

Tenants First Housing Co-operative

Right to Buy Policy

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1. Policy Aims

Tenants First Housing Co-operative, as a Fully Mutual Housing Co-operative, is exempt from Right to Buy legislation. However, founder members were granted a contractual agreement giving them the right to buy their home.

Tenants First Housing Co-operative, hereafter referred to as the Co-operative, recognises the importance of providing a high quality service to members who exercise that right.

2. Objectives

The Right to Buy Policy links with the following objective contained in the Co-operative's Internal Management Plan:

To manage and develop the business in an innovative way, providing high standards and maintaining financial viability.

The Co-operative shall ensure that it adheres to the terms of the Right to Buy agreement when dealing with right to buy applications. This agreement is based on the Housing (Scotland) Act 1987, Part III.

The Co-operative shall comply with the Data Protection Act 1998 and will ensure that any information provided by the applicant or sought by the Co-operative as part of the process of dealing with an application is treated in the strictest confidence.

The Co-operative shall ensure that it meets the requirements of Performance Standards in respect of right to buy applications.

The Co-operative shall ensure that the sale of any property through the Right to Buy agreement does not result in financial loss to the Co-operative.

The Co-operative will aim to process right to buy applications according to the targets outlined in the Right to Buy Procedure.

3. Right to Buy Service

3.1 The Right to Buy Agreement

The following were originally given a Contractual Right to Buy agreement with the Co-operative:

- Former tenants of Scottish Homes who transferred to the Co-operative under the Tenants Choice provisions contained in the Housing (Scotland) Act 1988.

The following retain their Right to Buy agreement:

- Members who remain resident in the property they were living in at the time of the Tenants Choice transfer.
- Members who transferred at the time of the Tenants Choice Transfer but have subsequently transferred to another Co-operative property prior to 3rd December 2001 but who meet the qualifying criteria as detailed in Appendix 1.
- A level one successor, i.e. the member's spouse, civil partner or co-habitee (in the case of co-habitees a six month residency requirement pertains) who remains resident in the property they were living in at the time of the Tenants Choice transfer.

The following do not retain/have a Right to Buy agreement with the Co-operative and are therefore not eligible to buy their homes:

- Members who transferred at the time of the Tenants Choice Transfer but have subsequently transferred to another Co-operative property prior to 3rd December 2001, who do not meet the qualifying criteria as per Appendix 1.
- Members who transferred at the time of the Tenants Choice Transfer but have subsequently transferred to another Co-operative property on or after the 3rd December 2001.
- Members who transferred at the time of Tenants Choice Transfer but have subsequently had their tenancy terminated by decree.
- Members who transferred at the time of Tenants Choice Transfer but have subsequently had their tenancy converted to a Short Scottish Secure Tenancy due to antisocial behaviour.
- Members whose homes are part of a sheltered housing development.
- Members who joined the Co-operative either by being allocated a property through the Co-operative's Allocations Policy or as the result of a Mutual Exchange.
- Members who are assigned their tenancy.
- Members who succeed to a tenancy but do not meet level one criteria.
- Any special lets which the Co-operative has entered into.

A member with a Right to Buy agreement may apply to buy his or her home jointly with one or more residents who are over 18 years of age and have

lived with the member for the 6 months immediately prior to the application being submitted.

Approval will not be given to any applications for joint purchase of its properties by non tenants. Non tenants are classed as people who have no occupancy rights as defined by the Housing (Scotland) Act 2001.

3.2 Valuations

The valuation of Co-operative properties will be carried out by the District Valuer as instructed by the Co-operative. Properties will be valued at their open market value with vacant possession. In establishing the market value, no account will be taken of any increase in value as a result of improvements carried out by the member.

3.3 Discount

Discount for houses starts at 32% after 2 years of qualifying tenancy rising by 1% for every subsequent year up to a maximum of 60% after 30 years.

Discount for flats starts at 44% after 2 years of qualifying tenancy rising by 2% for every subsequent year up to a maximum of 70% after 15 years.

When calculating discount entitlement the Co-operative will include tenancies with any of the landlords listed in the Right to Buy procedure.

The Co-operative will disregard a break of less than 2 years in continuous tenancies with qualifying landlords. If there has been a break in continuous tenancies of 2 years or more then the tenancies prior to the break will not be taken into consideration for the calculation of discount.

To ensure that the Co-operative does not make a loss on any sale, the following will be taken into consideration and may result in a member's discount being restricted:

- Any Capital work (e.g. windows, kitchens, bathrooms, doors) carried out to the property prior to the application to buy being made (excluding reactive maintenance repairs)
- Co-operative legal fees

3.4 Offer Price

The price at which a property is offered for sale will be the market valuation less any discount, whether restricted or not, to which the member is entitled.

Any outstanding debt owed by the member to the Co-operative, for example rent arrears, recoverable repairs or legal expenses, must be paid in order for settlement to be effected.

3.5 Loans

The Co-operative will not provide loan facilities to members who are buying their homes. The Co-operative will provide references for members who are applying for loans from banks, building societies or other financial institutions.

3.6 Securities

To protect the position on the repayable discount, the Co-operative will ensure that within the standard security the discount standard security will rank second behind the main Lender's standard security. The Co-operative will only allow further borrowings to rank ahead of its own security if they are for the sole purpose of home improvements.

3.7 Administration Fee

A member will be charged an administration fee, based on cost incurred, if an application to buy a property is withdrawn after the Co-operative's solicitor has raised the formal offer.

The member will also be liable for any legal costs incurred by a withdrawn or cancelled application.

3.8 Restrictions on Disposal

On resale of a property purchased within 3 years of the date of the conclusion of the contract for the original sale, the seller is obliged to repay a proportion of the discount received as follows:

- If the property is sold within the 1st year: 100% of discount must be repaid.
- If the property is sold within the 2nd year: 66% of discount must be repaid.
- If the property is sold within the 3rd year: 33% of discount must be repaid.

Certain categories of Disposal will be exempt from the requirement to repay discount. These are where:

- The house is disposed of by one of the parties to the original sale to one of the other parties (e.g. a joint purchaser disposes of their interest to another joint purchaser).
- A joint purchaser disposes of their interest to someone else but continues to occupy the property (or part of the property) as their only or principal home.
- The disposal is made by the executor of the deceased owner acting in that capacity (i.e. the property is being sold as part of the winding-up of the estate).
- The disposal is the result of a compulsory purchase order.
- The disposal is to a member of the owner's family who has lived with him or her for 12 months before the disposal and the disposal is for no consideration (i.e. it is not a sale). If the property is subsequently sold

before the expiry of the 3 year period, the seller would be liable to repay the proportion of the discount specified in the standard security.

4. Training

The Co-operative, through its Internal Management Plan, is committed to training and developing staff and committee members so that they have a good knowledge of the procedures and systems in place that meets the expectations of members, the public, colleagues and external stakeholders.

5. Equal Opportunities

The Co-operative will ensure that in implementing this Policy it will not unfairly discriminate against any individual, household or group on the grounds of gender, gender identity or marital status, on race grounds, or on the grounds of disability, age, sexual orientation, language or social origin, other personal attributes, including beliefs or opinions such as religious beliefs or political opinions.

6. Monitoring and Reporting

The Director of Finance will be responsible for ensuring that the Finance and Corporate Services Sub Committee receives right to buy activity reports on a quarterly basis.

7. Review

This policy will be approved by the Finance & Corporate Services Sub Committee and is reviewed in consultation with staff, members and any other relevant agencies. It will be reviewed every three years unless amendment is prompted by a change in legislation or the Constitution of the Co-operative.

8. Legal Framework

In approving this Policy, the Co-operative aims to fully comply with the following legislation:-

Data Protection Act 1998
Disability Discrimination Act 1995
Race Relations Act 1976
Race Relations (Amendment) Act 2000
Sex Discrimination Act 1975
Human Rights Act 1998

It is also the Co-operative's duty to adhere to the terms of the Contractual Right to Buy Agreements.

9. References

Scottish Federation of Housing Associations Right to Buy Manual

10. Related Policies and Procedures

Antisocial Behaviour and Harassment Policy

Short Scottish Secure Tenancy Policy

Right to Buy Procedure

Allocations Procedure

Rent Arrears Procedure

Signing-Up Procedure

Appendix 1

Status of members who were given a Right to Buy agreement but have since transferred to another property

| Former TMB Area | Transfer prior to 30 th July 2000 | Transfer between 31 st July 2000 and 2 nd December 2001 | Transfer from 3 rd December 2001 to date |
|-----------------|--|---|---|
| Bennachie | Right to Buy option retained for all transfers within TMB area as well as those transferring in from Fraserburgh and Ugievale. | Right to Buy option retained for all transfers. | No Right to Buy. |
| Deeside | Right to Buy option retained for all transfers within TMB area only. | Right to Buy option retained for all transfers. | No Right to Buy |
| Fraserburgh | Right to Buy option retained for all transfers. | Right to Buy option retained for all transfers. | No Right to Buy |
| St Machar | No Right to Buy | No Right to Buy | No Right to Buy |
| Sheddocksley | No Right to Buy | No Right to Buy | No Right to Buy |
| Ugievale | Right to Buy option retained for all transfers. | No Right to Buy | No Right to Buy |

