

Right to Acquire: buying your housing association home

1. Overview

Right to Acquire allows most housing association tenants to buy their home at a discount. You apply using the Right to Acquire application form

www.gov.uk/government/publications/right-to-acquire-application-form-rta1

You can apply to buy your housing association home if you've had a public sector landlord for 3 years. These landlords include:

- housing associations
- councils
- the armed services
- NHS trusts and foundation trusts

Eligible properties

Your property must either have been:

- built or bought by a housing association after 31 March 1997 (and funded through a social housing grant provided by the Housing Corporation or local council)
- transferred from a local council to a housing association after 31 March 1997

Your landlord must be registered with the Homes and Communities Agency.

www.gov.uk/government/organisations/homes-and-communities-agency

The home you want to buy must also be:

- a self-contained property
- your only or main home

Joint applications

You can make a joint application with:

- someone who shares your tenancy
- up to 3 family members who've lived with you for the past 12 months (even if they don't share your tenancy)

Who doesn't qualify

You can't use Right to Acquire if:

- you're being made bankrupt
- a court has ordered you to leave your home
- you're a council tenant - you may be able to use Right to Buy instead
- you have 'Preserved Right to Buy'

2. Discounts

You can get a discount of between £9,000 and £16,000 on the price of your property.

The amount of discount you'll get depends on where you live in the UK.

Your landlord will tell you what discount you'll get when you apply to buy your home. You can also download a table of discounts broken down by location.

www.gov.uk/government/publications/right-to-acquire-discounts-by-location

Your discount might be reduced if you've used Right to Acquire or Right to Buy in the past.

3. Applying

1. Fill in the Right to Acquire application form
2. Send it to your landlord.
3. Your landlord must say yes or no within 4 weeks of getting your application (8 weeks if they've been your landlord for less than 3 years). If your landlord says no, they must say why. You can't appeal against the landlord's decision.
4. If your landlord agrees to sell, they'll send you an offer. They must do this within 8 weeks of saying yes if you're buying a freehold property, or 12 weeks if you're buying a leasehold property.

Your landlord might offer you the choice of buying your home, or another empty one that they own. You don't have to accept the other property and your landlord doesn't have to offer you one.

4. Your landlord's offer

If your landlord agrees to sell, their offer will tell you:

- the price they think you should pay for the property and how it was worked out
- your discount and how it was worked out
- a description of the property and any land included in the price
- estimates of any service charge (for a flat or maisonette) for the first 5 years
- any known problems with the property's structure, eg subsidence

Deciding to buy

Once you get your landlord's offer, you have 12 weeks to tell them that you still want to buy.

If you don't reply, the landlord will send you a reminder (called an 'RTA4'). You'll have a reasonable time (at least 28 days) to reply. If you don't, your landlord will send a final reminder (called an 'RTA5'). If you don't reply to that, your landlord can drop your application.

You can pull out of the sale and continue to rent at any time.

If you disagree with the landlord's offer

Contact your landlord and tell them why.

If you think your landlord has set your home's market value too high, you must write to them within 3 months of getting the offer and ask for an independent valuation.

A district valuer from HM Revenue & Customs will visit your home and decide how much it's worth. You have 12 weeks to accept their valuation or pull out of the sale.

5. Selling your home

If you sell your home within 10 years of buying it through Right to Acquire, you must first offer it to your old landlord.

The property should be sold at the full market price agreed between you and the landlord.

If you can't agree, a district valuer will say how much your home is worth and set the price. You won't have to pay for their valuation.

If the landlord doesn't agree to buy your home within 8 weeks, you can sell it to anyone.

Paying back your discount

If you sell your home within 5 years of buying it, you'll have to pay back some or all of the discount you got.

If you sell within the first year, you'll have to pay back all of the discount. On top of this, the amount you pay back depends on the value of your home when you sell it. So, if you got a 10% discount, you'll have to pay back 10% of the selling price.

If you sell after the first year, the total amount you pay back reduces. You pay back:

- 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

Example You bought your home worth £100,000 and got a 10% discount (£10,000). You then sold your home after 18 months for £120,000.

10% of £120,000 is £12,000. As you're in the second year, you would repay 80% of £12,000 (£9,600).

6. Help and advice

The Money Advice Service www.moneyadviceservice.org.uk offers free, impartial advice about money, including buying a home and taking out a mortgage.

Money Advice Service

Telephone: 0300 500 5000

Find out about call charges www.gov.uk/call-charges

You can also get advice on Right to Acquire from:

- Citizens Advice - www.citizensadvice.org.uk
- Shelter - www.shelter.org.uk
- your local Law Centre - www.lawcentres.org.uk