

# Chapter 19: Buying your home

## The right to buy

You may have the right to buy your council home under the 1985 Housing Act. This scheme is known as the 'right to buy', and allows you to buy your home at a price lower than the full market value. This is because the length of time you have spent as a public-sector tenant entitles you to a discount.

To qualify for the right to buy, you must be a **secure** tenant. You must also have been a tenant in the **public sector** for either two or five years (the qualifying period) depending on when your tenancy started.

A public-sector tenant is a tenant of a local council (such as Haringey), or a housing association or another public-sector landlord.

- If your public-sector tenancy started before 18 January 2005 (and you continue to be a tenant in the public sector up until you apply for the right to buy), your qualifying period is two years.
- Otherwise, your qualifying period to apply for a right to buy is five years.

The property must also be your only or main home. You could lose your right to buy if you or your household or visitors are involved in antisocial behaviour [or threatening to be]. In some cases you will not be able to buy (for example, if you have been declared bankrupt).

There are some types of properties that cannot be sold under the right to buy. These include:

- properties due to be demolished;
- sheltered housing; and
- properties that are particularly suitable for elderly people.

## Selling your home

If you sell your home within the first five years of buying it from the council under the right to buy, you will have to pay the council a percentage of the resale value of your home (less the value of any

improvements you have made).

This must be the same percentage used to work out the discount you received when you bought your home. However, the council will reduce the amount you have to pay by one-fifth for each year that has passed since you bought your home. After five years, you can sell your home without having to pay back any money.

If you want to sell your home within 10 years of buying it, you must first offer the property back to Haringey Council [or in some cases another social landlord such as a housing association]. This is known as the 'right of first refusal'.

Policies and the law may change so check with the home ownership team for more information.

You can get more information in the booklet *A guide to buying your council home*, which you can get from the home ownership team and Customer Services Centres. The booklet is also available on our website at [www.homesforharingey.org](http://www.homesforharingey.org). Please also see the section below, 'The costs of being a homeowner'.

You can get more information and an application pack from the home ownership team. You can contact them by phone on 020 8489 3653 or 020 8489 3231, or by e-mail at [right2buy@homesforharingey.org](mailto:right2buy@homesforharingey.org).

## Transferable discount scheme

The transferable discount scheme provides a cash grant to help you buy a home on the open market. Funding for this scheme is limited and grants are made on a 'first come, first served' basis. You can apply as long as:

- your current home has two or more bedrooms;
- you have been a council tenant for two or more years;
- you are a secure tenant;
- you can get a mortgage and have enough savings to cover the

- initial costs of buying a new home;
- you have no rent or Council Tax debts; and
- you are not receiving benefits.

You can get more information and an application pack from the home ownership team. You can contact them by phone on 020 8489 3357 or e-mail [right2buy@homesforharingey.org](mailto:right2buy@homesforharingey.org).

You can also download an application form from our website at [www.homesforharingey.org](http://www.homesforharingey.org). Please also see the section below, 'The costs of being a homeowner'.

Policies and the law may change so please check with the home ownership team for more information.

## New Build Homebuy

New Build Homebuy (previously known as shared ownership) is designed to help people who cannot afford to buy a home on the open market.

The scheme allows you to buy a share of a property with a local registered social landlord (RSL) and pay rent for the rest. This allows you to buy as much of the property as you can afford now without stretching yourself financially.

Later, when you can afford it, you can increase your share. You can get more details and an application form from the application and enquiries team, Metropolitan Home Ownership, on 020 8920 7777, or e-mail [housingoptions@mht.co.uk](mailto:housingoptions@mht.co.uk).

## The costs of being a homeowner

Buying your home is probably the biggest financial decision you will ever make. Take time to consider whether it is the right choice for you. As well as buying your home, you will be responsible for repairing and maintaining it.

If you buy a flat, you must pay your share of the costs of carrying out work and providing services to your building and estate. You do this by paying service charges. Your and our rights and responsibilities are set out in the lease agreement.

You need to work out whether you can afford to pay both the one-off costs and the regular costs of owning your home.

- The one-off costs will include solicitor's fees, stamp duty, survey fees, and mortgage fees.
- The regular costs will include your mortgage, building insurance and service charges (for flats).

Sometimes the bills for service charges can be very high, so think carefully about the costs involved before you buy.

A mortgage can be a big financial responsibility so you will need to be sure you can afford the monthly repayments, particularly if interest rates go up.

**If you do not keep up the regular monthly payments on your mortgage, you may lose your home.**

