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Right to Acquire
A guide for residents

What is the Right to Acquire?

The Right to Acquire is a scheme giving eligible residents of Housing Associations the legal right to buy the home they currently rent.

Can any resident buy?

Not all residents can buy using the Right to Acquire.

What properties are eligible?

To buy using the Right to Acquire you should have a Secure or Assured Tenancy and live in a property that generally, was built or purchased after the 1st April 1997.

What properties are not eligible?

Generally, they are properties:

- In a designated rural area as specified by the Welsh Government
- In a National Park such as the Brecon Beacons National Park
- Built specially for older or disabled persons

If in doubt, please ask us.

How long do I have to have held a tenancy before I can apply?

If you took up your Tenancy before 18th January 2005 it is two years.

If you took up your Tenancy after 18th January 2005 it is five years.

Periods of time spent with another Landlord such as the Council or HM Forces will count towards the qualifying period.

How much will my property cost?

If your application for the Right to Acquire is approved, we will arrange for a valuation to be carried out. We may require evidence of how you will fund the purchase before obtaining the valuation.

What discount will I get?

The discount will be **25%** of the value of the property up to a maximum of **£8,000**

What are the initial costs of buying your home?

Typically the initial costs of buying will include:

- mortgage arrangement fees and building survey fees
- the cost of a solicitor to act for you and any related legal fees

What are the regular payments you will need to pay?

Typically the regular bills you will need to pay when you have bought your home include:

- The mortgage and any other secured loans. (You may lose your home if you don't keep up to date with the mortgage payments or any other secured loan payments)
- Building insurance, life insurance and mortgage payment protection insurance.
- Council tax, water rates, gas, electricity and any other utility service.
- If you are buying a flat or a house on an estate you may have to pay a service charge for shared amenities and services such as grass cutting or the costs of cleaning services.

What is the procedure for claiming the Right to Acquire?

Once you express an interest, we will send you a **RTA1 Form** to complete and return to us.

Once we receive the RTA1 Form back, we will inform you officially whether you qualify for the Right to Acquire or not using the **RTA2 Form**. This will be done within four weeks if the whole of the qualifying period was with Melin or eight weeks if some of the time was with another landlord.

We then send you a **Section 125 Offer Notice**, which tells you the price and the terms and conditions of the purchase. This will be done within 8 weeks if you live in a house and are buying the freehold or 12 weeks if your home is a flat.

If you intend to go ahead you must confirm your intention within 12 weeks and will need to arrange a mortgage. You are advised to arrange a survey of the property and you will need to appoint a solicitor to carry out the sale on your behalf.

Completing the purchase now proceeds in the same way as any other property purchase.

What if I have rent arrears or have a court hearing pending?

You will be expected to clear any rent arrears before legal completion.

If you are the subject of a possession order, this may prevent you from being able to buy your home.

The discount to be repaid will be a percentage of the resale value.

If you sell your home within 10 years of the date you bought it, then you must offer Melin first refusal on buying back the property at the current market value.

What happens if I sell my home?

If you sell within five years of buying under the Right To Acquire you must repay the discount as follows:

- Sale within one year > **the whole discount**
- Sale within two years > **80%** of the discount
- Sale within three years > **60%** of the discount
- Sale within four years > **40%** of the discount
- Sale within five years > **20%** of the discount