



Scottish Charity No. SC025647

Fife Housing Association Ltd

RIGHT TO BUY POLICY

Issue No: 6
First Approved: March 1997
Last Reviewed: September 2011
Date of Next Review: September 2014
Review Requirement: 3 yearly

This document can also be made available on tape, in Braille, large print and community languages. For information, please contact Corporate Services Department on 01383 606162 or email info@fifeha.org.uk

這份文件亦可以以錄音帶、盲人凸點字、大字體印刷及各種社區語言等型式提供。如需要有關資料請致電 01383 606162 或透過電郵 info@fifeha.org.uk 與“團體服務部門” **Corporate Service Department** 聯絡。

يمكن توفير هذه الوثيقة مسجلة على أشرطة صوتية و مدونة بلغة بريل للعمي و بطباعة كبيرة الحجم و بلغات مختلفة. للحصول على المزيد من المعلومات نرجو الإتصال بقسم خدمات البلدية على رقم الهاتف:

01383 606162

أو بإرسال رسالة إلكترونية إلى: Info@fifeha.org.uk

Ten dokument może być dostępny na taśmie audio, w języku Braille'a, dużym drukiem lub w różnych językach narodowych. Aby uzyskać więcej informacji, prosimy skontaktować się z Corporate Services Department (pol. Wydział Usług Korporacyjnych), dzwoniąc pod numer telefonu 01383 606162 lub pod adresem e-mail info@fifeha.org.uk

یہ دستاویز ٹیپ، بریل (ناہینا افراد کیلئے پڑھنے کا طریقہ) بڑی لکھائی اور کیوٹی میں بولی جانے والی زبانوں میں بھی مہیا کی جاسکتی ہے۔
برائے مہربانی مزید معلومات کے لئے کارپوریٹ سروسز ڈیپارٹمنٹ سے اس نمبر 01383 606 162 یا ای میل info@fifeha.org.uk کے ذریعے رابطہ کریں۔

1.0 Introduction

- 1.1 The Housing (Preservation of the Right to Buy (PRTB)) (Scotland) Regulations 1993 apply to former secure tenants who moved through a Large Scale Voluntary Transfer (LSVT) and had, as a result, become assured tenants. The effect of the regulations was to continue the right to buy for those tenants, on the same basis as if they had remained with the original landlord. Consequently, assured tenants, in these circumstances, had the right to buy. The Preserved Right To Buy (PRTB) applied to the following tenants, in the following circumstances:
- (a) former secure tenants who transferred to another landlord through LSVT and, consequently, became assured tenants;
 - (b) the transfer must have been effected to either a charitable or non-charitable housing association; those who transfer to fully-mutual co-ops did not and still do not have the PRTB.
- 1.2 The PRTB applied even if the transfer was to a housing association which had charitable status and whose secure tenants were excluded from the RTB.
- 1.3 The PRTB applied only to the assured tenants who had transferred through LSVT. In the event of the death of the former secure tenant, the qualified successor will succeed to both the tenancy and the PRTB.

2.0 Current Position

- 2.1 The same situation as above continued with the introduction of the Housing Scotland Act 2001 with the following notable limitations:
- (a) Protected rights continue for as long as the tenant remains in the same tenancy, with certain exemptions as a move to a new tenancy – including a new tenancy with the same landlord. This means that any tenant with the original RTB and who is contemplating – or is offered – a move to another tenancy must be advised of the effects of their move so that they can make a fully informed decision on whether to accept the move.
 - (b) The 2001 Act now allows associations to refuse applications if the tenants have arrears relating to rent or council tax or water and sewerage charges. A refusal notice under Section 68 of the 1987 Act must be served. The tenant has to provide the association with a certificate/statement as proof that there are no arrears. If the tenant provides a certificate without arrears, then the sale should proceed.

- (c) If a tenant has no arrears, but a Notice of Proceedings has been served, the association can only accept the application 6 months after the Notice was served. Otherwise a refusal notice under Section 68 of the 1987 Act must be served.
 - (d) If the tenant has any outstanding sums owed by the tenant to the association that have accrued since the organisation was established these must be paid prior to the association accepting the application. Otherwise a refusal notice under Section 68 of the 1987 Act must be served. The only exception to this would be if the debt accrued prior to the introduction of the Housing Scotland Act 2001 and is more than five years old.
- 2.2 The new Housing (Scotland) Act 2010 which came into force on 1 March 2011 had several amends, but none that affected the Association due to our Charitable Status.
- 2.3 RTB applications can be downloaded from the Scottish Government website, or available from our office.

3.0 Assignations and Successions

- 3.1 Tenants who have a Preserved Right to Buy and who choose to assign their tenancy to someone else cannot transfer the Preserved Right to Buy onto the new tenant.
- 3.2 Tenants who originally had the Preserved Right to Buy and die the Right to Buy can only be passed on in the following order:-
- To the Spouse of the original tenant.
 - To a joint tenant.
 - To a partner of the same sex or co-habitee who lived with the tenant as if they were married, as long as the house has been his or her main home for at least six months.
- 3.3 Any family members and carers can succeed to a tenancy but with no Right to Buy.

4.0 Defective Housing

- 4.1 The landlord must check against their house records whether the house being purchased is defective or not. (The definition of 'defective' is in the 1987 Act – section 257). If it is found to be defective, the tenant must be informed in writing asking them if they still want to proceed with the purchase. This letter must be issued before the conclusion of missives to avoid the purchaser asking for grant assistance.

5.0 Refusal of Application to Buy

- 5.1 If the applicant is not entitled to buy his/her property under the legislation, or the application has been incorrectly made, the landlord will notify the tenant in writing denying them the Right to Buy and stating fully the reasons why the application has been refused. Such notification must be served no later than one month from the date of service of the application to buy by the tenant under the Housing (Scotland) Act 1987, section 68 (1).
- 5.2 It should be noted that the period available to the landlord to refuse the application can be extended to two months where, after reasonable enquiry and allowing reasonable opportunity for the tenant to amend his/her application, the landlord is of the opinion that the information contained in the application is incorrect.
- the grounds on which the landlord is refusing the application to buy, or, as the case may be, the grounds on which the landlord disputes the accuracy of the information provided by the tenant.
- 5.3 Where an application to buy has been refused, the tenant may apply to the Lands Tribunal within one month of the notice of refusal being received, for a finding that he/she does have the Right to Buy (section 68(4) 1987 Act).

6.0 Advice to Tenants

- 6.1 To avoid abortive enquiries and applications, tenants should be provided with sufficient information and advice to enable them to make realistic decisions on whether they wish to exercise their right. This should include:
- (a) the fact that they will be wholly responsible for their own legal fees in connection with the sale, and the cost of a survey from a heritable creditor e.g. bank or building society, and/or a separate structural survey if they choose to have one, for any other costs incurred in connection with raising loans.
 - (b) advice that they will be responsible for the costs of maintaining and insuring their property and/or paying a service charge (if applicable).
 - (c) a letter is also provided explaining to tenants to compare figures between Mortgage Rates and Rent charges and to include how much it would cost to do the repairs themselves (see Appendix 1).

- (d) Information for tenants is contained in the Scottish Government publication “Your Right to Buy your Home”, available from The Scottish Government, Highlander House, 58 Waterloo Street, Glasgow, G27DA tel: 0141 305 4086 – this booklet is provided to every tenant interested in purchasing.

N.B. it is essential that, if a factoring charge is to be made, this is mentioned in the Deed of Conditions which accompanies the sale, otherwise the charge may be unenforceable.

7.0 Valuation

- 7.1 The Association uses the services of the District Valuer to value each property to determine the market value.

8.0 Discount

- 8.1 The discount will be calculated in accordance with the provisions of the Housing (Scotland) Act 1987 as amended and will take account of the tenant’s length of tenancy as a tenant of public sector landlords (including approved housing associations).
- 8.2 Discount will be reduced if the tenant(s) has already received discount entitlement from a previous sale – in accordance with the Right to Buy Legislation.
- 8.3 The table below gives an indication of the percentage discount that may apply:

Years Spent as a Tenant	RTB entitlement commenced before 30 September 2002	
	HOUSES	FLAT
2 – 4 yrs	32% - 34%	44% - 48%
5 – 9 yrs	35% - 39%	50% - 58%
10 – 14 yrs	40% - 44%	60% - 68%
15 – 19 yrs	45% -49%	70% maximum
20 – 24 yrs	50% - 54%	70%
25 – 29 yrs	55% - 59%	70%
30 yrs and over	60% maximum	70%

9.0 Other Costs of Ownership

- 9.1 The tenants should also consider the following costs when they become an owner:
- Building Insurance

- Mortgage Protection Insurance
- Repairs and Maintenance
- Servicing and Factoring Charges

10.0 Disposal of Property

10.1 Right to Buy disposals must be recorded in the Associations Register of Disposals.

11.0 Resale

11.1 Purchasers can sell whenever they wish. If however, the owner sells within 3 years of purchase the owner is required to pay back to Fife Housing Association some of their discount.

11.2 If they sell within the first year, all the discount must be repaid. Within the second year 66% of the discount and within the third year 33%.

12.0 Review of Policy

12.1 The policy will be reviewed every three years unless legislation changes need to be incorporated.

BUYING YOUR HOME

Dear Tenant

The Association is committed to ensuring that you receive the best possible service and information that we can provide. This includes information about home ownership.

It is important that you have thought about some of the costs associated with home ownerships prior to purchasing.

Many tenants compare the rent they pay to the Association with the cost of a mortgage. Mortgage interest rates can vary and it is advisable that you seek guidance from a reputable mortgage broker or provider.

Owners should be prepared to budget for unexpected repairs, e.g. roof repairs. There is also building insurance and annual safety inspections and servicing for central heating systems which should be from a reputable company.

Lastly, there are "common" area responsibilities for many properties eg. fences, paths, roads, roofs, closes etc which need to be considered. Your solicitor should be asked to explain them to you.

Please make sure that you have given careful consideration before committing yourself to home ownership.

If you wish to discuss any of the above please do not hesitate to contact myself.

Yours sincerely

KAREN GILRUTH
Senior Admin Officer