years you have been a public sector tenant for Right to Buy applicants and is a fixed amount of £10,000 for Right to Acquire applicants. **The maximum Right to Buy discount for the North West increases each year so please check with us.**

### **Do I need to arrange my own survey?**

Yes, we recommend you have a full structural survey of your own carried out, see page 4.

**Will Southway Housing Trust carry out repairs until I complete the purchase?**

No, all programmed work will stop from the date your application form is received. We will still carry out emergency repairs.

**Will improvements to my home be taken into account?**

If we have given permission for you to make improvements, then you should list all improvements you have made to your home and garden on the RTB1 / RTA1. The valuer will take this into consideration and will disregard any improvements you have made when she / he is valuing your home.

If we did not give you permission to make the improvements, we will not take them into consideration.

**Can I appeal if I disagree with the valuation?**

Yes, you can appeal to Southway Housing Trust who will then instruct the District Valuer to carry out another valuation. This must be requested within 12 weeks of you receiving the Section 125 Offer Notice.

**How long do I have to complete the purchase?**

If the purchase is not progressing, we can send you a First Notice to Complete which will give you a further 56 days to complete the purchase.

If the purchase has still not completed within the 56 days we will can send you a Second Notice to Complete which gives you a further 56 days in which to complete your purchase. If the purchase has still not completed within the 56 days, the application will be withdrawn.

**How do I arrange a mortgage?**

We recommend you shop around to find the best deal for you and your circumstances. You need to compare interest rates and the terms of the various Banks/Building Societies. An independent mortgage advisor may be able to help explain the wide variety of mortgages on offer.

**When should I arrange my mortgage?**

We cannot tell you when to arrange your mortgage; you will need to get independent advice on this. However, some mortgage offers have an expiry date and if your RTB / RTA has not completed before the mortgage expires you may have to reapply for a mortgage.

More advice on mortgages is available from the Money Advice Service (see useful contacts).

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

We will not let you complete your purchase if you have rent arrears. This is to protect you and help prevent you getting into more debt. You may lose your secure tenancy and no longer have the right to buy your home if we have obtained a suspended possession order against your property, as a result of your rent arrears. If you have a possession order against you, your application will be denied. Please contact us if you are in rent arrears.

### **Will I still get Housing Benefit?**

If you lose your job and are unable to pay your mortgage you will not necessarily get any Benefits to help you. You may qualify for help 9 months after you become unemployed and if you do qualify for help any payments you get will only cover the interest part of the mortgage.

Whether you get help or not depends on your circumstances. If you are concerned or need some more information you should speak to Manchester Advice on 0161 234 5600 or contact your local Citizens Advice Bureau. If you cannot keep up your mortgage payments, you may lose your home.

### **What costs do I need to consider?**

- All Household bills
- Any structural defects mentioned in the Section 125
- Any programmed work for shared facilities (Major Works)
- All general repairs and maintenance *the Chartered Institute of Surveyors recommends that homeowners set aside 1.5% of the value of their home to spend on repairs and maintenance*
- Buildings and Contents insurance
- Mortgage payments
- Mortgage insurance
- Any Life Assurance
- Solicitors fees
- Structural Survey fees
- Service charges (where applicable)
- Stamp duty
- Any arrangement fees for mortgage lender
- All the expenses you currently have i.e. credit card payments

### **Comments or complaints**

Southway Housing Trust is committed to providing a professional and timely Right to Purchase Sales service and takes its obligation to providing excellent service seriously. If you are unhappy with any aspect of the service, we provide please let us know by writing to us at:

#### **Southway Homes Team**

Southway Housing Trust  
Southern Gate  
729 Princess Road  
Disbury  
M20 2LT

Email: [enquiries@southwayhomes.co.uk](mailto:enquiries@southwayhomes.co.uk)

Telephone: 0161 448 4200

Website: [www.southwayhousing.co.uk](http://www.southwayhousing.co.uk)

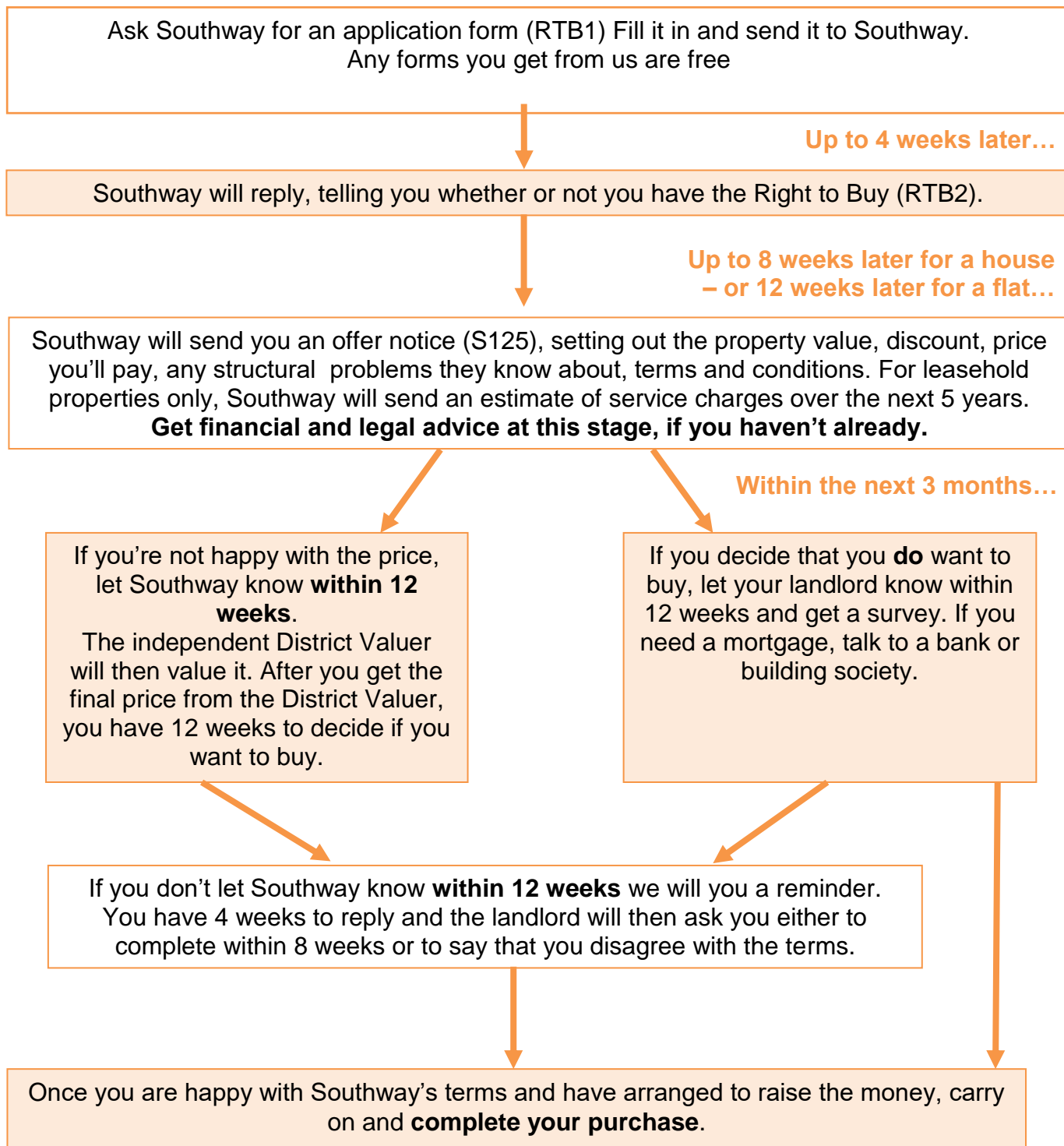
***If you need any information in alternative languages, in Braille or in LARGE PRINT please do not hesitate to contact us. We will do our best to provide the information you need in the format you need.***

## Useful contacts

Name	Website	Telephone
Communities & Local Government	<a href="http://communities.gov.uk">communities.gov.uk</a>	0845 606 1234
Financial Conduct Authority	<a href="http://fca.org.uk">fca.org.uk</a>	020 7944 4400
Gecko Homes	<a href="http://www.geckohomes.co.uk">www.geckohomes.co.uk</a>	0330 995 1333
Homes & Communities Agency	<a href="http://homesandcommunities.co.uk">homesandcommunities.co.uk</a>	0300 1234 500
Law Society	<a href="http://solicitors-online.com">solicitors-online.com</a>	0870 606 6575
Money Advice Service	<a href="http://Moneyadvicevoice.org.uk">Moneyadvicevoice.org.uk</a>	0300 500 5000
North West Help to Buy Agent	<a href="http://www.helptobuynw.org.uk">www.helptobuynw.org.uk</a>	0300 790 0570
National Housing Federation	<a href="http://housing.org.uk">housing.org.uk</a>	0207 067 1010
Plumlife	<a href="http://plumlife.co.uk">plumlife.co.uk</a>	0161 447 5151
Right to Buy Advice Line (Government Service)	<a href="http://righttobuy.communities.gov.uk/agent-service/">righttobuy.communities.gov.uk/agent-service/</a>	0300 123 0913
Royal Institute of Chartered Surveyors (RICS)	<a href="http://rics.org">rics.org</a>	
Shelter	<a href="http://Shelter.org.uk">Shelter.org.uk</a>	
Southway	<a href="http://southwayhousing.co.uk">southwayhousing.co.uk</a>	0161 448 4200

## If you decide to go ahead...

What happens next? Well if you tick the right boxes for the suitability for the Right to Buy and wish to proceed, then this diagram will show the next steps;



## Checklist to help you decide

Deciding whether to buy your home may be one of the biggest decisions you will ever make. Don't rush into it. Use this page to help work out the costs, benefits and possible drawbacks of buying for you.

Cost of buying		Costs of your alternative option (eg costs of renting)	
<b>One-off costs</b>			
Legal fees	£	£	£
Survey fees	£	£	£
Land Registry	£	£	£
Stamp Duty	£	£	£
Other Costs	£	£	£
<b>Future annual costs</b>			
Mortgage repayments	£	£	£
Council tax	£	£	£
Water charges	£	£	£
Insurance (buildings cover)	£	£	£
Internal upkeep	£	£	£
External repairs/improvements	£	£	£
Service charges	£	£	£
Other costs	£	£	£

## Pros and Cons of buying

To help you with your decision making it may be a good idea to consider the pros and cons for the Right to buy your home using the boxes below:

Advantages of buying

Advantages of your alternative option (eg renting)

Possible drawback of buying

Possible drawbacks of your alternative option

Your decision