



Habinteg
Housing Association (Ulster) Ltd

house sales

Statutory House Sales Scheme NI



Updated 2021

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Under the House Sales Scheme NI, eligible tenants of social housing landlords have the right to buy their homes at a discount. This leaflet explains how the scheme works.

frequently asked questions

eligibility

Can I buy my home?

Most tenants of social housing landlords (tenants of Registered Housing Associations or the Housing Executive) can buy their homes. However Section 7 of the Housing (Amendment) Act (NI) 2020 abolished the right to buy scheme for Registered Housing Associations. This is subject to a transitional period of 2 years from 29 August 2020. This means that **from 29 August 2022 Habinteg tenants will not have the right to buy their home.**¹

Who can apply?

Tenants must have a minimum of five years tenancy either with Habinteg or a qualifying landlord (Housing Executive or another Registered Housing Association). If eligibility is based on a former tenancy - not with Habinteg - proof of the tenancy will be required for eligibility and discount purposes.

Tenants without the five years qualifying tenancy may still be eligible to apply if they succeeded or were assigned their tenancy from a spouse or parent.

Introductory tenants are not eligible to apply, *but the time as an introductory tenant will count towards eligibility and discount.*

There are additional qualifying criteria for some properties and further rules for eligibility. These are explained in the following.

Can tenants of flats and maisonettes buy?

Tenants of flats and maisonettes can apply under the scheme. Tenants who buy their flat or maisonette may be liable to pay an annual **service charge** and **ground rent** in addition to the normal purchase price. The service charge is an estimate of the annual costs incurred by Habinteg, including Community Assistant (where applicable), improvements, repairs and maintenance for communal areas and facilities, and relevant administration costs. The estimated service charge will be supplied to all applicants and is reviewed annually .

Who is ineligible under the scheme?

The following is a list of the circumstances where tenants cannot take advantage of this scheme.

Dwelling Types

Tenants of sheltered dwellings are unable to purchase.
Tenants of 1 or 2 bedroom bungalows are unable purchase.

Squatters

Squatters will not be able to apply if they were not originally allocated the dwelling by Habinteg. If a squatter is granted the legal tenancy, the discount entitlement and eligibility is calculated from the date the tenancy was granted.

Rent and other Arrears

Tenants with arrears can apply, but the applications will not be completed until any arrears for rent or other payments owed to Habinteg have been paid.

Anti-Social Behaviour

Tenants will not be eligible under the scheme if Habinteg is actively considering taking legal action for possession of the dwelling due to anti-social behaviour.

joint applications

Can I buy my home with other people?

Up to four people (including the secure tenant) can apply under the scheme. A joint purchaser **must** be one of the following:

- The spouse of the tenant, or
- A person who has resided with the tenant for 12 months *prior to the application* under the scheme.

If the tenant is in receipt of Housing Benefit or Universal Credit Housing Costs at the time of application, joint applicants and/or joint purchasers **must** be included within the benefit claim.

Where the tenant is not in receipt of Housing Benefit or Universal Credit Housing Costs, two items of proof are required - one for the 12 month period prior to the application and one to confirm the current occupancy. The required documents are:

- Benefit notifications
- Wages / Salary Slips (indicating the employee's address)
- Bank / Building Society Statement
- Utility Bills

National Insurance Numbers must be provided for all joint purchasers. Incomplete applications will be returned.

Joint Tenants

Where there is a joint tenancy, the written agreement of any joint tenant who does not wish to exercise their right to buy must be obtained before the remaining tenant(s) can proceed to purchase. *This may affect discount entitlement* and the tenancy of any non-purchasing tenant will end when the property has been purchased.

valuation

How is the property price assessed?

The property price is based upon the **Market Value** of the dwelling as at the date of the completed application -

- Less the eligible **Discount**
- Subject to the **Historic Cost** ²

Improvements made by the applicant will be disregarded when the market value of the dwelling is being assessed.

How is Market Value calculated?

The Market Value is the price of the dwelling as assessed by an Independent Professional Valuer as at the date of application. Tenants can challenge the Market Value if they feel it is not accurate - it will be then assessed by Land & Property Services. The revised Market Value may increase or decrease, but it is final and binding upon the tenant and Habinteg.

How is Discount calculated?

Tenants are entitled to Discount which is assessed as follows:

- 20% of the market value after five completed years with Habinteg or qualifying landlord tenancy plus the following:
- An increase of 2% of the market value for each additional year's tenancy up to a maximum of 60%.
- The maximum discount an applicant can receive is £24,000*
- Discount received under the scheme must be repaid if the dwelling or equity in the dwelling is sold within 5 years from the date of purchase.

If you already purchased a dwelling under the House Sales Scheme previous discount received and not repaid will be added to the market value.

step by step guide

Step 1

Once we receive a completed application, we will check for eligibility.

Step 2

You pay a valuation fee of £150* to Habinteg - an independent valuer will be sent to value the property and will aim to complete this within three weeks.

Step 3

Once the property has been valued, you will be sent an **Offer** to buy your home. The Offer will contain:

- The **Market Value** of the property
- Any **Discount** you are entitled to
- The **Historic Cost** (where appropriate)

*You now have **2 options** before you go to the next step:*

Option 1 ▶ If you wish to proceed with the application and buy the property - you must write to Habinteg within six weeks from the date of the offer letter.

Option 2 ▶ If you are not satisfied and wish to challenge the valuation, you must write to Habinteg within one month of receiving the offer. **You will pay the fee of £500*** and the Market Value will be then assessed by the Land and Property Services. The reassessed valuation is final, and may increase or decrease. After the reassessment, you will be sent a **Redetermined Offer**.

Step 4

Once you accept an **Offer** - in the case of Option 1 or Option 2 - Habinteg will draw up a **Contract for Sale** which will be signed by the applicant(s) and Habinteg, and will constitute a binding legal contract. You will need to tell us who your solicitor is - the contract will be sent to them for signing.

further considerations

¹ Right to Buy Scheme: Information regarding the ending of the Right to Buy scheme are correct at the time of publication. This may be subject to review and/or change. We will seek to publish any changes to the current schedule as announced but should you wish to purchase your home beyond the date of the current transition period, please contact us in case of updates.

² Historic Cost: **Historic Cost** relates to Habinteg's costs to build, improve or purchase a dwelling. Habinteg cannot sell a dwelling for less than the Historic Cost unless the Market Value is less. **In such circumstances Discounts do not apply.** Historic Cost applies to the present year and previous 10 financial years.

Mortgages: If you require loan finance you can normally obtain it from a Building Society or recognised lending institute. You are not required to enter into any financial commitment before you sign the contract to buy to buy your home.

If you fail to make mortgage repayments you could lose your home. You may wish to take out insurance cover to ensure these will still be paid in the event of illness or job loss.

Insurance: You will need to get buildings insurance, to protect you in case there is damage to the property by fire, accident or natural causes. It is also advisable to get contents insurance to protect your belongings, if you don't have it already.

After purchase: After buying, you'll be responsible for all the future repairs to the property. You will also be liable to pay rates just as you do now within your rental charges. Generally speaking housing benefit will no longer be available once you have purchased.

** All costs are correct at the time of publication in March 2021.*

Do you require this information in an alternative format?

This leaflet can be viewed or 'listened to' on our website in the language of your choice. We also work with Language Line to offer an interpreting service, where needed.

Czy potrzebuje Pan/Pani pomocy z informacjami zawartymi w niniejszym podręczniku lub czy wymaga Pan/Pani tego materiału w alternatywnym formacie?

Necessita auxílio com as informações contidas neste manual ou exige este material num formato alternativo?

Ar jums reikia pagalbos su informacija, pateikta šiame vadove ar jums reikia tai alternatyviu formatu medžiaga?

هل تحتاج مساعدة فيما يتعلق بالمعلومات الواردة في هذا الكتيب أم هل أنتم بحاجة لهذه المواد في نظام بديل الشكل؟

以在这本手册中被控制，或是做你的信息给你需要帮助在一种供选择的格式中需要这种材料？

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