



Preserved Right to Buy and the Right to Acquire

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for you – for your community – not for profit

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1	Dec 2016	JE	Update	JE	December 2016
2	Dec 2019	JE	Update	JE	December 2019

TWO RIVERS HOUSING

1.0 Statement of Intent

- 1.1 TRH is committed to continue the sale of properties under Right to Buy (RTB) for eligible tenants and their successors who were secure tenants at the time of the transfer of the housing stock from Forest of Dean District Council.
- 1.2 The RTB provisions will not apply to new tenants of TRH, service tenancies or to those who did not have a secure tenancy at the time of the transfer of the housing from the Council.
- 1.3 Those residents who were not previous tenants of Forest of Dean District Council will have the option to purchase under the Right to Acquire (RTA).
- 1.4 TRH will ensure that applicants are provided with information to allow them to understand the financial commitment and responsibilities that they will be undertaking if they choose to proceed with a RTB or RTA application.
- 1.5 A person who succeeds to a transferred property in accordance with Section 89 (2) of the Housing Act 1985 as amended will also have the Preserved Right to Buy (PRTB).
- 1.6 A person who is entitled to the PRTB will be entitled to a discount calculated in accordance with schedule 4 of the Housing Act 1985 as amended. The transfer will not affect a person's entitlement to a discount, although this is subject to legislative requirements. Additionally, tenants who are entitled to a PRTB will be able to exercise the right in relation to any property of TRH as long as they maintain a continuous tenancy agreement, subject to the general restrictions on purchase.
- 1.7 All applicants will be dealt with in line with Part V of the Housing Act 1985 as amended.
- 1.8 The Two Rivers Housing Board has agreed that the Voluntary Right to Buy will be offered to assured tenants once the National Housing Federation and Department for Communities and Local Government have agreed on the funding and timing of the scheme.

2 Exemptions

2.1 General Exemptions

Except where required to do so by legislation, it is TRH policy not to sell any dwelling that is particularly suitable for occupation by elderly or disabled persons. This includes property specifically built for the purpose.

In addition, TRH will not sell any property forming part of a sheltered scheme, or accommodation provided for people with special needs, or if the property is subject to a demolition notice.

2.2 Exemptions from the PRTB

The PRTB will not apply to individual dwellings forming a group of dwelling houses served by either a resident or non-resident Community Support Worker (CSW), with a call system and communal facilities such as a common room and laundry etc.

- The PRTB will not apply to single dwelling houses suitable for occupation by elderly persons first let before 1st January 1990 and let to a tenant or predecessor in title who was over 60 at the time of letting.
- The occupiers of hostel accommodation, persons who are entitled to succeed to a transferred property and tenants who occupy their home as a part of their duties with TRH (for example resident caretakers, CSW's) will be exempt from the PRTB.
- The PRTB will not apply if the tenant is an undischarged bankrupt

2.3 Exemptions from the Right to Acquire

TRH may determine whether in its view a dwelling is particularly suitable for occupation by elderly or disabled persons, and therefore exempt from the RTA. In so doing, TRH will have regard to location, size, design, heating system and other relevant features.

The RTA will also **not** apply to:

- Dwellings for those with special needs.
- Dwellings charged with debts equal to or greater than the purchase price plus discount.
- Any tenancies which are not let on assured shorthold tenancies for example, service tenancies, hostels etc.
- Properties scheduled for demolition where a notice of intended demolition has been served on the tenant (subject to possible rights of compensation as prescribed).
- Any tenant who is an undischarged bankrupt.
- The property is in a designated rural area.

TRH will be bound by any determination that the Secretary of State may make in relation to the applicability of the RTB and RTA provisions and exemptions including minimum population criteria.

3. Suspension of the RTB/RTA

- 3.1 TRH may seek an order suspending the right to buy for a period in respect of the tenancy on the grounds of anti-social behaviour. A suspension order will end any existing applications to exercise the RTB/RTA and prevent any new application being made during the period specified by the court. The suspension of the RTB/RTA will not have any impact on the accumulation of discount or qualifying period.
- 3.2 If an application is pending for a demotion order, a suspension order, or a possession order sought by TRH the tenant shall be unable to compel completion of a RTB/RTA sale.
- 3.3 The RTB/RTA is suspended where an initial demolition notice has been served and ends where a final demolition notice is served.

4. Discount

- 4.1 The amount of discount for the RTB depends on how long the applicant has held a secure tenancy. For example, if they have lived in a house, they will receive an immediate discount of 30%, and a flat will attract 40% discount. This will increase by 1% for each year they have held a secure tenancy for freehold accommodation on 2% per year for leasehold properties. Up to a maximum percentage discount of 70%. This discount is subject to a national maximum monetary discount of £82,800. The discount will rise each April by CPI.
- 4.2 RTA applicants will attract a discount of up to a regional maximum of £10,000
- 4.3 The property will not be sold below the Cost floor price, which is the amount of money spent by Two Rivers Housing on Buying, Building, Repairing, and Improving the dwelling in the last 15 - 16 years.

5. Repayment of discount

- 5.1 Once purchased, the owner has the right to sell the property at any time. However, if the property is sold within the first 5 years, they will have to repay money to the landlord, unless the disposal is exempt, for example the former tenant dies, and the property is inherited by the spouse.
- 5.2 In some cases they could repay more money than they received in discount, as the amount payable is based on the market value of the property on the date of the disposal

Sale in years after acquisition	Discount repayable
Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%

6. Use of Discretionary Powers

- 6.1 Where a former tenant wishes to sell their property purchased through the RTB scheme within the discount repayment period they may request TRH to use its discretion not to demand repayment of part, or all of the discount which is due to be repaid.
- 6.2 TRH will consider such requests for discretion to be exercised in accordance with government guidelines. However, TRH will only waive discount in exceptional circumstances where the reasons for the move are justified and the former tenant cannot afford to repay all or part of their discount.

7. Right of First Refusal

- 7.1 Tenants who purchase their homes after applying for the RTB (or PRTB or RTA) after 18 January 2005 and who wish to resell or dispose of it within 10 years, will be required to offer it back to either their former landlord or to another registered provider at full market value. If the former landlord, or another registered provider, does not wish to purchase, the owner will be free to sell the property on the open market. This will be enforced by a covenant in the conveyance /lease and will be logged at the land registry.

8. Repairs

- 8.1 No repairs or improvements will be carried out to any property once a Right to Buy/Acquire application has been submitted unless there is an immediate health and safety risk to its residents or to others.
- 8.2 Where there is a Health and Safety issue the property will be made safe, but no replacement or substantive repair will be carried out.

9 Equality and Diversity

- 9.1 TRH is committed to the principle of equality of opportunity in the delivery of its services. TRH aims to ensure that all its customers are dealt with fairly and equitably and where possible that it takes into account the diverse nature of their cultures and backgrounds.

9.2 TRH will actively work towards promoting good relations, eliminating discrimination, and addressing existing disadvantage in relation to different groups on the basis of race, colour, ethnic and national origin, nationality, gender, disability either mental or physical, religion, sexual orientation, marital status, HIV/AIDS, responsibility for dependants, trade union activity and age.

10. Monitoring and Review

10.1 This policy will be reviewed and monitored by the Head of Home Ownership and Sales at least every three years and updated to reflect any changes to corporate requirements and targets, and the law.