



HOME OWNERSHIP THROUGH RIGHT TO BUY/ACQUIRE POLICY

Freebridge
COMMUNITY HOUSING



Home Ownership through Right to Buy/Right to Acquire Policy			
Last Reviewed	March 2023	Next Review	January 2026
Responsible Officer	Chief Finance and Technology Officer		

Policy Statement: We will provide clear and accurate information and guidance to enable tenants to purchase their own homes, subject to the exemptions within the Housing Act 1985, whilst also ensuring that tenants are advised to seek independent legal and financial advice, so as to fully understand the implications and responsibilities associated with becoming a homeowner.

Freebridge, in its role as the provider of local affordable housing, supports the principle of restrictive covenants that enable homes to be available to meet the needs of local people, and will ensure that property purchases in designated rural areas contain a covenant that shall restrict the subsequent disposal of the property without the consent of Freebridge.

Policy Detail:

Freebridge is required to continue the sale of properties under Right to Buy for tenants and their successors who were secure tenants at the time of the transfer of the housing stock from King's Lynn and West Norfolk Borough Council. The tenants who fall into this category have a contractual and Preserved Right to Buy as detailed in the guarantee made by the Council.

The Preserved Right to Buy provisions do not apply to new tenants of Freebridge since 3rd April 2006, service tenancies, or to those who did not have a secure tenancy at the time of the stock transfer from the Council. For those tenants, we operate the Right to Acquire subject to any statutory exemptions.

Preserved Right to Buy

Under Section 171A of the Housing Act 1985 as amended, tenants who were secure tenants of King's Lynn & West Norfolk Borough Council at the time of transfer will retain the right to buy their homes, known as the preserved Right to Buy. This is subject to the exceptions in the Housing Act 1985 where certain properties are exempt from the Right to Buy.

Following purchase, The Right of First Refusal scheme requires that a home previously purchased from Freebridge under the Preserved RTB must be first offered for sale to Freebridge, provided that the sale is within 10 years from the initial date of purchase. This applies to every Preserved RTB except those in designated rural areas, to which the rural area restriction applies instead.

We will not normally allow applications to join into the Right to Buy from a member of the tenant's family who has not been living at the property for 12 months. Any such exceptions will be considered on the merits of each case by the Leadership Team.

Right to Acquire

New tenants to Freebridge after transfer, may qualify for the right to buy their homes, through the Right to Acquire with a discount determined by the Government, subject to statutory exceptions.

Freebridge will dispose of any dwellings provided with public finance in accordance with the provisions of ss180 to 185 of the Housing and Regeneration Act 2008. However, this will be subject to the exemptions outlined in statute.

Freebridge may exercise its discretion to nominate another property for purchase under the Right to Acquire, in accordance with the current [Allocations & Lettings Policy](#) and [Homes and Community Maintenance Strategy](#). Such discretion will not normally be allowed to tenants.

Rural Area Restrictions

Under Section 157 of the Housing Act 1985 as amended, restrictions can be imposed on future sales of properties in designated rural areas bought through the Right to Buy. The restriction made by way of a covenant are intended to ensure local properties remain available and affordable to local people, by restricting who may purchase them in future on resale.

Where potential purchasers do not meet the necessary criteria for automatic consent (i.e. where the purchaser has lived or worked in the district of King's Lynn and West Norfolk or the County of Norfolk (depending on the wording of the covenant) for the last 3 years) Freebridge have discretionary powers to give consent:

Discretionary powers on re-selling a property purchased under the Right to Buy

We shall:

- Ensure that property purchased in designated rural areas contain a covenant, which restricts the subsequent disposal of the property without the consent of Freebridge.
- Give consent for the disposal where the purchaser has lived or worked in the district of King's Lynn and West Norfolk or the County of Norfolk (depending on the wording of the covenant) for the last 3 years.
- Consider whether it is fair and reasonable to give consent to the disposal of a property which contains the covenant to someone who does not meet the criteria, subject to either:
 - a) Evidence that the seller has actively marketed the property at a price which takes into consideration the restrictive covenant for at least 6 months and that

- The potential buyer has permanent employment in the local area, and the property will be their main or principal home; or
- The potential buyer has lived in the local area for the last 12 months and the property will be their main or principal home; or
- The potential buyer has a strong local connection with the area and the property will be their main or principal home, with the connection being one of the following:
 - Has previously lived or worked in the area for the majority of their life; or
 - Needs to live in the area to be employed in a key worker post in the local area such as a nurse, teacher, police officer etc; or
 - Needs to live in the area to give or receive care and/or support to/from close family members.

or

- b) Evidence that the seller has actively marketed the property at a price which takes into consideration the restrictive covenant for at least 12 months but been unable to sell the property causing demonstrable hardship, and that the potential buyer will live in the property as their main or principal home.
- Consider consenting to a Mortgagee Protection Clause where a restrictive covenant would otherwise prevent a qualifying purchaser from securing a mortgage.
- Consider any properties offered for sale to Freebridge via the Right of First Refusal.

All applications regarding exercising discretion on reselling will be considered by the Chief Executive with the Board retaining the ability to depart from this policy in exceptional circumstances.

Discretionary powers on repayment of discount under the Right to Buy

We shall:

- Ensure that under S155 of the Housing Act 1985 (as amended) former tenants who dispose of a property within 5 years of purchasing it under the Right to Buy must repay all or part of the discount they receive on purchase, unless it is an exempted disposal
- Consider exercising our discretion under S185 of the Housing Act 2004 not to demand that former tenants repay all or part of the discount they received, typically in circumstances where repayment would lead to demonstrable personal hardship thereby preventing a move, such as where;

- The owner or a family member faces a demonstrable threat of violence due to domestic abuse, racial, faith or homophobic harassment or extreme anti-social behaviour.
- The sudden onset of a severe medical condition or sudden deterioration of an existing condition makes a move essential on medical grounds.
- Where a move is essential to return to employment, where a person has a firm offer of work in another area and has been long term unemployed or has been made redundant and his/her skills are such that there is no prospect of getting a job locally.
- Where a traumatic personal event (such as a sudden bereavement) makes a move essential for psychological reasons.

In each case we shall establish both the facts justifying a move and also that such a move could not take place, unless part or all of the discount were to be waived.

All applications regarding exercising discretion on repayment of discount will be considered by the Chief Executive; Freebridge will also refer requests for the discount to be waived to the Borough Council of Kings Lynn & West Norfolk (the Council) under the terms of the Transfer Agreement with them. Freebridge will be bound by the Council's decision.

Discretionary powers on postponement of Discount Charge

A customer who has purchased their home under the Right to Buy or Right to Acquire and is still within the discount repayment period (5 years) must seek the consent of Freebridge before they can remortgage or apply for additional borrowing. Freebridge will be asked to agree to postpone the Discount Charge on the property in favour of the new mortgage.

The Housing Act 1985 specifies that Freebridge must agree to a postponement if the mortgage/additional borrowing is for an approved purpose. An approved purpose is for repaying the existing mortgage used to purchase the property and/or home improvements.

We shall

- Not agree to postpone the Discount Charge on a former Right to Buy or Right to Acquire property unless the borrowing is for an Approved Purpose as defined in section 156 of the Housing Act 1985.

Other Restrictive Covenants

In addition to rural area restrictions, a number of other restrictive covenants are typically included within the transfer of a property bought through the Right to Buy or Acquire such as:

- a) To use the property for Residential purposes and not for Trade or Business

This is an absolute covenant requiring release or waiver. Permission will not typically be given to waive or release this where the property would no longer be used for residential purposes as well as in the operation of a business. At all times, the likely impact of the Trade or Business on the surrounding residential properties will be considered in reaching a decision. Where the covenant is waived or released Freebridge may make a charge considered to be reasonable and proportionate for doing so.

- b) To use the property as a private dwelling house, for one household only

This is an absolute covenant requiring release or waiver. Permission may be given for waiving the covenant depending on the circumstances and merits of each case, but typically such as when the request is to construct an additional dwelling within the curtilage of the original property. Where the covenant is waived or released Freebridge may make a charge considered to be reasonable and proportionate for doing so.

- c) Not to make any external structural alterations to the property without consent

Permission will not be unreasonably withheld subject to the actual details of the request.

All applications regarding other restrictive covenants will be considered by the Chief Executive.