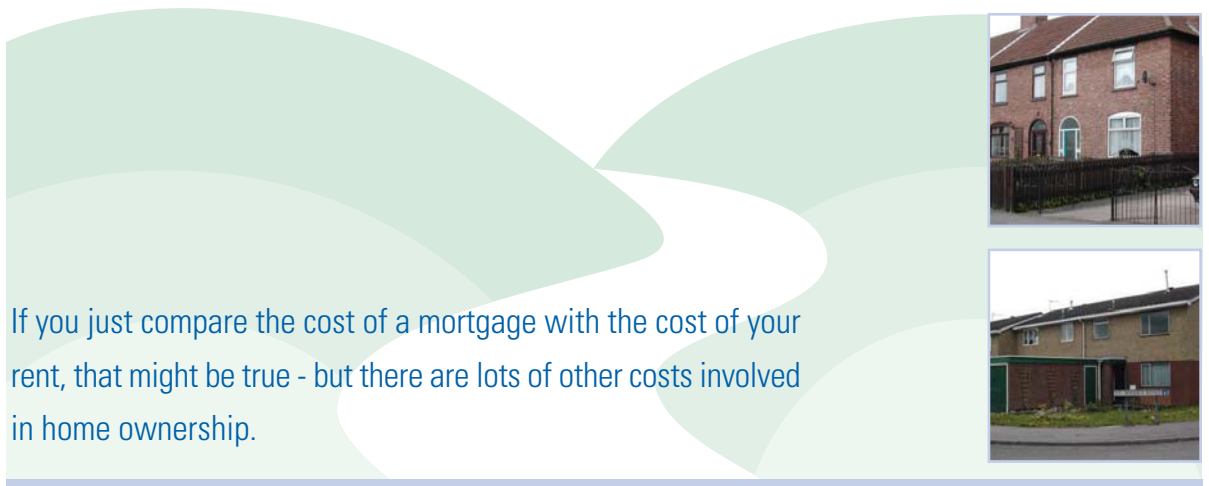
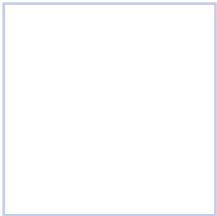


THINKING OF BUYING YOUR HOME?



“It’s cheaper to buy than rent”

I bet you’ve said that recently.....



If you just compare the cost of a mortgage with the cost of your rent, that might be true - but there are lots of other costs involved in home ownership.



It is a major step in your life.

The Government is concerned that tenants do not always receive good advice when they ask private companies and individuals for help in buying their homes. Sometimes, tenants are asked to pay a lot more money for things that landlords will do for nothing - for example, Preserved Right to Buy application forms are available free from:



TRENT & DOVE HOUSING LTD.

With the cost of borrowing currently so low (at September 2005), many tenants will think that it is cheaper to buy than to rent. There are lots of other costs involved.

Think carefully and take proper independent advice before you take this major step



Trinity Square, Horninglow Street,
Burton upon Trent, Staffordshire DE14 1BL.
Telephone: 01283 528528 • Facsimile: 01283 528699 • Website: www.trentanddove.org

Trent & Dove Housing Limited, Registered in England No.03975242

INTRODUCTION

This leaflet is for tenants considering buying a home. Before buying a property you should always seek independent financial and legal advice.

The leaflet aims to summarise the differences between buying and renting your home. It will give you a starting point to help you to decide which option is best for you.

Trent & Dove Housing Limited is :-

- a registered social landlord, regulated by the Housing Corporation
- a non-profit making organisation, whose main purpose is to provide affordable rented housing

Through the Company, tenants have and receive:-

- good quality, affordable homes
- special services for elderly residents
- an efficient repairs service (including emergency call out)
- ongoing improvement programmes
- access to advice from professional staff on tenancy matters

OWNER OCCUPATION

As a tenant there are a number of ways to become an owner occupier, by buying:-

- your rented home through the "Preserved Right To Buy" scheme (depending on your type of tenancy and the property you live in)
- your rented home through the "Right to Acquire" scheme (depending on your type of tenancy and the property you live in)
- a shared ownership property (part rent, part buy)
- a property on the open market probably through an estate agent

PROPERTIES AND DISCOUNTS

Buying your property from the Company may give you a right to a discount. This is decided by the Government.

Some of the Company's properties are not eligible to be bought under the Preserved Right to Buy or Right to Acquire. These include properties:-

- in rural areas with less than a specified size of population
- acquired by the Company without Social Housing Grant
- normally reserved for elderly people, such as bungalows and retirement housing schemes

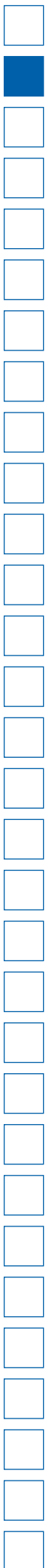
If you accept a tenancy with the Company, it is your responsibility to check that your new home is eligible to be purchased.

If you are considering buying a home, you must think carefully now and in the long term whether it is right for you. Always seek independent legal and financial advice.

If you decide to buy under the Right to Buy or Right to Acquire, further leaflets are available explaining your rights in greater detail.

ELIGIBILITY TO BUY

The type of tenancy you have and the type of property you live in will affect your eligibility for the "Preserved Right to Buy" and "Right to Acquire". Please ask our Right to Buy Department on 01283 528541 whether you could apply for these. When you buy a property, it may be freehold or leasehold. Leasehold properties are usually flats or have some communal facilities. In these cases, you have to pay a service charge for the upkeep of these facilities.



PRESERVED RIGHT TO BUY	RIGHT TO ACQUIRE	NO RIGHTS
<p>Most tenants who transferred to the Company on 26th March 2001 have the Right to Buy their home unless it is exempt eg a property that is designed for the elderly. Some tenants may not be able to exercise the Right to Buy (or Right to Acquire), for example, if there is a breach of a possession order made by the Court, certain demolition notices have been served, a demotion order has been made or certain orders, made under the Anti Social Behaviour Act 2003.</p>	<p>New tenants who accepted their tenancy after 26th March 2001 will have the Right to Acquire the house in which they live if:-</p> <ul style="list-style-type: none">(i) the Company received financial assistance with funding from Social Housing Grant, or(ii) the Company acquired the property with money from its "disposal proceeds fund", or(iii) the property was acquired after 1st April 1997 on a disposal by a public sector landlord at a time when it was capable of being let as a separate dwelling This does not apply to assured shorthold tenants nor to a tenant under a "long tenancy" (normally a lease of 21 years or more). <p>Certain properties are exempt, eg a property designed or suitable for the elderly or a property in certain rural areas.</p>	<ul style="list-style-type: none">(i) Assured Shorthold tenants or(ii) A tenant or a lessee under a "long tenancy" (normally a lease of 21 years or more) or(iii) Tenants of the properties purchased by the Company since 26th March 2001 for which no Social Housing Grant was provided or(iv) Certain "exempt" properties, eg properties designed or suitable for the elderly or disabled and properties in certain rural areas.(v) 'Tolerated Trespassers' <ul style="list-style-type: none">(i) Where the landlord obtains an order for the possession of the property the tenancy ends on the date on which the tenant is to give up possession in pursuance of the order(ii) A tenancy comes to an end when the terms of a suspended possession order is breached(iii) An application can be made to the Court to revive the tenancy and with it the Right to Buy and Right to Acquire.
<p>Discounts vary depending on number of years as a tenant and type of dwelling and are subject to a Government fixed maximum.</p>	<p>Discounts fixed at a specific level by Government</p>	

LEGAL OBLIGATIONS

When you become an owner occupier and especially a leaseholder, you are not always free to do anything you want to. There may be clauses and covenants in the legal agreement placing obligations, rules and financial costs on you. You should ensure that you are fully aware of these. If you buy a property you should think of the future as well as the present and you should bear in mind how you will deal with changing circumstances eg age, income, etc.

DISCOUNTS AND SELLING

Levels of discount, eligibility, repayment if you move, are all complex issues and you should obtain legal advice before assuming your entitlement. If you purchase a property from us and sell within five years, then you will have to pay us back a percentage of the discount. Discounts are fixed by the Government and are subject to a maximum figure, irrespective of the property value.

A special rule called the "cost floor" may apply to your home if it is new or recently improved and you apply for the Right to Buy. If we have spent £5,000 or more on building, buying, maintaining or improving your home in the last 10-11 years before you apply to buy, the discount must not reduce the price you pay below what has been spent on it.

For example:-

- If you house is worth £40,000, a discount of 60% (worth £24,000) would give you a right to buy price of £16,000. But if we have spent £20,000 on acquisition and improvements in the last 11 years, you would have to pay £20,000
- If we have bought a house for £60,000 it could never be sold below that figure.

There are also restrictions in sales of properties on the Right to Acquire in rural areas.

RENTING FROM US

INITIAL COSTS	<ul style="list-style-type: none"> • None.
REGULAR PAYMENTS	<ul style="list-style-type: none"> • Weekly rent (usually increases each year). • Utility Bills. • Contents insurance. • Service charges.
OTHER COSTS	<ul style="list-style-type: none"> • Repairs and improvements are our responsibility and at our expense (eg new roof, new central heating etc). • Except when caused by damage or negligence in which
ACCESS TO HELP WITH PAYMENTS IF CIRCUMSTANCES CHANGE	<ul style="list-style-type: none"> • Housing benefit will currently cover the cost of all or part of the rent (subject to your income level).
DANGERS OF NON-PAYMENT OF HOUSING COSTS	<ul style="list-style-type: none"> • You may lose your home but you will receive advice and assistance to help prevent this. This can include free and fully confidential money advice.
EASE OF MOVING	<ul style="list-style-type: none"> • Four weeks notice needed. Mutual exchanges and social housing are available throughout the UK, but it is not always available to everyone.
WHO TO GO TO WHEN THERE ARE PROBLEMS	<ul style="list-style-type: none"> • We can provide free specialist advice and assistance.
SUCCESSION	<ul style="list-style-type: none"> • Rights exists to pass on a tenancy to a spouse or partner living with you or children and certain other family members who have lived with you for 12 months before your death. • This also applies to "Civil Partners" under the Civil Partnership Act 2004.
MANAGEMENT PROBLEMS	<ul style="list-style-type: none"> • We will help you with problems regarding neighbours, boundaries and tenancy disputes.

BUYING A FREEHOLD PROPERTY

BUYING A LEASEHOLD PROPERTY

- Legal Costs
- Valuations
- Surveys
- Deposit
- Mortgage
- Stamp Duty Land Tax (payable each time you move)
- Legal Costs to make changes to deeds (such as adding or removing a partner's name or if you borrow more money)

- Monthly mortgage (increases & decreases throughout the year subject to lenders and usually relating to inflation).
- Utility bills.
- Contents and building insurance.
- Council Tax

- Monthly mortgage (increases & decreases throughout the year subject to lenders and usually relating to inflation).
- Utility bills.
- Contents and building insurance.
- Service charge and ground rent.

- All repairs and improvements are your responsibility and at your cost.

- Some repairs are your responsibility.
- Others are paid through service charge.
- Improvements are your responsibility.
- Improvements to communal areas will be organised by the freeholder, but the costs will be shared amongst all the properties.

- If eligible, Income Support may cover the cost of the interest payments only on your mortgage.

- If eligible, Income Support may cover the cost of the interest payments only on your mortgage and some of the service charges.

- You may lose your home if you do not keep up with the mortgage repayments.

- Need to find a buyer for your home, and pay the costs of the estate agent and solicitor and other fees eg surveyors.
- Properties available throughout UK, subject to the amount you can afford.
- Selling a property is relatively easy when the market is buoyant.
- There have been times when it was difficult to sell and buy another home.

- Advice on mortgage available from mortgage lender.
- Other problems need legal advice, for which you may need to pay.

- No succession rights unless in joint ownership, but a relative may inherit the property through your will.

- You will normally have to solve your own problems which may involve paying for legal advice.

FINANCIAL HEALTH CHECK

Why not spend a few minutes and compare the costs of buying and renting by completing this table using the costs you have been quoted and your current rent?

BUYING	RENTING
£/Month	£/Month
Mortgage	Rent
Building Insurance	To convert your weekly rent to a monthly figure, multiply your rent by 50 and divide the figure by 12
Life Insurance (optional)	
Mortgage Payment Protection	Total
Repairs and Maintenance	
Service Charges (flats only)	

ONE OFF COSTS

- You should pay a solicitor or licensed conveyancer to look after the legal side of buying a home. Fees vary, so always ask for a quotation.
- You should have a survey carried out, again fees vary depending on the type of survey and are higher if your home has any special problems.
- If you take out a mortgage loan, you may have to pay the cost of arranging it. Normally, you have to pay a valuation fee. Again, ask your lender for these costs.
- When the sale is completed, you must pay the Land Registry fee to register as the new owner.
- Stamp Duty Land Tax is a tax you may have to pay on the transfer of property.

MAINTENANCE

Don't forget how much it will cost you to maintain your home and the costs of replacing such items as central heating or a roof, which can each be in excess of £2,000. If you purchase, you purchase "as it stands". Any later problems are your responsibility.

SERVICE CHARGE

If you live in a block of flats, you will have to pay a service charge and ground rent. This may apply to some houses. This will cover those repairs which are the responsibility of the landlord. Please ask for more details.

SELLING TO A RELATIVE

If you buy a property and are thinking of selling it on to a relative, make sure you take advice before completing the necessary documentation. You will need to ensure that your rights to live in the property, if that is your intention, are protected.

IMPORTANT NOTE

The rights and other legal matters set out in this document can only give a general idea of how the law affects your tenancy. Your individual circumstances can sometimes affect how the law and the rules operate. However you can always contact the Company's Right to Buy Department on 01283 528541 for an explanation of how the rules affect your tenancy or you can contact your own solicitor.

COSTS OF HOME OWNERSHIP

The big cost of buying your home under the Preserved Right to Buy is the initial purchase price from Trent & Dove Housing Ltd. But being a home owner has other costs. You should think carefully about these before you decide to buy.

A MORTGAGE

Unless you are going to buy your home with cash, you will need a loan (a mortgage). You will have to repay the loan plus interest, usually by monthly installments. The cost of a mortgage can vary substantially, and you should shop around to get the best offer. Remember also that the amount you have to repay may vary with interest rate changes.

Whilst different "packages" with higher or lower interest rates might be obtainable depending on individual circumstances the following table gives an idea how much repayments could vary, based on borrowing £30,000 over 25 years.

INTEREST RATE	5%	6%	7%	8%	9%
MONTHLY REPAYMENTS	£175.38	£193.29	£212.03	£231.03	£251.76

Council Tax and Water Charges

You will still be responsible for the payment of your Council tax and water charges.

Building Insurance

You should make sure your home is insured for its full value against damage by fire, flood and other accidents.

Life Insurance

It is a very good idea to take out a life insurance policy. This means that if the main earner in the family dies before the mortgage is fully repaid, the family can pay it off. Costs will depend on your age and health.

Mortgage Payment Protection Insurance

This is also recommended. It can cover mortgage repayments for up to 18 months in the event of redundancy, sickness or accidents.

Repair and Maintenance

If you buy your home you will be responsible for all repairs and maintenance costs.

If you are buying your flat, Trent & Dove Housing Ltd will arrange for repairs to the structure and outside of the property and for the rest of the building, but you will have to contribute towards our costs through service charges.

Improvements

Once you buy, Trent & Dove Housing Ltd will omit your home from any other estate improvements that take place. There are some costs that you will face when you buy your home. Unlike the costs above, you will only have to pay these once.

ONE OFF COSTS

Legal Costs

To look after the legal side of buying your home.

Home Survey

A structural survey of your home to satisfy yourself (and your mortgagor) that your home does not have any special problems.

Legal Costs of Arranging a Mortgage

If you are not paying for your home with cash, you will have to pay for the cost of arranging the mortgage. These differ between lenders. Once again, it is a good idea to shop around.

Land Registry Fees

Once a sale is completed, you must pay the Land Registry to register you as the new owner of your home.

Stamp Duty Land Tax

This is a sort of tax which you pay on the transfer of property. You will only have to pay this if the purchase price of your home is more than £120,000.

BUYING YOUR HOME

With interest rates at their current low levels, there has been an increase in the number of tenants buying their homes from the Company. Some tenants have been surprised at the extra responsibility that goes with home ownership.

Here are some of the things you should consider if you are thinking about buying your home:

- You will have legal fees to pay
- You will have to keep up regular mortgage repayments which may fluctuate with interest rates
- If you do not keep up your mortgage repayments you may lose your home
- Buildings and contents insurance will be needed for your property
- You may be required to have additional life insurance or mortgage payment protection insurance
- You will be responsible for regular servicing of your heating system
- You will be responsible for all repairs and maintenance of your home
- You will be responsible for dealing with any disputes you may have with your neighbours
- If you sell your home within five years of buying it from us, you will be required to pay back some of the discount
- If you sell your home within ten years of buying from us, you must first offer it back to us at market price

There may be other additional costs involved and you should look at all of these and make sure that you can afford all the associated costs before you decide to go ahead and buy.

Preserved Right To Buy on 01238 528541

(PRESERVED) RIGHT TO BUY & RIGHT TO ACQUIRE

There are 3 opportunities for Trent & Dove Housing Ltd tenants to purchase their premises (flats or house). In all cases the premises must be their only home and be self contained

- 1) Those tenants that transferred from East Staffordshire Borough Council on 21 March 2001 and remain tenants of Trent & Dove Housing Ltd qualify after TWO years tenancy under the (preserved) Right to Buy (PRTB)
- 2) Those tenants that became Trent & Dove Housing Ltd Assured tenants after 21 March 2001 (but before 18 January 2005) qualify after TWO years tenancy under the Right to Acquire (RTA)
- 3) Those tenants who became Trent & Dove Housing Ltd Assured tenants after 18 January 2005 qualify after FIVE years tenancy under the Right to Acquire (unless transferred from a public sector landlord)

Only one of more than one purchasing joint tenants needs to fulfil the residential qualification. The tenant may also be able to include family members in the purchase if they have lived in the premises for twelve months.

To qualify under the RTA a property must have been built or purchased by Trent & Dove Housing Ltd, funded on or after 1 April 1997 through Social Housing Grant provided by the Housing Corporation or a local authority. A property transferred from a local council (East Staffordshire Borough Council) will also qualify.

Circumstances in which the (preserved) Right to Buy and Right to Acquire cannot be exercised.

- 1) Those tenants who are obliged to give up possession of the premises in pursuance of an order of the court or will be so obliged at a date specified in the order
- 2) Those tenants who have a bankruptcy petition pending against them, are un-discharged bankrupts, or who have made a composition or arrangement with their creditors the terms of which remain to be fulfilled.

Note that the court may on application from Trent & Dove Housing Ltd make a suspension order (on the grounds of antisocial behaviour) in respect of the tenancy. A suspension order is an order providing that the PRTB or RTA may not be exercised in relation to the premises during such period as is specified in the order. In certain circumstances the Court may make a "Demoted Tenancy" order. Again the PRTB and RTA cannot be exercised during the period of the Demoted Tenancy.

Exceptions to the (preserved) Right to Buy and Right to Acquire

- 1) Homes suitable for occupation by the elderly
- 2) Homes due to be demolished
- 3) Home that is one of group of homes designed with special features for letting to people with physical disabilities
- 4) A home that is particularly suitable for elderly people and is let to a person aged 60 or over
- 5) A home that is one of a group of homes let to tenants who are suffering or have suffered from mental disorder
- 6) Houses and flats on land which has been bought for development
- 7) Service occupancy tenancies
- 8) Temporary lettings and tenancies for homeless people.
- 9) Rural restrictions

This list is not exhaustive and Trent & Dove Housing Ltd will be able to tell you whether your property qualifies when responding to your application.

HOW TO CLAIM (PRESERVED) RIGHT TO BUY AND RIGHT TO ACQUIRE

- 1) Contact Trent & Dove Housing Ltd and ask for either the (preserved) Right to Buy claim form (RTB1) or Right to Acquire claim form (RTA1).
- 2) Fill the form in carefully, date and sign and return to Trent & Dove Housing Ltd. Keep a copy for yourself.
- 3) Trent & Dove Housing Ltd has four weeks to reply (eight weeks if you have been a tenant elsewhere) telling you whether you are eligible and reasons if not.
- 4) If Trent & Dove Housing Ltd has agreed to sell your property to you we will send offer notice either (preserved) Right to Buy (section 125 Notice) or Right to Acquire (RTA 3). This document will tell you:
 - (i) description of the property
 - (ii) sale price and how calculated (market price less discount)
 - (iii) details of structural defects and property conditions
 - (iv) any improvements to the property carried out by the tenant
 - (v) discount entitlement the maximum of which is £26,000 Right to Buy and £9,000 Right to Acquire at 2005
 - (vi) accurate service charges estimates

The tenant may appeal the valuation within three months of receipt of the offer notice. The appeal will be sent to the District Valuer who may revalue the property. The District Valuer's valuation will be the one that counts even if higher than the original valuation.

- 5) If you want to proceed with the purchase you must tell Trent & Dove Housing Ltd within twelve weeks (otherwise your application may be treated as withdrawn)
- 6) On receiving your mortgage details Trent & Dove Housing Ltd will instruct its solicitors to proceed with the sale
- 7) Your solicitor will deal with the legal requirements necessary for the purchase

Landlord delay notice provisions

The tenant is expected to complete the purchase within three months of receiving the offer notice. Trent & Dove Housing Ltd may serve on the tenant after this period, a first written notice requiring him to complete the purchase within 56 days or for the tenant to serve written notice as to matters outstanding. If the tenant does not comply with the above notice Trent & Dove Housing Ltd may serve a second written notice requiring completion within 56 days or the (preserved) Right to Buy/Right to Acquire application is withdrawn.

Tenant delay notice provisions

The tenant may serve on Trent & Dove Housing Ltd an initial notice of delay (in certain cases) giving Trent & Dove Housing Ltd at least one month to take the next step in the sale process.

If Trent & Dove Housing Ltd do not act or send a counter notice within the time allowed the tenant can send an operative notice of delay. The rent paid while the delay goes on will then be deducted off the purchase price.

Forms are available from Trent & Dove Housing Ltd, Trinity Square, Horninglow Street, Burton upon Trent, Staffordshire, DE14 1BL. Telephone 01283 528528.

Please note that the foregoing is only a summary of the position. Further details can be requested from Trent & Dove Housing Ltd. If you are thinking of exercising the (Preserved) Right to Buy or Right to Acquire you still need to seek your own legal advice.



PLEASE NOTE

This leaflet is not intended to provide specific financial advice and we are unable to enter into correspondence relating to specific individual circumstances.

