



Voluntary Right to Buy Policy (Midlands Pilot)

Version 1

Approved by: Board
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1.0 Introduction

1.1 This Policy outlines our approach to the Voluntary Right to Buy (VRTB) scheme, detailing:

- [Who has the right to buy their home](#)
- [Which homes are excluded from the VRTB scheme](#)
- [What we'll do if your property is not eligible](#)
- [The application fee we'll charge](#)
- [How we'll value your home](#)
- [How the discount is calculated](#)
- [Your responsibilities once you've bought your home.](#)

1.2 This Policy only applies to our Midlands Region, where VRTB is being piloted.

1.3 When we use 'you' and 'your' we mean tenants. The terms 'we', 'our', and 'us' mean Optivo.

2.0 Who has the right to buy their home under the VRTB Pilot?

2.1 To apply to buy your home, or an alternative property (see section 4), you should have a clear rent account and you must meet all of the following criteria:

- Have an undemoted Secure or Assured tenancy, this includes Fixed Term Tenancies (FTT) as long as your original tenancy is longer than three years
- Can prove you've been a tenant of social or affordable housing for three years. This does not need to have been with the same landlord or for a continuous period.
- Are a British National or settled in the UK
- Have a clear rent account at the point of completion
- Have a unique reference number from the [Government's Digital Gateway](#). This will confirm funding is available.
- Meet any additional Government eligibility criteria for VRTB.

2.2 You are **not** eligible to buy your home, or an alternative property (see section 4), if you:

- Are subject to legal proceedings (e.g. an injunction or a Notice of Seeking Possession) for a breach of tenancy, for example for anti social behaviour, rent arrears or not allowing access. We will end your application if legal proceedings start during the application or sales process.
- Have the statutory Preserved Right to Buy
- Have an Assured Shorthold Tenancy (other than an FTT) or a licence

- Have a Fixed Term Tenancy, where the original term is less than two years
- Have a Fixed Term Tenancy, where the original term is 21 years or more
- Live in shared housing, even if you have an Assured Tenancy
- Are a shared owner
- Are a resident of housing for older people, co-operative housing, or alms-house, student, keyworker or hostel accommodation
- Are currently subject to the Mortgage Rescue Scheme
- Already own a property, even if it is not your principle home. You may be eligible if you end your ownership on or before completion of the Right to Buy purchase.
- Are subject to bankruptcy proceedings or unfulfilled credit arrangements.

2.3 If you're applying jointly with a spouse, civil partner, and/or up to three other family members, you must demonstrate:

- It is the main home of **every** applicant
- It has been **their** home for at least 12 months, even if they're not named on the tenancy agreement.

If one joint applicant is ineligible, or you want to add or remove a joint applicant, we will end your application and you will need to reapply.

If a joint tenant does not wish to buy their home, you must get their agreement before you apply to buy the property. Their tenancy will end once you buy your home and they will have no legal right to live at the property as a tenant.

2.4 In line with anti money laundering legislation, you must tell us how you intend to fund the purchase of your home.

If you are buying with funding from a company, such as a mortgage lender, the company funding the purchase must be registered with the Financial Conduct Authority.

If you are buying your home with the help of a family contribution, we'll need additional information and evidence. We'll meet with you face to face to verify the relevant documentation.

2.5 If at any time during the application process we suspect fraud or money laundering, we'll suspend your application pending further investigation.

3.0 Are there any properties we will not sell under the VRTB Pilot?

3.1 We can decide whether to sell a home and will not unreasonably refuse any request.

3.2 We will refuse your application to buy your home if your home is:

- Due for a change of use or significant refurbishment, or to be redeveloped, sold or demolished
- Supported housing, including Extra Care housing where ongoing management or replacement may be difficult or costly
- A property we are unable to sell because of planning restrictions (e.g. Section 106 agreement), restrictive covenants, nominations agreements, or for other legal or regulatory reasons

- A property where we don't receive 100% of the compensation for the sale, as agreed in transfer arrangements
- A property where the open market value is below what we have spent on building, buying, repairing or improving your home
- A house where we aren't the freeholder (a leasehold house).

3.3 This is not an exhaustive list. In exceptional circumstances, the Director of Home Ownership may use their discretion to approve or refuse applications.

4.0 What happens if your home is not available for sale?

4.1 If you are eligible for VRTB, but your property is not available to buy, we'll offer you an alternative property to buy using your discount; this is known as portability. This may be one of our existing homes, one we're building for market sale or possibly market rent, or a property from another social landlord.

We won't offer homes we're building specifically for rent or shared ownership.

You won't be able to use the discount to buy on the open market.

NB: Only tenants whose properties are not available to buy can opt to use their discount to purchase another property under VRTB.

4.2 We will make you one reasonable offer based on your current need, and with consideration to your circumstances and preferences. Where we can, we'll offer you a 'like for like' property. We will consider the following when defining the suitability of a property:

- Size (e.g. number of bedrooms)
- What's available (e.g. new build or existing home)
- Location (e.g. proximity to school or work)
- Costs (e.g. cost of purchase or running costs)
- Quality (e.g. state of repair or number of rooms).

4.3 We may ask you to move into the home you're porting your discount to, before the sales process is complete. If we do, we'll issue you a tenancy in line with our [Tenure Policy](#).

4.4 If we're unable to offer you a property within three months of your application, or you do not accept the offer, we'll close your application and refund your application fee. You can reapply or we'll work with you to explore alternative options.

4.5 If you're unhappy with how we've dealt with your application, or with the outcome, you can follow our [Complaints Resolution Policy](#).

5.0 Charging a fee

5.1 You'll need to pay an application fee of £250. If you don't pay your fee within four weeks of our request for payment, we'll cancel your application.

5.2 We will only refund this fee if you:

- Are unable to proceed because you or your home is not eligible
- Do not accept an alternative property
- Successfully buy your home.

5.3 If you decide not to proceed following the valuation of your home, or are unable to provide evidence for your application, we will not refund the fee.

6.0 How is the discount calculated?

6.1 Your discount will depend on the number of years you've been a tenant of social or affordable housing. This is known as the qualifying period. This does not need to be with the same landlord or a continuous period. This includes time spent holding an Assured Shorthold Tenancy (AST).

6.2 For freehold sales (houses), you're entitled to a 35%¹ discount if you've been a tenant of social or affordable housing for three to five years. You're entitled to a further 1% for each additional whole year. This is up to a current maximum discount of 70% or £80,900² (£108,000 in London boroughs), whichever is lower.

6.3 For leasehold sales (usually flats), you're entitled to a 50% discount if you've been a tenant of social or affordable housing for three to five years. You're entitled to a further 2% for each additional whole year. This is up to a current maximum discount of 70% or £80,900 (£108,000 in London boroughs), whichever is lower.

6.4 If you've previously received funding under Right to Buy, Preserved Right to Buy or Right to Acquire, we'll reduce your discount by that amount.

6.5 We'll deduct your discount from the market valuation of the property you're buying.

7.0 How will we value your property?

7.1 We will arrange and pay for an independent Royal Institute of Chartered Surveyors (RICS) qualified surveyor to value your property for sale. You can choose from our approved list of RICS qualified surveyors.

7.2 The surveyor will reduce the valuation to take account of improvements you've made to your home. We'll only consider improvements we have consented to, such as a new bathroom, kitchen or extension. You need to apply for our consent retrospectively, and pay any fee that applies, if you didn't gain our permission for the improvements at the time.

7.3 Upon completion of the valuation, we must obtain permission from Homes England. Once we have permission, we'll send you an offer notice, setting out:

- The valuation, your discount and the price you'll pay
- Any structural problems we know about
- Any terms and conditions of the purchase

¹ Based on the value of the property you are buying

² The Government reviews the maximum discounts annually

- An estimate of the service charge or estate rentcharge you'll have to pay when you're a homeowner.

7.4 You have four weeks from the date on the offer notice to confirm acceptance of the offer.

7.5 If you're not happy with the valuation, you can ask for a second valuation, at your own cost, from another RICS qualified surveyor on the approved list.

8.0 Your responsibilities once you've bought your home

8.1 Buying your home is a major financial commitment. Apart from paying for it, you will be responsible for all repairs and maintenance. If you buy a flat or a leasehold house, you'll also have to pay service charges. If you buy a freehold house, you may also have to pay an estate charge.

8.2 If you decide to sell or let your home within five years, you'll need to pay back a proportion of the discount you received. You'll have to pay back all of the discount if you sell or let within the first year. After that, the total amount you pay back reduces to:

- 80% of the discount in the second year
- 60% of the discount in the third year
- 40% of the discount in the fourth year
- 20% of the discount in the fifth year.

The amount of discount you have to repay will be a percentage of the **resale value** of the property, disregarding the value of any improvements.

8.3 We'll calculate the discount repayment from the date you enter into the agreement with a third party to sell or let your home. For example, if you enter into an agreement before you have bought the property or during the first year after buying, you will have to repay the full discount you received.

You'll need to repay the discount if you are found to be in breach of terms of the sale or found to have committed fraud.

8.4 We won't normally waive the repayment of some or all of the discount, except in exceptional circumstances. The Director of Home Ownership must approve all changes to your discount repayment.

8.5 If you decide to sell your home within ten years of buying it, you must first offer it to us, or, if we don't want it, to another social landlord, before putting it on the open market.

9.0 Review

9.1 We will review this Policy to address legislative, regulatory, best practice or operational issues.