Thinking of buying your council property?

Further information is available at: [www.righttobuy.communities.gov.uk](http://www.righttobuy.communities.gov.uk) but below we have some information you may find useful if you are considering buying your home.

Right to Buy Frequently Asked Questions

The Right to Buy is the right enjoyed by most council tenants to purchase their home at a discounted price. Below you will find the most frequently asked questions about buying your home.

**How much is my home worth?**

We can’t tell you this until your application has been admitted and we value your property. We’ll then reduce the value of your home by the amount of discount you qualify for. A good starting point is by checking websites such as Zoopla or Rightmove and find similar properties that have been sold. However you much bear in mind that values rise and fall.

**How much will my home cost to buy?**

The Council will value your home based on the price it would sell for on the open market. A district surveyor will usually visit the property to work out the valuation. Please note that a valuation is not the same as a structural survey. If you wish to have a structural survey you will need to arrange and pay for this yourself.

**How much discount will I get if I live in a house?**

The discount is worked out on how much the property is valued at and for how long you have been a secure tenant. If you live in a house and you have been a public sector tenant for three to five years you will receive a 35% discount. This discount increases by 1% for each extra year that you have been a public sector tenant. No matter how long you have been a tenant, the most you can get off your home is 70% up to the current maximum discount which is £103,900.

**How much discount will I get if I live in a flat?**

If you live in a flat and you have been a public sector tenant for three to five years you will receive a 50% discount. This discount increases by 2% for each extra year that you have been a public sector tenant. No matter how long you have been a tenant, the most you can get off your home is 70% up to the current maximum discount which is £103,900.
The longer you have been a tenant, the more discount you’ll get but the maximum discount is currently £103,900 in Greater London (£77,900 elsewhere) and increases each April in line with inflation.

**Do I qualify for the Right to Buy?**

You can be eligible if you have been a secure tenant who has held a public sector tenancy for a minimum of 3 years with Southwark Council, or with another public sector landlord.

**In what circumstances could you deny my Right to Buy application?**

It may be denied if:

- If the applicant is not the secure tenant
- If there is a joint tenancy one tenant has not given their consent
- We’re unable to fully verify the identity of each and every applicant and that they meet all of the qualifying criteria
- You don’t live in the property permanently as your main home
- The property is specifically adapted for the disabled or elderly
- The property has shared facilities
- We have a court order against you or one from a previous tenancy
- You’re an ‘un-discharged bankrupt’ or are being declared bankrupt
- We plan to demolish your home and you’ve been served a Demolition Order

**Can I use the discount as a deposit for a mortgage?**

You will need to discuss this directly with anyone you are contacting about a mortgage. Many lenders will consider the discount you receive as being a form of deposit.

**Can I buy my home in cash?**

It’s up to you how you fund the purchase, whether by cash or mortgage. However, we will ask you to declare how you intend to do so. We carry out comprehensive checks of all Right to Buy applications and refer applications to our Fraud Investigation Team for verification if we have concerns.

If you apply for the Right to Buy and give false or misleading information or withhold information, you may be prosecuted, under the Fraud Act 2006, which carries a maximum sentence of 10 years or unlimited fine or both.

We also verify the information you provide from other records such as Housing Benefits and other government departments, agencies and other risk based fraud detection providers. Where the information obtained from a Right to Buy application identifies other fraud such as housing benefit fraud then the Council will act on that in accordance with its zero tolerance policy towards fraud. Applicants in receipt of
housing benefit may have their benefit adjusted or suspended and be asked to cover the full cost of their rent.

**What are the costs involved if I buy my home?**

Regular costs include:
- Mortgage / Interest Repayments
- Council tax
- Water charges
- Buildings insurance
- Contents Insurance
- Life assurance
- Service charges & Major Work costs if you buy a leasehold property (usually a flat).

**What are service charges and major works costs?**

If you are a leaseholder you will be expected once a year to pay for any repairs to the block or the communal areas and towards any services we provide such as caretaking or concierge. Also when we have to carry out larger scale works to the block and the immediate area known as major repairs, all leaseholders living in the block are expected to pay their share of the costs after we have consulted with them.

As an example, if we have to replace the roof of the building, replace the entry phone system and do lots of other works that cost a total of £120,000 you will pay your fair apportionment calculated using rateable values. If the works cost £120,000 for the block and there are ten properties within the block (all of the same size), then the cost would be approximately £12,000 per property. So before you buy, you need to plan how you will pay the regular costs but also long term costs.

Details of any costs we are aware of such as service charges, repairs, maintenance and major works will be included in the offer notice which you receive showing the valuation of the property, your purchase price and the terms of sale.

**Can I withdraw my application once I’ve submitted it?**

You can withdraw your application at any time before you complete the purchase. You can apply again whenever you choose but you must tell us in writing.

**If I Can’t afford to buy my home on my own can I buy it with anyone else?**

You can share the Right to Buy with up to 3 other family members as long as each one has been living with you at the property and it is their permanent and only home for at least 12 months prior to your application. Those who qualify are your husband, wife, civil partner, partner, parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece. Family members will need to provide proof of their relationship.
How long does it take to complete a purchase?

Once you’ve submitted your application, we’ll either admit or deny your Right to Buy within 4 weeks. We then serve your offer notice with the next 8 weeks if you live in a house, or 12 weeks if you live in a flat or maisonette. You will then have 12 weeks to decide what you want to do and let us know your intention.

If you accept the offer it could take at least 3 further months for the sale to complete. Each application is different. It will usually take around 12 months but can often take longer if there is information that needs clarifying during the process.

Can I sell or let my property straight away?

Once you own your home you are allowed to rent it to someone else but if you are a leaseholder you must let us know and give us an alternative contact address for you. You then become a landlord and will need to ensure you have the appropriate tenancy agreements and insurance in place. If you have a mortgage on your home it is likely your lender will not allow you to sublet your home so check with them first. However you are not allowed to use it as a business so for example letting it out on Air B&B would be a breach of your lease and would result in us having to take enforcement action against you.

If you sell your property in the first 5 years, you will have to repay all or some of the discount you received. First calculate the discount you originally received as a percentage of the market value of your house or flat at the time you purchased. Then calculate the amount this percentage will be, of the price for which you will sell the property.

For example, if the original market value was £200,000 and you received a discount of £100,000, your discount is 50%. That means you will have to pay back 50% of whatever you sell your property for. If you sell within the first year of purchase you must repay this amount in full. If you sell after:

- 1 year you repay 80% of the amount
- 2 years you repay 60% of the amount
- 3 years you repay 40% of the amount
- 4 years you repay 20% of the amount

After 5 years there is no discount to repay.

If you wish to sell your property within 10 years of purchase under the Right to Buy Scheme, you will have to offer it back to the Council first. The council will confirm whether they choose to buy back the property or that you can sell the property on the open market. The Council has the right to first refusal.
I think my home has been over-valued, what can I do?

Southwarks valuers will make an appointment to visit your home and value it. If you feel they have valued your home too highly you can write to us explaining your reasons and requesting a redetermination of value. This will then be referred to the district valuers for assessment. They will take into account your evidence and carry out a redetermination. This can result in the value of your property going up or down, however there is no guarantee the original valuation will change. A revised offer notice will be sent to you when we both receive the report from the district valuer confirming the valuation. Please note that this process can take up to 6 months to complete and sometimes longer.

Right to Buy Scams

There are private companies and individuals who offer to help tenants to buy their homes but they end up owning the property. Usually they will give you a very small amount of money that isn’t enough for you to buy another home and you won’t be eligible for another tenancy from the Council.

Please think very carefully before using one of these companies or individuals. Ask yourself ‘what is in it for them?’ They may be suggesting that you do something that benefits them, not you. Do not sign anything that you are not entirely clear about and if you are unsure you can contact our Right to Buy team for free impartial advice. If you are approached come and talk to us or get independent legal advice from your own solicitor or the Citizens Advice Bureau.