

Annex 1

Frequently asked questions on Right to Buy

What is Right to Buy?

The Right to Buy was introduced in 1980 and gives eligible social housing tenants the right to buy their home at a discount.

How do I know if I am eligible for the Right to Buy

You probably have the Right to Buy if you are a secure council tenant and have spent at least 3 years as a public sector tenant. The 3 years does not have to be continuous, and you can add together any time you have spent as a public sector tenant. A public sector tenant is someone whose landlord is a public body such as a council, housing association or government department.

Eligibility criteria also includes having no legal issues with debt, outstanding possession orders and no history of tenancy fraud. You should be aware that some properties are exempt from Right to Buy. Your eligibility would be confirmed by your landlord as part of the Right to Buy application process.

I am a housing association tenant; do I have the Right to Buy?

You might have – most housing association tenants do not currently have the Right to Buy, but if you were a secure council tenant and were living in your home when it was transferred from the council to another landlord, like a housing association, then you may have a ‘Preserved’ Right to Buy. If you do, then you can buy your home under the scheme in the same way as if you were still a council tenant. Your landlord will be able to tell you whether you have the Preserved Right to Buy.

What discount am I eligible for?

You could currently get a discount of up to £136,400 if your home is in London or £102,400 across the rest of England, but this depends on how long you have been a public sector tenant. Following the Government’s review of Right to Buy discounts, maximum cash discounts will be reduced to £16,000 - £38,000 from 21 November 2024. The level of the maximum discount available will depend on where you live. See the [review of the increased Right to Buy discounts](#). Applications for the Right to Buy received by social landlords before 21 November 2024 from eligible tenants will be eligible for the current discounts.

Are there any other limits on discount?

Yes:

- a rule called the cost floor may apply. Your discount will be reduced to reflect what your landlord has spent on building, buying, repairing, or improving your home over a specific period before you apply to buy; and
- if you have previously bought another council property, any discount that you got then will usually be deducted from the discount that you get when you buy again.

What is a leaseholder?

If you buy a house, you will usually buy the freehold. This means you will be the outright owner.

Flats are not usually sold with a freehold. They are usually sold on a long lease, and you become a

leaseholder – there are also some leasehold houses. Normally, this means that you will be responsible for the interior of your home whilst your landlord will be responsible for looking after the structure and the exterior of the block. They will ask you to pay for major repair and improvement works, through service charges. These can be high – sometimes as much as several hundred pounds each year, or even several thousand pounds if your block needs major repairs.

Who values my home if I want to buy it?

Landlords have to do this. If you think your landlord has valued your home too highly, you have a right to an independent valuation from the District Valuer. But you have to accept their valuation, even if it is higher than the landlord's.

Do I have to complete the purchase within a specified time?

You can take the time you reasonably need to get a mortgage or legal advice. You can also take your time to discuss the terms of sale with your landlord. But you should let your landlord know as soon as you are ready to go ahead and buy. If they do not hear from you for a few months, you may get a warning notice asking you to either complete the purchase or to discuss any problems.

If you do not respond to this, you may receive a second notice asking you to complete the purchase within a certain time. If you do not do this, your application will be withdrawn.

Can I apply to buy if I have rent arrears?

Yes, but your landlord is not bound to complete the sale if you have not paid all the rent or any other payment within 4 weeks from the date you were asked to pay it. Also, you may lose your secure tenancy and no longer have the Right to Buy if your landlord has obtained a suspended possession order against your property, as a result of your rent arrears, which you subsequently breach.

Do I need a specific 'Right to Buy' mortgage

No. You have access to the same mortgage products available on the market as everyone else. Shop around and get impartial advice before making up your mind on the mortgage product that is best for you.

What happens if my landlord delays the sale?

Landlords have to deal with Right to Buy applications within certain time limits. If there is a delay because (for example) your landlord has not sent you the right form or notice when they are supposed to, you may be able to get the purchase price reduced. There are **no set time limits** for a landlord to complete on the sale, but you can use the delay procedure if you think that delays by the landlord are holding up your purchase.

What if I want to re-mortgage?

You can re-mortgage your home at any time. However, before doing this, you should talk to your mortgage provider to obtain professional advice (as this may incur a penalty charge) and also if you are considering borrowing extra money.

I have bought my home through Right to Buy. Who is responsible for repairs now?

If you buy the freehold of your home, you will be responsible for all the costs of maintaining your home, including routine repairs, major structural repairs, and improvements.

If you buy the leasehold (usually the case with flats and maisonettes in larger blocks) you will be responsible for internal improvements and routine repairs. External repairs and improvements and major structural repairs to the whole block will be the responsibility of the freeholder. You will have to pay service charges each year and are likely to have to meet the costs of major repairs and refurbishment, which can be substantial.

Can I sublet my home?

Once you have completed the Right to Buy, you will usually be able to sublet your property. However, if you have a mortgage, you may need to check this with your mortgage provider. If you have bought your property on a leasehold basis, you may also need to check with the owner of the freehold.

Can I resell my home after purchasing it under the Right to Buy?

You may sell your home whenever you like. However, if you sell within 5 years of buying it, you will have to repay some or all the discount that you received. If you sell:

- during the first year, all the discount will have to be repaid;
- during the second year, four fifths must be repaid;
- during the third year, three fifths must be repaid;
- during the fourth year, two fifths must be repaid; and
- during the fifth year, one fifth must be repaid.

The repayment of discount will be a percentage of the market value of the property when it is resold within the first 5 years of purchase (an example of how this works is provided on page 28 and 29). After 5 years, you can sell without having to repay any discount. However, if you live in a rural area, you may only be able to resell to a person who lives or works locally (see page 11). In addition to this, if you wish to sell your home within 10 years of buying, you must first offer it back to your landlord. Your landlord would have to pay you the full value of your property.

What is the Preserved Right to Buy?

If you are a secure tenant of a local authority, and your home is transferred to a registered provider (for example, a housing association) and you become an assured tenant, you are very likely to still have the Right to Buy.