

A Tenant's Guide: The Right to Buy

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1. INTRODUCTION - THE RIGHT TO BUY

In this Information booklet the term 'the Council' means Wiltshire Council.

Under the Right to Buy scheme, occupiers of council houses and flats owned by Wiltshire Council who are secure tenants may have a RIGHT to buy their homes at a price lower than the full market value. This is because after a length of time spent as a tenant you become entitled to a discount.

This booklet is available to all council tenants, and describes some aspects of the Right to Buy scheme as it works today, so that you can consider whether you have the right to buy your home. You DO NOT have to buy your home, but if you would like to, the information contained in this booklet will be of use to you.

Please note that this booklet is not a substitute for professional advice. We have tried to make it easy to understand. If you require more information then you can download from the council Right to Buy website, or ask the Housing Services Department to send you, a booklet issued by the office of the Deputy Prime Minister called "*Your Right to Buy your home*" and the booklet will give you further information on the law relating to the Right to Buy.

If you wish to exercise the Right to Buy, it is recommended that you seek independent legal and financial advice about your individual circumstances and to help with the legal

process of buying a home. You should also seek independent financial advice about the different types of mortgage that are available.

If you are approached by a person or company offering to help you buy your council home, check out what's in it for them and talk to Housing Services before signing up to any deal.

NO-ONE FROM THE COUNCIL WILL CALL AT YOUR HOME OR TELEPHONE YOU TO TRY AND PERSUADE YOU TO BUY YOUR HOUSE

There have been some changes in the Right to Buy scheme and these changes have been included in this booklet. The Government is totally committed to the principle of Right to Buy but it is concerned that sales are affecting the availability of affordable housing in some areas and that the rules are being exploited by companies.

The maximum discount available to secure tenants exercising their Right to Buy in the Wiltshire area is presently £30,000. The Government has powers to change the maximum discount levels in all local authority areas. Therefore if you decide to exercise your right to buy in the future you should ask the council whether the maximum discount level has altered.

2. IMPORTANT THINGS TO CONSIDER BEFORE DECIDING TO BUY YOUR HOME

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. Examples of things you should consider include:

- If you exercise the Right to Buy you will become responsible for all the costs of maintaining your home, including routine repairs, major structural repairs, and improvements to it.
- If your home is a house you will be responsible for insuring it.
- If you become a leaseholder by buying your flat, you will have to pay service charges each year including a contribution towards the costs incurred by the council in managing leasehold properties, buildings insurance arranged by the council and day-to-day repairs carried out in and around the block. You will also be liable to pay a contribution towards the costs of major repairs and refurbishment of the block of which the property forms a part.
- 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.

3. WHO HAS A RIGHT TO BUY?

You may have a Right to Buy your home from Wiltshire Council if all the following apply to you: -

1. You live in a Council house or flat and have entered into a Secure Tenancy Agreement with the Council. However if you live in a Council house or flat and the Council has granted you an Introductory Tenancy or you live in your house or flat as a Demoted Tenant, you do not have a right to buy your home. An Introductory Tenancy lasts for 12 months and if during that 12 month period you do not break any of the tenancy conditions you will become a secure tenant and will then have a right to buy your home when you have been a tenant for the qualifying period

AND

2. You live in a council house or flat and you are not housed in the property because you are employed by Wiltshire Council OR it is NOT a home especially adapted for disabled or elderly tenants (see exceptions to the Right to Buy on Pages 3-5 below).

AND

3. You live in the council house or flat as a secure tenant and the council house or flat is your ONLY or PRINCIPAL home. So if you own another house or flat you do not have the right to buy your council house or flat

AND

4. If you were a secure tenant of your home before 18th January 2005, then if you have been a secure tenant for a period of TWO complete years you have a right to buy, but if you only became a secure tenant on or after 18th January 2005, you must wait until you have been a tenant for a period of FIVE complete years before you have a right to buy your home

4. EXCEPTIONS TO RIGHT TO BUY

Wiltshire Council can refuse to let you buy your home IF: -

1. A court makes a possession order which says that you must leave your home.

AND/OR

2. If you are an un-discharged bankrupt, have a bankruptcy petition pending against you, or have made an arrangement with creditors (people you owe money to) and you still owe them money.

AND/OR

3. If your home is particularly suitable for occupation by elderly persons, taking into account its location, size, design, heating system and other features and;

- was let to you or the previous tenant for occupation by a person aged 60 or over, whether they were the tenant or not; and
- was first let (to you or someone else) before 1 January 1990

However when considering if your home is 'particularly suitable' for occupation by elderly persons the council must ignore features that you have provided (for example, a central heating system).

4. Other exceptions

You may not have the Right to Buy in the following cases. If your home is:-

(a) part of 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 disabled people 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) A house or flat on land which has been bought for development, and which is being used as temporary housing before the land is developed.

c) provided because you are an employee who has to live in the home provided by the Council as your employer so that you can be near your work.

d) provided because you are an employee of the council and your home is inside the boundaries of a school, a social service home, another type of operational building or a cemetery.

5. If the council intends to demolish your home, the council may serve on you an initial demolition notice, valid for up to 5 years. Such a notice suspends the council's obligation to complete a Right to Buy purchase. If you have already applied for the Right to Buy, you can still complete if demolition does not in fact take place. You can also make a new application while an initial demolition notice is in force, but the council does not have to complete the sale under those circumstances. However, if the council serves a final demolition notice, then any existing Right to Buy claims are ended and no new applications can be made. The council can only serve such a notice if all other premises that 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 on application to the Secretary of State. 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 conveyance process, such as legal or survey fees. If the council subsequently decides not to demolish the property, then the council must serve a revocation notice on you as soon as is reasonably practicable. If it appears to the Secretary of State that the council has no intention of demolishing properties a notice may be served revoking the initial or final demolition notice on you.

6. Rural restrictions

If your home is in one of the following areas:

- a National Park, or

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

then special rules apply. 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 3 years. Alternatively, the council may require you to offer to sell your home back to the council if you wanted to sell it within 10 years of buying it from the council. The Council would then have to pay you the full value of the property on any re-sale during that 10-year period

You may find it difficult to get a mortgage for your home because of these restrictions on resale.

5. HOW TO APPLY FOR A RIGHT TO BUY

This section aims to take you through each stage of the process of buying your home.

Step 1 - Applying to buy

Start by asking the council's Housing Department for the Right to Buy claim form (Form RTB1) or by downloading the form from the Council Right to Buy website. The Council must give you one for free if you ask. Fill in the form carefully. It is used to decide: -

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

(Be wary of people other than the council offering you forms, especially if they ask you to pay them for this.)

When you have filled in the form, return it to the council's Housing Department. Because 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 the council has received the form. You should keep a copy of the completed form for yourself.

Step 2 - The Council's Response Notice

Having received your claim form, the Council must send you a notice (Form RTB2) telling you whether or not you have the Right to Buy. You should get this within 4 weeks from the date on which the Council receives your RTB1 form (or within 8 weeks if you have been a tenant of another social landlord as these tenancies will need to be confirmed). If the Council says that you don't have the Right to Buy your home, the Council will explain why. The property may be one of the exceptions listed on Pages 3-5 of this booklet. If you don't agree with the Council's explanation, you can get advice from a Citizens Advice Bureau (CAB) or from a solicitor. If you are still not satisfied, you can write to the Department of Communities and Local Government at the address given at the back of this booklet.

Step 3 - The Council's Section 125 Notice

If the Council has agreed to sell your home to you, you will be contacted to arrange the following:

- An energy surveyor will contact you to arrange for an Energy Performance Survey. It is a requirement that this is carried out and an Energy Performance Certificate (EPC) obtained, detailing the energy performance of the property.
- A valuer will contact you to carry out a valuation of your home. When the valuation has been carried out the Housing Services Department will send you a Section 125 Notice. This Notice tells you the price you have to pay and the terms and conditions of the sale. The Council must send this Section 125 Notice to you within 8 weeks from your receipt of 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 maisonette. If you are buying a house on leasehold terms, the time limit is also 12 weeks.

The Section 125 Notice is an important document and you should read it very carefully.

It will tell you five main things:

- It will describe the property that you have the Right to Buy.
- It will tell you the price the council considers you should pay for it. To calculate this, the council 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 your discount is reduced by the cash limit, (£30,000.00 at the present time), or, the cost floor (explained on Page 10), the notice must say so.
- If it is a flat or maisonette, 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.
- It will describe any structural defects that the Council knows about.
- It will contain the terms and conditions that the Council thinks should be attached to the sale. These will be set out on a separate sheet known as 'Appendix A'.

Step 4 - Appealing to the District Valuer

When you receive your Section 125 notice, you may feel that what the Council 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 have to tell the Council, within 3 months of receiving the Section 125 notice, that you want a 'Determination of Value' under Section 128 of the Housing Act 1985. To tell the Council this, you can contact the Housing Services Department and request Form TRB5 which should be completed, signed and returned to Housing Services. You have 4 weeks from when you receive this form to return it and the Council will then put your case to the District Valuer. He or she will also need to inspect your home.

The District Valuer's valuation will be the one that counts and sets the purchase price. Even if it is higher than the council's valuation, you will still have to accept it or withdraw your application to buy your home.

Step 5 - Resolving other questions about the Section 125 notice

If you want to question anything else in the Section 125 notice (the size of your discount, the effect of the cost floor, service charges, conditions of sale, your home's boundaries etc), you should contact the Housing Services Department. If you and the Council disagree about something, you have the right to go to the county court for a ruling.

Step 6 - Getting a Survey

Before you finally decide to buy, you should 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.

Step 7 - Getting legal advice

Before deciding whether to buy, you should get legal advice, particularly if you have worries about the terms of the sale. If you don't know a solicitor or a licensed conveyancer, you might ask your bank or building society to suggest one. Your local reference library should also have a list of the solicitors in your area, and details about the type of work they do. You should always ask how much it will cost before you employ a solicitor or licensed conveyancer.

Step 8 - Telling the council what you want to do next

You will see that you have two 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.
- withdraw your application, and carry on paying rent.

When you have decided, you must tell the Council in writing. To help you tell the Council in writing, the Council will have sent you (with the Section 125 Offer Notice) an RTB 20. You should complete this form then sign and date it, and return it to the Housing Management Department

You must return the form RTB20 or a letter advising the Council of 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 the Council what you want to do within 12 weeks of getting that valuation. If you do not let the Council know what you intend to do in time, the Council will send you a Notice of Default. If you do not reply within 28 days, the council will think you don't want to buy, and your application will be withdrawn and will not be dealt with any further.

If for any reason you are not able to decide within the time limit what you want to do, you can ask the Council to wait a bit longer for your reply. If you are unable to decide for a genuine reason (for example, if you were in hospital and you could not return the form in time), you should tell the Council by contacting the Housing Management Department and your time limit may then be extended automatically. You don't have to buy your home just because you have told the Council you want to. You can still change your mind. But if you do not tell the Council what you want to do, the Council will think you don't want to buy, and you will have to start a new application. If the value of your home has gone up in the meantime, then you will have to pay the higher price.

Step 9 - Enquiring about a mortgage

If you need a mortgage, this is when you should talk to a bank or building society.

If you live in a concrete built property (e.g. Reema) the council will consider you for a mortgage, but you should be aware that we will carry out the same credit searches as any other lender. Details of applying for a council mortgage will be included with the s125 Notice. You can obtain details of the terms of a council mortgage at any time.

Step 10 - Completing your purchase

If you are happy with the council'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 the council 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 should aim to let the council know as soon as you are ready to go ahead and buy. If the council doesn't hear from you for a long time, you may be sent a notice that will ask you either to complete the purchase within 8 weeks or to write and tell the council that you disagree with the terms of the sale. If you don't, the council may send you a second notice asking you to complete your purchase. If you then don't complete, your application will be withdrawn and not be taken any further.

It will help things to go smoothly if, throughout the process, your solicitor keeps the council informed of your circumstances, such as how you are progressing with raising the money or any other issues that may delay the purchase.

Delays or problems with the sale:

Most sales go through quickly, but sometimes there are problems or delays. If the council does not send you Form RTB 2 (the notice telling you if you have the Right to Buy) or the Section 125 notice (offer notice) within the times 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 RTB 6) and send it to the council. You must give the council at least one month to take the next step in the sale process. The council may send you a counter notice if you have already been served with a Response Notice or a Section 125 Notice, or if there is no action that can be taken by the Council to speed up the sale. If the council does not send you a counter notice within the time allowed, you can send the council an operative notice of delay (Form RTB 8). The rent you pay while the delay goes on will then be taken off the price you have to pay for your home. If the council delays the sale again,

you can repeat this procedure. You can obtain these forms from the Department for Communities and Local Government.

If there are any other problems with the sale and you cannot settle them with the council, you can get advice about your rights at a Citizens Advice Bureau (CAB) or from a solicitor.

6. DISCOUNT RULES & QUALIFYING PERIOD

The discount rules

The Right to Buy scheme gives secure tenants a discount on the market value of their homes. The longer you have been a secure tenant, the larger discount you get, up to a maximum limit. As previously mentioned, the maximum discount available to secure tenants exercising their Right to Buy in the Wiltshire area is presently £30,000.00. The Government has powers to change the maximum discount levels in all local authority areas. Therefore if you decide to exercise your right to buy in the future you should ask the council whether the maximum discount level has altered.

Qualifying period

Subject to these maximum limits, the level of discount for which you are eligible depends on the time you have spent as a public sector tenant, with:

- this council being your present landlord;
- another 'Right to Buy landlord'.
- and/or with other public bodies

For a full list of Right to Buy landlords and other public bodies - see Page 16

If you have spent 2 years as a public sector tenant in order to qualify for the Right to Buy (this applies to you if you were a public sector tenant before 18th January 2005), the discount available to you after two years is 32% for houses and 44% for flats. If you are buying a house, you are eligible for 1% further discount for each extra year, up to a maximum limit of 60%. If you are buying a flat, you are eligible for 2% additional discount for each extra full year, up to a maximum limit of 70%. But, whatever percentage you are eligible for, your discount cannot be greater than the maximum discount presently set for the Wiltshire area, of £30,000.00.

If you have spent 5 years as a public sector tenant in order to qualify for the Right to Buy (this applies to you if you became a public sector tenant on or after 18th January 2005), the discount available to you after 5 years is 35% for houses and 50% for flats. If you are buying a house, you are eligible for 1% further discount for each extra year, up to a maximum limit of 60%. If you are buying a flat, you are eligible for 2% additional discount for each extra full year, up to a maximum limit of 70%. But, whatever percentage you are eligible for, your discount cannot be greater than the maximum discount presently set for the Wiltshire area, of £30,000.00 .

The qualifying period for discount can include time spent in different homes and with different landlords, so long as these were public sector tenancies. You may also be able to count a period when your husband or wife was a public sector tenant or lived in housing provided by the armed forces. 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.

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 maximum limit).

The table below gives some examples of the discount you could receive on a home worth £75,000. You should note that if any percentage means that your discount calculation exceeds £30,000.00 you will only be allowed a maximum discount of £30,000.00.

Qualifying period Houses or Flats/Maisonettes (in years)

Years	House %	House £	Flat %	Flat £
2	32	24,000	44	33,000
5	35	26,250	50	37,500
10	40	30,000	60	38,000
15	45	33,750	70	38,000
20	50	37,500	70	38,000
25	55	38,000	70	38,000
30	60	38,000	70	38,000
Over 30	60	38,000	70	38,000

7. REDUCTION OF DISCOUNT TO TAKE ACCOUNT OF THE COST OF WORK CARRIED OUT BY THE COUNCIL ON YOUR HOME (THIS IS CALLED 'COST FLOOR')

Your discount may be reduced by a special rule called the Cost Floor. This may apply if your home has recently been purchased or built by the council or the council has spent money on repairing or maintaining it. Under the cost floor, the discount you receive must not reduce the price you pay to a level below what has been spent on building, buying, repairing or maintaining it. If the cost of works carried out over the 10-11 year period is greater than the market value of your home, you will not receive any discount.

8. REPAYMENT OF DISCOUNT

If you have bought your home under the Right to Buy, you can sell it whenever you like. However, if you wish to sell within the 'discount repayment period' specified below you will usually have to repay the discount or a part of it.

If you sell within the first year of purchase, the whole discount will have to be repaid. Four fifths must be repaid if you sell in the second year, three fifths in the third year, two fifths in the fourth year and one fifth in the fifth year. After 5 years, you can sell without repaying any discount. In addition, the amount of the discount to be repaid if you sell

within 5 years of purchase will be a percentage of the resale value of the property, disregarding the value of any improvements.

For example,

- If your home was valued at £100,000 at the time you bought it from the council, and you received a discount of £20,000, that means that your discount was 20%.
- If your home is valued at £150,000 when you wish to sell it, and you want to sell within the second year of purchase, you will have to repay £150,000 x 20% discount x 4/5 i.e. £24,000.

Certain sales or transfers are exempt from the requirement to repay discount, e.g. transfers between certain family members. In addition, if you would face severe hardship by having to repay the discount, and your circumstances justify it, the council has the discretion to decide that you may not have to pay back 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 at a future date, 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 the discount you received.

9. RIGHT OF FIRST REFUSAL

If you purchase your home under the Right to Buy scheme on or after 18 January 2005, and you wish to resell or dispose of it within 10 years, you will be required to offer it to the council 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 Department for Communities and Local Government pays the costs of employing a District Valuer). If your offer has not been accepted by the Council within 8 weeks, you will be free to sell the property on the open market.

10. THE COSTS OF BUYING

Buying your home is a major financial commitment. Apart from paying for it (upfront in cash or with a loan), you will then have to maintain it. If you buy a flat on a long lease, you will also have to pay service charges.

Unless you are going to buy your home with cash, you will need a mortgage (i.e. a particular kind of loan). There are various kinds of mortgage, which your bank or building society can tell you about. An independent adviser may also be able to help. See the free Financial Services Authority (FSA) guide to mortgages for information on the different types of mortgage available - call the FSA Consumer Helpline on 0845 606 1234. You will have to repay the mortgage, plus interest, by installments (usually, monthly ones). Normally, mortgages have to be repaid over a period of 25 years, but 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 from your savings. If you sell your home later, you can use the money from that sale to pay off the rest of your mortgage. But 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 are able to sell it. If you can't keep up the repayments on your mortgage, the lender may go to court and ask to repossess your home.

If you ever have difficulty keeping up with your mortgage repayments you should contact your lender as soon as possible and discuss it with them. You can also seek advice from organisations such as the Citizens Advice Bureau (CAB) or the National Debtline.

How much would you 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.

When the council has valued the property you will receive a Section 125 Notice letter from the council telling you how much the council thinks your home is worth when you applied to buy it and what you should pay for it, taking into account the discount. Remember, your discount can be reduced by the cost floor rule (see page 10) and cannot be more than the maximum discount available in your area (currently £30,000 in Wiltshire).

Other regular costs of home ownership

Council tax and water charges - You may pay water charges as part of your rent, and perhaps your council tax as well. If you buy your home, you will have to pay these separately, straight to the water services company and to the council.

Insurance - You will need to consider taking out insurance cover for your home and mortgage. There are four main types:

- Buildings insurance. If your home is a house you will need to arrange buildings insurance to cover the full cost of rebuilding your home if it were to be destroyed by fire or some other incident. If your home is a flat, the council arranges buildings insurance for the whole block of flats, but the council will require 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 if your home is a house or the lender will insist on approving the council's Block Insurance Policy provisions before lending you money.
- Contents insurance. As well as buildings insurance, you should insure the contents of your home against theft and other risks.
- Life assurance. This is 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 heavy burden of mortgage debt.
- Mortgage payment protection insurance. You need to think seriously about how you would meet your mortgage repayments if you lost your income, say through

unemployment or ill-health. In many cases, mortgage payment protection insurance will give you the security that you need. There are various insurance policies that offer cover against these risks. The terms, level of cover, and costs vary. You should therefore shop around for policies that best suit your needs.

Repair and maintenance - If your home is a house and you buy it, you will be responsible for the costs of all repairs and maintenance, regardless of the condition of the property when you bought it. If you are buying a flat on a long lease, you will have to pay service charges to the council to cover a contribution towards the costs of maintaining the structure of the block of flats, the communal areas and any communal service pipes and installations. As well as paying services charges, you will be responsible for the repair and maintenance of the inside of your flat. It is your responsibility to get advice on the condition of your home before you complete the purchase. It is therefore important that you have a survey done.

One off costs of buying your home

- You should employ a solicitor or a licensed conveyancer to look after the legal side of buying your home. The Citizens Advice Bureau (CAB) can advise on local firms, and your local public library should have a list of the solicitors in your area and the type of work they do. Before employing anyone, always ask how much their advice will cost.
- 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:
 - An 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 about both of these from the RICS (Royal Institution of Chartered Surveyors). Your lender may be able to arrange for its valuer to carry out the survey, which could save you paying for a separate valuation. You should get a survey done after you receive your section 125 notice (the notice that has to be sent to you by the Council if you apply to buy your home).

You should ask how much it will cost before you ask anyone to go ahead with the survey. Some types of house have been officially designated as 'defective' under Part 16 of the Housing Act 1985. Certain types of houses and flats have been designated as defective, 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, the council 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 re-sell it later.

The council is legally obliged to tell you if this applies to you.

When a sale is completed, you must pay the Land Registry to register you as the new owner.

You may have to pay Stamp Duty, which is a tax that people pay when they become homeowners. Stamp Duty is worked out as a percentage of the price you pay for a property that is worth more than the threshold set by the government.

11. WHAT IF YOU HAVE PURCHASED BEFORE?

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

12. BUYING A FLAT OR MAISONETTE: WHAT ARE THE DIFFERENCES FROM BUYING A HOUSE?

If you buy a house, you will purchase the freehold and will own the property outright. If you buy a flat or maisonette, you will usually purchase a long lease. This allows you and your successors to live in it for a fixed time, usually 125 years. The block will still be owned by the council, and the council will be responsible for the upkeep of the building as a whole and of any communal areas and facilities.

As a leaseholder, you only have to pay the council a nominal rent (known as a 'ground rent') of £10 a year. But you and other leaseholders will also have to pay service charges to the council. These can be perhaps several hundred pounds each year, or much more if the block needs major repairs or maintenance, such as a new roof or new windows, and improvements.

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.

Under your lease:

- the Council will be responsible for repairing the structure and outside of your flat and the rest of the building. This includes routine repairs and maintenance, and also major maintenance and refurbishment works, repairing the roof for example, which can be expensive.
- The council may provide services like communal lighting, and cleaning staircases and passageways, and perhaps supplying hot water to your flat.

- You will have to pay a reasonable share of the costs for these works and services. Your share is determined by the number of flats or maisonettes in the block.
- You will also have to pay a contribution towards the costs incurred by the council in managing the block.
- You will also be responsible for keeping the inside of your flat in good repair.

Service charges -

Your share of the council's costs is known as a service charge. There are two kinds of service charges:

- annual charges for ground rent, insurance, management costs and day-to-day maintenance.
- and, 'major works' service charges when major repair or refurbishment work is needed.

If you decide you want to buy, the council must tell you how much the property will cost and must also give you an estimate of any service charge you will have to pay during the first 5 years of your lease. Once you have been given an estimate, the council is not allowed to charge you more than that figure during the first 5 years of your lease, except to take account of inflation.

There is no special limit on charges for repairs carried out after the first 5 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 you with this - and you should contact the Housing Services Department to find out about any such schemes.

Some freeholders (i.e. if your home is a house rather than a flat) 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 5 years of a lease.
- You will also be told about any known structural defects affecting the building. If the Council wants you to pay for work to put them right during the first 5 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 5 years.
- The law protects you from service charges that can be shown to be unreasonable. Your rights are described in a booklet '*Residential Long Leaseholders*' that is available free of charge. If you want a copy, you can download it from the Council Right to Buy

website or you can write to the Department for Communities and Local Government (see addresses on pages 18-19).

13. RIGHT TO BUY LANDLORDS

To have the Right to Buy your home, you must be a secure tenant of one of the following bodies in England and Wales.

- 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.

Any of the following bodies which were set up when the Greater London Council and the metropolitan county councils were abolished:

- 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 social landlord such as a housing association that is registered with the Housing Corporation or Welsh Assembly Government. This only applies if you are a former secure tenant of a local authority or another 'Right to Buy landlord' and your home was transferred to a registered social landlord.

You may not buy your home if you are the tenant of a registered social landlord that is:

- A charity.
- A landlord which has not received public subsidy.
- A co-operative association.
- The Housing Corporation.

14. OTHER PUBLIC BODIES

When working out whether you qualify to buy and the level 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 can't 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 the 2-year (or 5-year) qualifying period and discount:

- Local authorities in Scotland and Northern Ireland.

- Registered housing associations and other registered social landlords (including charitable housing associations and associations which do not get public funds, but not co-operative housing associations).

- Fire Authorities.
- Internal Drainage Boards.
- London Regional Transport.
- Parish Councils.
- Passenger Transport Executives.
- Police Authorities.
- AFRC Institute for Grassland and Animal Production.
- Agricultural and Food Research Council.
- Area Electricity Boards.
- 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.
- Government Departments*.
- Historic Buildings and Monuments Commission for England.
- Lake District Special Planning Board.
- Lee Valley Regional Park Authority.
- London Residuary Body.
- Medical Research Council.
- Metropolitan county residuary bodies.
- National Bus Company.
- National Health Service Trusts.
- National Rivers Authority.
- Natural Environment Research Council.
- Nature Conservancy Council for England.
- New Towns.
- Peak Park Joint Planning Board.
- Post Office.
- Science and Engineering Research Council.
- Sports Council.
- Trinity House+.
- United Kingdom Atomic Energy Authority.
- United Kingdom Sports Council.
- Water Authorities.
- Community Councils in Wales.
- Countryside Council for Wales.
- Development Board for Rural Wales.
- National Library of Wales.

- National Museum of Wales.
- Sports Council for Wales.
- Welsh Development Agency.
- Commissioners of Northern Lighthouses.
- Highlands and Islands Enterprise.
- North of Scotland Hydro-Electric Board.
- Scottish Homes.
- Scottish National Heritage.
- Scottish Sports Council.
- South of Scotland Electricity Board.
- Education and Library Boards in Northern Ireland.
- Fire Authority for Northern Ireland.
- Northern Ireland Electricity Service.
- Northern Ireland Housing Executive.
- Northern Ireland Transport Holding Company.
- Science and Engineering Research Council.
- Police Authority for Northern Ireland.
- Sports Council for Northern Ireland.

And any public body that was your landlord and first did the work of any of the bodies listed.

* Includes National Health Service properties

+ Only in its capacity as a lighthouse authority.

15. OTHER USEFUL PUBLICATIONS:

There are 2 other free booklets that may help you. Before you apply to buy a flat it is strongly recommended that you read booklets '*Residential Long leaseholders - A guide to your rights and responsibilities*' and '*Thinking of buying a council flat?*'

If you have already bought a flat and are disputing the service charges, Chapter 7 of '*Residential Long Leaseholds - A guide to your rights and responsibilities*' may help.

You can get these booklets free from the council, from a Citizens Advice Bureau or housing advice centre, or from the Department for Communities and Local Government or the Welsh Assembly Government.

They can also be downloaded from the Wiltshire Council Right to Buy webpage or from the following sites:

<http://www.communities.gov.uk/publications/housing/booklet>

<http://www.communities.gov.uk/publications/housing/thinkingbuying>

16. USEFUL ADDRESSES:

If you would like further information on The Right to Buy, an application form or information booklet, please contact:

Housing Management Services

Telephone: 01722 434453
Email: HSGMail@wiltshire.gov.uk

If you want to know about your rights, you can ask a Citizens Advice Bureau or a solicitor. If you disagree with the council about buying your home, you can contact your local Government Office or the Department for Communities and Local Government.

Government Office for the South West
2 Rivergate
Temple Quay
Bristol
BS1 6EH
Tel: 0117 900 1700
Fax: 0117 900 1900
Email: swcontactus@gosw.gsi.gov.uk
Web: www.gosw.gov.uk

The Right to Buy Policy Team
Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

Tel: 0303 444 0000
Email: rtb@communities.gov.uk
Web: www.communities.gov.uk