



Right to Buy

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If you would like information in another language or format such as Braille, audio or large print, please call the number below.

Arabic	نحن ملتزمون بتوفير فرصة عادلة للجميع للحصول على المعلومات. إذا كنت تريد معلومات بلغة أخرى أو شكل آخر مثل لغة برييل أو تسجيل صوتي أو خط كبير فيرجى الاتصال بالرقم المبين أدناه.
Bengali	তথ্য পাওয়ার ক্ষেত্রে সমান সুযোগ দিতে আমরা প্রতিশ্রুতিবদ্ধ। যদি আপনি অন্য কোনো ভাষায় বা ফরমাটে তথ্য পেতে চান যেমন ব্রেইল, অডিও বা বড় ছাপার অক্ষরে, তাহলে অনুগ্রহ করে নিচের নম্বরে ফোন করুন।
Chinese	我們致力於提供公平獲取信息的機會。如果您希望其它語言或格式的信息，如布萊萊盲文點字，音頻或大字印刷，請撥打如下號碼。
Hindi	हम जानकारी की उपलब्धता के लिए उचित अवसर प्रदान करने के लिए प्रतिबद्ध हैं। यदि आप किसी अन्य भाषा या संरूप जैसे ब्रेल, ऑडियो या बड़े फ़ॉन्ट, के बारे में जानकारी प्राप्त करना चाहते हैं तो कृपया निम्नलिखित फ़ोन नंबर पर कॉल करें।
Polish	Naszym obowiązkiem jest zapewnienie wszystkim równych szans w dostępie do informacji. Osoby pragnące otrzymywać informacje w innym języku lub napisane pismem Braille bądź w formie dźwiękowym lub wydrukowane dużą czcionką, prosimy zadzwonić pod poniższy numer.
Punjabi	ਅਸੀਂ ਹਰ ਕਿਸੇ ਨੂੰ ਜਾਣਕਾਰੀ ਹਾਸਲ ਕਰਨ ਦਾ ਬੁੱਢਾ ਮੌਕਾ ਪ੍ਰਦਾਨ ਕਰਨ ਲਈ ਕਾਮਨਬੰਦ ਹਾਂ। ਜੇ ਤੁਸੀਂ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਜਾਂ ਕਿਸੇ ਹੋਰ ਫੋਰਮੈਟ ਜਿਵੇਂ ਬਰੇਲ, ਆਡੀਓ ਜਾਂ ਵੱਡੇ ਫਿੰਟ ਵਿੱਚ ਜਾਣਕਾਰੀ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਹੇਠਾਂ ਦਿੱਤੇ ਨੰਬਰ ਉੱਤੇ ਸੰਪਰਕ ਕਰੋ।
Urdu	ہم معلومات تک رسائی کی خاطر مساوی مواقع فراہم کرنے کے لئے پابند عہد ہیں۔ اگر آپ کو یہ معلومات دیگر زبانوں یا شکلوں میں درکار ہیں مثلاً کے طور پر بریل، آڈیو یا بڑے حروف میں طباعت کی شکل میں تو، براہ کرم درج ذیل نمبر پر کال کریں۔



0800 587 0001



Cestria Community Housing tenants who have an assured tenancy may have the right to buy their home at a discount. This leaflet explains how to apply for the Right to Buy and also what to consider in making the decision to buy your own home.

The information in this document is only for guidance and it is not a substitute for any professional or legal advice.

Be aware of 'Right to Buy' sales people who may try to get you to sign deals on the doorstep! Ask what is in it for them and always get independent financial advice. Never sign any loan agreement unless you have read the terms and conditions and you are satisfied with them and you are fully aware of the commitment you are entering into.

Who has the Right to Buy?

To have the right to buy your home from Cestria Community Housing you must:

- have an assured tenancy which means you were a tenant of Chester-le-Street District Council and your tenancy was transferred to Cestria Community Housing you therefore have the Preserved Right to Buy.
- have had a housing association or council tenancy for more than two years prior to January 2005.

This must be your only home.

If you have become a tenant of Cestria Community Housing post-transfer i.e. you were not a tenant with Chester-le-Street District Council at the time of transfer you have the Right to Acquire.

To have the Right to Acquire you must;

- have had a housing association or Council tenancy for more than five years.

This must be your only home.

Any time spent in armed forces accommodation will also count towards your years as a tenant.



You can apply for the Right to Buy jointly with joint tenants or members of your family over the age of 18 who have lived with you for the past 12 months.

Who doesn't have the Right to Buy?

You do not have the right to buy if:

- You live in a sheltered scheme or where your home is specifically for the use of elderly or disabled people.
- You have a court order saying you must leave your home.
- You are bankrupt or have been declared insolvent.
- If Cestria Community Housing does not own the freehold of your home.
- If your home is scheduled to be demolished.
- Cestria Community Housing have issued you a court order for possession in respect of rent arrears; this can take effect at any time up to the completion of sale.

How much will it cost?

The price you pay for buying your home will be the current open market value less the discount you are entitled to.

To work out the value we will ask an independent valuer to tell us the open market value of your home.

To give you an idea of what this will be you may wish to look at the cost of similar properties for sale in your area as a guide.

If you are unhappy with the valuation you receive you do have the right to appeal to the district valuer who will undertake a second valuation. However any further valuation that is undertaken will be the final valuation and there is a chance that it could be more than the original valuation.

To work out the discount you can get, we calculate how long you have been a tenant. The minimum discount, if you have been a Cestria Community Housing secure tenant since before January 2005 is 32% if you live in a house and 44% if you live in a flat.



This rises at 1% a year to make a maximum discount of 60% for a house and 2% a year to a maximum of 70% for a flat. In any instance the maximum discount available is £22,000 in the North East.

If you became a Cestria Community Housing tenant after February 2008, you must have been a housing association tenant for 5 years and you will then get a discount from a minimum of 35% for a house or 50% for a flat, to a maximum of 60% for a house and 70% for a flat.

Ongoing costs of ownership

Remember unlike your rent, your mortgage payments will not include buildings insurance and a free repairs service – if you buy your home you will have to pay for these things yourself.

Mortgage payments

Unless you buy the property with cash, the cost of a mortgage can vary substantially depending on what offer you get. It is important for you to know and realise that the amount you have to re-pay may vary with interest rate changes. If you do not maintain your mortgage payments regularly then you run the risk of losing your home.

Council tax

You will be responsible for paying your council tax.



Buildings insurance

You should make sure that your home is insured for its full value against any type of damage. If you buy a flat, Cestria Community Housing will insure the building but costs will be passed on to you in service charges.



Contents insurance

You should make sure that the contents of your home are covered against any type of damage.

Life Insurance

You may wish to consider taking out a life insurance policy in case the main earner in the family dies before the mortgage is fully repaid.

Mortgage payment protection insurance

This type of insurance can cover mortgage repayments for up to a specified period in the event of redundancy, sickness or accidents.

Utility bills

You will have to pay your gas, electricity, water, etc.

Maintenance/repair costs

You will be responsible for organising and paying for all repairs and improvements to your home once you have bought it. This will include regular servicing of your central heating.

If you buy a flat you will have to pay your share of costs or repairs to the outside of the building and to communal areas.

Service charges

These are charges that you may need to pay towards the maintenance and repair of the structure and shared parts of your building i.e. communal areas, caretaking and grounds maintenance. These charges primarily apply to flats and leaseholders. Details of any services charges that apply to you will be outlined within the information you will receive at offer stage.



How to apply

Initial application

For an initial application pack and information booklet please telephone Corporate Services on 0191 3851441 or email your request to righttobuy@cestria.org

Information about the Right to Buy is available on our website at www.cestria.org and includes links to useful information from the websites of Directgov.co.uk and the Financial Services Authority.

You can obtain an application form (Form RTB1) in person from our One Stop Shop or our main Bowes Offices at Lambton Park. You can also download a form from our website.

We will acknowledge that your application form has been received within 5 working days of receipt.

We will inform you whether or not you have the Right to Buy your home, using a form RTB2. You should receive this within four weeks of your application.

If you do not have the Right to Buy, you will be told why. If you disagree with our explanation and decision you can get advice from a Citizens Advice Bureau, from a solicitor or you can write to a Residential Property tribunal service.



Once your Right to Buy has been established

An offer notice (section 125 notice) will be issued to you within 8 weeks if you are buying a house, or 12 weeks if you are buying a flat.

The section 125 notice will:

- describe the property
- detail the price at which you can buy your home
- detail the terms and conditions of the sale
- detail any structural defects that Cestria Community Housing is aware of
- explain your discount entitlement

If you have purchased a property under the Right to Buy previously, the amount of discount you got then will be deducted from your discount when you buy again.

Your discount may also be reduced if Cestria Community Housing (or previously Chester-le-Street District Council) has spent money on repairing or maintaining your property over the last 15 years. This is called the 'cost floor rule'.

In addition to the above for leasehold properties (i.e. flats) on your Section 125 Notice you will also be given:

- estimates of service charges for the first 5 years
- estimates for improvements works

Service charges are paid to Cestria Community Housing for providing the necessary services to manage and maintain the building in which your flat is situated and for the communal areas within the building.

Services charges may include:

- Heating and lighting communal areas
- Buildings insurance
- Ground rent at £10 per year

- Cleaning and window cleaning
- Planned maintenance
- General maintenance and grounds maintenance
- TV aerial
- Management fee

The costs are variable and are based on the actual costs to the Association.

After you have received your Offer Notice

Buying your home is a major financial commitment. In addition to the purchase price of the property you will need to pay certain initial costs.

These costs may include:

- **Mortgage arrangements.** Fee and valuation if you are going to get a mortgage.
- **Legal Fees.** The cost of a solicitors' to deal with the purchase for you.
- **Survey Fees.** You should ask a qualified surveyor to carry out an independent survey
- **Land Registry.** Registration fees
- **Stamp Duty.** If the value of your property is over £125,000 you have to pay from 1% in stamp duty.
- **Deposit**

We recommend that you obtain an independent survey from a qualified surveyor or a structural engineer or architect. If you know who your lender will be at this stage, you may be able to arrange for their valuer to carry out a survey for you, which could save you the cost of a separate valuation.



If you disagree with the Offer price, you have the right to request that Cestria Community Housing obtains an independent valuation from the District Valuer. You must make Cestria Community Housing aware that you wish this to be done within 12 weeks of receiving your Offer Notice. You will then have four weeks to put your case to the District valuer. If you have had your own survey carried out, you can send a copy of the valuation to the District Valuer.

The District Valuer will also need to inspect your home. You should be aware that the District valuer's valuation is final, even if it is higher than the original valuation. You will either have to accept the new valuation or withdraw your application.

Before you decide to buy your home, we suggest that you get legal advice, particularly if you have worries about the terms of the sale. You should always ask how much it will cost before you employ a solicitor or licensed conveyancer.

At this stage in the process you have several options to decide upon:

- Buy your home outright for the price as stated in the Offer Notice, less any discount for which you are eligible
- OR
- Withdraw your application and carry on paying rent.

You must advise Cestria Community Housing of your decision within 12 weeks of receiving your Offer Notice. If you do not do this, Cestria Community Housing will send you a reminder giving you 56 days to advise us of your decision. If we have to issue a reminder, you will lose the right to obtain a further valuation from the District Valuer.

If you do not respond to our reminder, we will issue a second reminder giving you a further 56 days to respond. If you do not respond to the second reminder, we will write to you advising that your application will be withdrawn. If you have a valid reason why you cannot decide within the allowed time, you should inform us and we may allow you further time to consider.



Can you afford to buy your home?

One of the first things to do is to decide if you can afford to buy your own home. You can do this by adding up your monthly financial commitments and compare this to your monthly income. This will give you a rough estimate of what you might be able to afford each month for a mortgage and the other costs of home ownership.

You could ask your bank/building society at an early stage if you qualify for a mortgage. They will need to know what money you are receiving i.e. salary/benefits and what loans or credit cards you currently have. Attached is a personal budget grid to help you think about your commitments.

Monthly Income

	Monthly income
Pay after tax	
Pensions Income	
State Benefits	
Interest / Investment Income	
Child Maintenance	
Total	



Monthly outgoings

	Spending now	Spending if you buy
Rent		
Service Charges		
Mortgage		
Mortgage Protection Insurance		
Council Tax		
Gas		
Electricity		
Water Rates		
TV Licence/Cable/Satellite		
Telephone /Internet		
Loans		
Credit Cards		
Savings/Investments		
Building Insurance		
Contents Insurance		
Life Insurance		
Housekeeping/Food		
Clothing		
Alcohol / Cigarettes		
Entertainment		
Childcare		
Child Maintenance		
Car (insurance, tax etc)		
Transport / Getting to work		
Pets		
Holidays		
All other expenses		
Total		

If you decide to buy your home

This will be the stage where you will need to talk to a bank or building society. Useful information about mortgages is provided on the Financial Services Authority website at www.fsa.gov.uk/consumer.

Once you are happy with the terms of the sale and you have arranged your mortgage, you are ready to go ahead and buy. You should tell Cestria Community Housing that you are ready to go ahead and give us your solicitors' details.

Delays in the sale

In the event that Cestria Community Housing delays the sale by not sending you your Offer Notice in time, or is otherwise delaying the sale, you may be allowed a reduction in the purchase price.

To obtain this you must complete a RTB6 form (initial notice of delay) which gives Cestria Community Housing 28 days to issue a counter notice and resolve any delay. If the delay continues after this period you may then serve a RTB8 form (operative notice of delay).

This will allow any rent paid in the period of delay to be offset against your purchase price in the event you complete the sale.

If you decide to re-sell your house later

You can sell your house whenever you like, however if you bought your property after 18 January 2005 and you sell your house within the first 5 years you may have to repay some, or all of the discount.

The discount to be repaid will be dependent upon the resale value of your house less any improvements you have carried out following your purchase, and as a rule:

- If you sell within one year of purchase the whole discount has to be repaid
- If you sell within two years four fifths of the discount is to be repaid



- If you sell within three years three fifths of the discount is to be repaid
- If you sell within four years two fifths of the discount is to be repaid
- If you sell within five years one fifth of the discount is to be repaid

Repayment is based on the resale value of the property (disregarding any improvements you have made) not just a percentage of the actual discount you received.

If you bought your property after 18 January 2005 and you choose to sell your home within 10 years of buying it you will be required to give Cestria Community Housing the first refusal of buying your property back for the full market value. There is no obligation on Cestria Community Housing to buy back your property.

Frequently Asked Questions

I receive Housing Benefit; can I still buy my home?

As a tenant you may be able to claim housing benefit to help with your rent. As an owner-occupier, you will not normally receive any housing benefit to help with your mortgage costs.

Can I buy my bungalow?

Cestria Community Housing cannot sell any property that is designated for aged person's use – this applies to most of our bungalows and all of our sheltered housing flats. Some bungalows were specifically built for families, but they are limited in number.

If you are unsure contact Cestria Community Housing and we will advise you.

I don't know which type of mortgage to get, can you give me advice?

Unfortunately our staff are not trained to give financial advice or to recommend mortgages or lenders to you.

The staff at the Citizens Advice Bureau can give impartial advice and help you decide which type of mortgage is best for you. There are also a number of websites that can help such as:

www.moneymadeclear.fsa.gov.uk

This is a site governed by the Financial Services Authority and guides you through all of the aspects of buying your home and the financial decisions you need to make.

Can I buy my house in joint names with my son/daughter/partner?

Any adult family member who has lived in the home for more than 12 months and has no other permanent address has the right to buy the property jointly with the tenant. Family members who have not lived in the property cannot have their name included on the sale; however they are not prevented from assisting with private financial arrangements.

What will happen to my home if I die within 3 years of buying it?

If the property is sold, the same rules of paying back the discount applies. However, family members can take over the ownership of the property without paying back the discount, as long as the property is not sold to the family members. Your solicitor would be able to give you advice about this.

Will Cestria Community Housing buy back my home?

At the moment the Cestria Community Housing Association does not buy back homes.

If I have made improvements in my home will it increase the value of the property?

When you apply to buy you will be asked what, if any, improvements you have made to your home. This information will be passed to the valuer who will assess the value of the property as if the improvements had not taken place.



How to contact us

Cestria Community Housing

Bowes Offices
Lambton Park
Chester-le-Street
DH3 4AN
Tel: 0191 385 1900
www.cestria.org
enquiries@cestria.org

Opening Times

Monday-Thursday 8.30am - 5.00pm

Friday 8.30am - 4.30pm

One Stop Shop

166 Front Street
Chester-le-Street
DH3 3AZ
Tel: 0191 385 1944

Opening Times

Monday-Thursday 9.00am - 5.00pm

Friday 9.00am - 4.30pm

