Grosvenor Hart Homes:

Right to Acquire Policy

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1. Introduction

1.1 This policy outlines how Grosvenor Hart Homes (GHH) Limited customers can purchase their home through the Right to Acquire (RTA) scheme. The policy is based on the Homes England Capital Funding Guidance which sets out how Right to Acquire schemes must operate.

1.2 The RTA scheme was originally introduced in 1997 following the Housing Act 1996. This was subsequently replaced by the Housing and Regeneration Act 2008. In summary it gives housing association tenants who occupy certain properties (principally Homes England grant funded properties), providing they have been a tenant for three years, the right to acquire that home.

1.3 GHH will ensure that all applications are assessed fairly and lawfully ensuring all relevant eligibility criteria are met at that time within the prescribed timescales.

1.4 Potential applicants should take steps to ensure that they fully understand the risks and costs associated with the purchase of any property through the RTA scheme. These will include (amongst other matters):

- Legal and survey fees
- Valuation costs
- Ongoing maintenance and repair costs once the purchase is made
- The risk of repossession if a mortgage is taken to support the purchase and payments are not maintained

1.5 We recommend that tenants read the Government guide to Right to Acquire before applying for Right to Acquire - Right to Acquire: buying your housing association home: Overview - GOV.UK .

2. Scope

2.1 Tenants must have been a public sector tenant[1] for at least 3 years to access the Right to Acquire scheme. They will not, however, be entitled to a Right to Acquire if they are a Starter Tenant in their current tenancy. The Right to Acquire is only available to eligible tenants who are on assured or secure tenancies.

2.2 Tenants cannot buy their home if:

- The courts have issued a warrant following possession order to leave their home (they can apply to buy their home, but GHH must not complete that purchase if there is a warrant)

- There is a bankruptcy petition pending against the tenant or a debt relief order is in force against the tenant or one of the persons to whom the right to buy belongs, or the tenant or that person is an un- discharged bankrupt

[1] A public sector landlord includes a housing association, a council, the armed services or NHS trusts and foundation trusts.

- They live in housing specially provided for older people and (in certain cases) disabled people
- There is significant anti-social behaviour reported at the property and GHH has put in place a suspension order.
- They have been served a "final demolition notice" that we intend to demolish their home within a specific period. (Service of an initial notice means tenants can apply for the right to buy but GHH will not complete the right to acquire whilst the notice is in force)
- The property was not built or acquired using public funds (e.g. a social housing grant) (as defined in the legislation) by a registered provider of social housing or other public sector landlord
- The property was built or bought by the housing association before 1 April 1997
- We will not complete on RTA applications if arrears exist on the account of more than 4 weeks rent.
- This list is not exhaustive and GHH will advise whether the property qualifies when responding to each individual application.

2.3 Right to Acquire only applies to social housing properties and therefore this policy only applies to qualifying properties owned by Grosvenor Hart Homes Limited, which is a Registered Provider of Social Housing owning all of GHH's social, affordable and intermediate rent properties.

2.4 Qualifying properties are properties where GHH has received public funding for the acquisition of the property. For GHH, this means that properties in central Chester do not qualify for RTA.

3. Discounts available

3.1 The discount amount on RTA properties is a fixed sum which varies geographically and is set by the Government. Discounts range from £9,000 to £16,000 depending on the price of the property. The discounts available can be viewed here: Right to Acquire: buying your housing association home: Discounts - GOV.UK

4. Processing RTA applications

4.1 GHH will ensure all applications are dealt with in line with prescribed timescales set by the Government, to ensure applicants meet the required criteria for RTA.

4.2 The timescales are set out in the table below:

➢ RTA applications will be assessed within 4 weeks. If the applicant has been a tenant with GHH for less than 3 years it will be assessed within 8 weeks
➢ Once an application is accepted the tenant will receive an Offer Notice within 8 weeks (if they are purchasing a house), or 12 weeks (if they are purchasing a flat).
➢ The tenant then has 12 weeks in which to respond to the offer to buy their home
➢ If the tenant fails to respond they will receive a notice giving them a final 28 days in which to respond.

➢ If no response is received to this final reminder, their Right to Buy application will be considered to be withdrawn
➢ If a tenant disagrees with the landlord's offer, they can write to them within 3 months of getting the offer and ask for an independent valuation.

4.3 All programmed major works (if possible) and non-urgent repairs will cease on the property during the application process, but GHH will continue to meet the minimum legal repair requirements (both under the terms of the tenancy agreement and legislation).

4.4 Tenants are able to pull out of the sale and continue to rent at any time.

4.5 Tenants are required to complete a Right to Acquire application form, and the application process will include the following:

- Proof of photo identity of all parties to the application
- Proof of residency for the full 12 month prior to the application being made for all parties
- Copy of current and previous years Council Tax
- Proof of Kinship (where applicable)
- Evidence of Mortgage in Principle
- We would expect appropriate money laundering checks will be undertaken for cash purchasers by their solicitors, but we may also require information about source of funds for fraud prevention purposes

4.6 Tenants can make joint applications to buy their properties through a 'joint application' (either with someone who shares their tenancy or with up to 3 family members who have lived with the applicant for the past 12 months even if they do not share the tenancy). These family members must either be the tenant's spouse/ civil partner or have lived at the property for the past 12 months - evidence is required for all months in occupation and of family connection.

4.7 *Verifying Previous Tenancies*
It is for GHH to decide what documentation or information we require to verify previous tenancies. However, Government expects landlords to consider a range of options for verification. Examples of the types of evidence that may be acceptable could include:

- Previous tenancy agreements
- Previous landlords' tenancy records
- Evidence of rental payments
- Electoral roll records
- Utility bills or bank statements showing previous addresses
- Statutory declaration
- Evidence of Council Tax payments
- Proof of employment with the Armed Forces

GHH Housing would consider it is good practice to require at least two forms of verification if tenancy agreements cannot be located, for example a Statutory Declaration together with electoral roll records. GHH will consider each application individually and if required will seek independent legal advice on complex applications.

4.8 Applying for a Right to Acquire is free of charge to the customer other than bearing their own legal and survey costs.

4.9 If the applicant(s) have indicated that they want to go ahead with the Right to Acquire purchase but have not taken steps to complete it, GHH will serve two warning notices requiring them to do so. Each notice will run consecutively for a period of 56 days each and will not be served any earlier than three months from the date of the Offer Notice. If the applicant fails to complete the purchase by the expiry of the 56 days in the Final Notice to Complete, GHH will withdraw its offer.

5.Valuation

5.1 GHH will instruct RICS independent valuers to provide the current market value of RTA applications in line with legislative requirements.

5.2 GHH will ensure consideration is given to potential future value of any associated land within the boundary of the property. In this case the valuer will include any potential development value when determining the value. We will also consider including any additional land that could reasonably be included within the property to avoid a permanent non-beneficial liability for the company.

5.3 Should the potential purchaser request, the valuation can be referred to the District Valuer for final consideration.

6.Post-completion

6.1 If an owner who purchased through RTA intends to sell the property within ten years of buying they must first offer the property back to the landlord at full market value, agreed between the owner and the landlord. If no response is given within 8 weeks, the owner can sell to anyone on the open market.

6.2 Should the company wish to purchase the property back but cannot agree a purchase price it will be referred through to the District Valuer.

6.3 If an owner decides to sell their home within 5 years of buying it, then some repayment of the discount will be required. The discount will be by reference to the then sale price. Discount repayments are set by the government and reduce with the years in occupation:

- Year 1 – 100% of the discount
- Year 2 – 80% of the discount
- Year 3 – 60% of the discount
- Year 4 – 40% of the discount
- Year 5 – 20% of the discount

6.4 For RTA sales where grant can be claimed for the discount amount from Homes England, an audit file will be compiled and signed off by Head of Growth and then the necessary claim made on the IMS system.

6. Equality & Diversity:

6.1 This policy has been considered against our Equality and Diversity Policy and no additional provisions are required. Where customers have specific needs to access the policy, reasonable support would be given. By way of example, this may include the provision of the policy in alternate forms such as braille, different languages, large print or audio versions and ensuring that the processes followed within the policy are reasonably adapted to reflect the needs of the individual. This could also include support where a protected characteristic may need extra help or information

7. Review schedule

7.1 This policy will be reviewed on a three yearly basis, or more frequently as a result of feedback obtained, internal/external audits and change in legislation or regulatory requirements. This process ensures the policy's continuing suitability, adequacy, and effectiveness.

7.2 The Deputy Chief Executive and Chief Operating Officer has responsibility for this policy, and ultimate responsibility for performance and compliance sits with the board.

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