

Buying Your Home

Right to Buy/Preserved Right to Buy and Right to Acquire

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As a Prima Group tenant, you may have the right to purchase the property you are living in. If you would like the chance to buy your own home, there are two schemes that can help you; the Right to Buy (RTB) or Preserved Right to Buy (PRTB) and the Right to Acquire (RTA). This is a brief guide to the schemes and about home ownership in general.

Who Can Buy?

Depending on when you became a Prima Group tenant, you may qualify for one of these schemes:

Right to Buy or Preserved Right to Buy	Right to Acquire
<p>To qualify you must:</p> <ul style="list-style-type: none">• Be a secure tenant of the property or a qualified successor of a secure tenant and held your tenancy for at least 3 years or <ul style="list-style-type: none">• Have protected rights under your tenancy (tenancy start date pre-25 Jan 1999)	<p>You qualify:</p> <ul style="list-style-type: none">• If you have spent a total of 3 years as a public sector tenant and• If your home qualifies (see below)

RTA generally only applies to certain homes built or acquired on or after 1 April 1997 and funded by social housing grant. Leasowe Community Homes (LCH) properties were subject to a LSVT on 25 Jan 1999. LCH tenants in occupation when the properties were transferred will most likely have the PRTB and tenants who moved in after the transfer date will be eligible for the RTA. Pierhead Housing Association (PHA) tenants who started living in the property before 15 January 1989 are likely to have secure tenancies with the RTB, but only tenants living in properties built or acquired after 1 April 1997 will be eligible for the RTA.

Tenants can also buy with up to three members of their family who have lived with them for at least 12 months leading up to the application to buy.

The right to buy the property passes on to a successor. However, that successor cannot pass it on again. See The Right to Succession in the Tenant Handbook.

When You Cannot Buy Your Home

You will not be able to buy your home if one of the following applies:

- You have breached a court order made against you in connection with your tenancy.
- You are bankrupt or have a bankruptcy petition pending.
- You have made an arrangement with your creditors which has yet to be fulfilled.
- Your tenancy has been demoted under anti-social behaviour legislation.
- Your home is part of a scheme for persons of pensionable age or for people with mental health problems or is designed specifically for persons with a physical disability or is particularly suitable for occupation by elderly persons.
- Prima Group has served a final demolition notice on you because your house is to be demolished as part of a redevelopment.
- The property is valued at or below our loan for that property.

How to Apply

If you think you may qualify to buy your home and want to apply, you will need to fill in an [application form](#). There is a different form for each scheme (see below).

- **Right to buy application form** | Form RTB 1
- **Right to acquire application form** | Form RTA 1

When you have filled in an application form Prima Group will start to process your application and send you a formal reply within 4 weeks (8 weeks if we have to check discount you are claiming from a previous landlord), advising you whether or not you are eligible to buy your home.

- **Right to buy formal response notice** | Form RTB 2
- **Right to acquire formal response notice** | Form RTA 2

What Happens Next?

If you are eligible to buy your home, Prima Group will send you an offer within 8 weeks (12 weeks if you live in a flat) of the date of our formal reply notice.

To work out the sale price, Prima Group will have your home valued. We arrange for a Valuer to visit you to assess the open market value of your home. Any improvements you have made will be disregarded from the valuation.

We then work out what percentage discount you are entitled to and deduct this from the valuation. The discount rates are set by the Government.

Right to Buy Discounts	Right to Acquire Discounts
<p>Houses – Discount starts at 35% for 3 years tenancy. This remains at 35% until you reach 5 years' tenancy. After 5 years add another 1% for each extra year you have been a tenant. Maximum 70% or the cash maximum, whichever is lower.</p> <p>Flat – Discount starts at 50% for 3 years tenancy. This remains at 50% until reach 5 years' tenancy. After 5 years add another 2% for each extra year you have been a tenant. Maximum 70% or the cash maximum, whichever is lower.</p> <p>Note: the maximum amount of discount is £84,600 regardless of the percentage you may be entitled to.</p>	<p>Flat rate discount, currently £9,000 regardless of the number of years you have been a tenant.</p>

Once we have worked out the sale price, we will send you a notice telling you the figures. If you want to go ahead with your purchase, you must accept the offer within 12 weeks.

If We Don't Hear From You

If we don't hear from you, after the 12 weeks has expired, we will send you a reminder. If you do not reply within 28 days, we will assume you do not want to buy your home. You may reapply but your application will be treated as new. If for any reason you are not able to decide within the time limit you can ask Prima to wait a bit longer for your decision.

If You Don't Hear From Us

If we don't send you the notices RTB/RTA2 or the offer within the time limits referred to above, or if there are delays that prevent you from completing your purchase within a reasonable time (it can take up to 10 weeks from acceptance for the sale to go through), you can serve a Delay Notice on us. This gives us a minimum of 4 weeks to rectify the problem. If matters have not progressed by the date in the Notice, you can serve an Operative Notice of Delay on us. This will then count any payments you make in respect of rent (excluding any service charges) between then and completion towards the purchase price.

Making The Decision to Buy Your Home

If you are a tenant thinking of buying your home, you should get as much advice and information as you can. You must be sure you are making the right decision.

The Costs Involved in Buying

If you are a tenant exercising the Right to Buy or Right to Acquire, you may have to meet the following expenses:

- The purchase price if you buy outright.
- An initial lump sum for your deposit (unless your mortgage is for 100% of the purchase price).
- A mortgage guarantee premium if required by your lender (usually for loans above 75% of the purchase price).
- Fees for your Solicitor.
- Land Registry fees.
- Building Survey fees, if you take out a mortgage.
- Stamp Duty (this only applies if the purchase price is more than the Stamp Duty limit set by the Government).

You Have Decided to Go Ahead With the Purchase - Some Helpful Info

You need to let us know your solicitor's details so that we can instruct our solicitors to begin the conveyancing process. You will also need to make your financial arrangements. Please remember that you need to continue paying your rent until you actually complete your purchase.

Solicitors

You will need to instruct a solicitor to take care of the conveyancing process for you. It is advisable to ask for a quotation of the costs you will have to pay. You should make sure that the following are included so that you can budget:

- The solicitors' fees for doing the work (plus any extras)
- Stamp duty if applicable
- Local search fees
- Land Registry fees

Finance

The Money and Pensions Service is an independent organisation set up by the Government. They provide free, impartial advice on a range of financial matters. This includes tips and tools to help you budget, choose a mortgage and work out whether you can afford monthly repayments. They can be contacted on 0800 138 7777 or visit their website: www.moneyandpensionsservice.org.uk.

Most people will need to finance their purchase by a mortgage from a bank or building society. Most banks and building societies are happy to provide advice but they are tied agents, so they can only sell you the products of one company.

All financial bodies have their own separate rules about lending, so it may be worthwhile taking advice from an independent financial advisor (IFA). Before he/she does any work for you, check if they charge you for the advice. IFAs have the advantage that they can sell you any company's products. But since many still earn their living from commission, there is often the suspicion that, at the very least, they are not going to recommend products on which no commission is paid. Always make sure that, whoever you use, they are regulated by the Financial Conduct Authority (FCA).

Check out carefully any person or company offering to help you buy your home as some of them may charge a fee. The company may be offering a deal which is far better for them than for you.

Surveys

Buying your home is one of the biggest investments you will probably make. You need to be certain that you are satisfied about the condition of your home so it is always advisable to have your own independent survey done (at your own cost). You can either have a full structural survey or a home buyer's report carried out by a qualified surveyor. Before you ask for the survey to be done, check what the cost will be.

It is important to note that Prima does not undertake to sell your home in perfect condition nor do we have a full survey carried out. Your lender's mortgage survey is not detailed and cannot be relied on as evidence about the structural condition of your home.

When You Own the Property

Tenants who buy a house will need to take out building insurance and carry out all repairs and maintenance to the property. You should work out the cost of running and looking after your home once you have bought it and consider your monthly outgoings and regular payments. Think about:

- Mortgage repayments – if you take out a mortgage you will have to make regular payments as the owner of a dwelling-house.
- If you do not keep up your mortgage payments, you will be at risk of having your home repossessed by your mortgage lender.
- You will likely have to pay for home insurance, life assurance and mortgage protection insurance.

- You will be liable for all your own repairs and maintenance
- Service charge (if applicable i.e. you currently pay a service charge)
- Council Tax
- Water, sewerage, gas electricity and other utility services

What if I want to buy my home but it is in a block or common building?

You will become a leaseholder, tenants who buy a flat will also become leaseholders. This means that Prima Group will still own the building, but you have the right to live in your home for a very long time. Leaseholders have to pay a service charge to Prima which covers the following: the management of the building, the upkeep of common areas/facilities, building insurance and major repairs to the building.

Can I sell my house later?

Yes, but if you sell within 5 years of buying, you will have to pay back some of the discount you have received. You will have to repay the same percentage discount you received when you bought but the actual amount will be based on the value when you sell (disregarding the value of any improvements).

Eg:

Value of home at purchase is £100,000.

Discount £25,000. Discount percentage = 25%

Value of home at resale is £110,000.

Discount repayment is £110,000 less 25% = £27,500.

If you wish to sell within 10 years of buying, you will need to ask us first whether we wish to buy the property back before you can offer the property for sale on the open market.