



**Environment and
Neighbourhoods Directorate
Financial Management**

5th Floor East, Merrion House,
The Merrion Centre
Leeds LS2 8BB

Contact:

Tel: 0113

Minicom:

Fax: 0113

Email:

Your Ref:

Our reference:

Recipients Address

2012

Dear Tenant

The Right to Buy Council Home

The Government has recently amended the maximum discount to which you as a tenant may be entitled if you purchased your home under the Right to Buy. The maximum discount in Leeds has increased from £24,000 to £75,000. This means if you qualify you could buy your home with a discount of up to £75,000.

The actual discount you receive will depend upon your period of tenancy and the value of your home. After 5 years a tenant qualifies for 35% discount in respect of a house, with this increasing by 1% for each additional year to a maximum of 60%, whilst for a flat the discount starts at 50%, increasing by 2% for each additional year to a maximum 70%.

If you are considering home ownership it is critical that you consider the extra responsibilities and costs in managing and maintaining your home; for example undertaking repairs, maintenance and improvements.

Assessment of all costs is important to ensure you are able to afford your home in the long term. Failure to pay your mortgage / loan could lead to repossession by your bank / building society. The Council may have more limited duties to help you find alternative accommodation if you were to lose your home.

If you are interested, you can get an application form at www.direct.gov.uk/righttobuy, by contacting the Home Ownership Team, calling (0113) 247 6041/042, or for further information and application visit the Council's website at:- www.leeds.gov.uk/housing/Right_to_Buy.aspx.

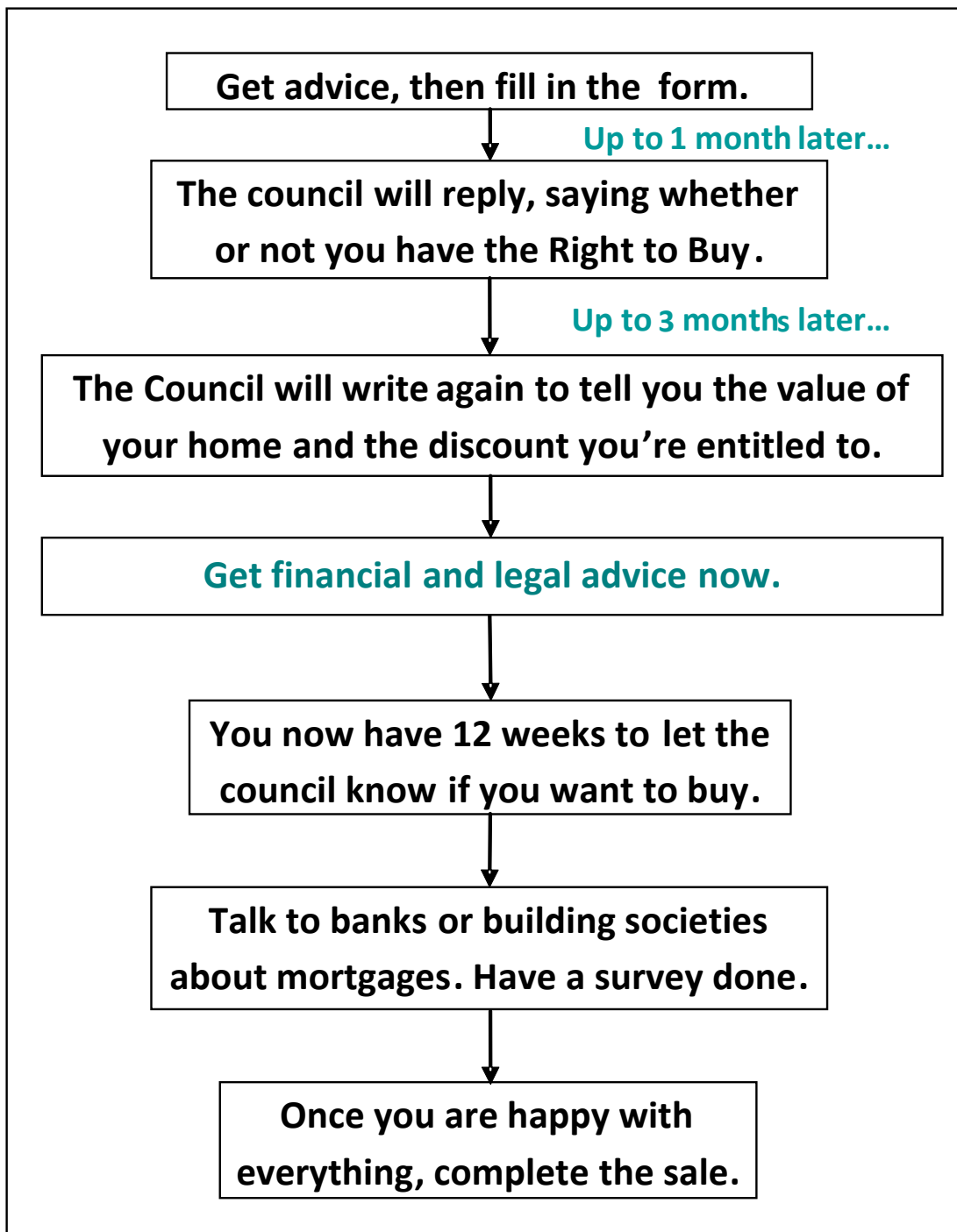
Please also find attached some additional information regarding the process and frequently asked questions.

Yours sincerely

Neil Evans
Director Environment and Neighbourhoods



Right Buy Timeline



What is the Right to Buy?

Council tenants have a Right to Buy their home at a discount. The longer you have been a tenant, the bigger the discount. If you want to work out your discount, use the table at the end of this letter.

What is my home worth?

We don't know the exact value of your home without doing a survey.

What would it cost?

To borrow £65,000-£91,000 from a bank or other mortgage provider would typically cost around **£100-135 per week**¹ for 25 years to fully repay. This amount may go up and down with interest rates.

To offer a loan of that size, lenders would usually need you to be earning at least £20,000 a year.

What other costs are there?

When you buy a home, you should expect to pay for a survey and for legal fees. These could add up to around £3,000. If your home is worth more than £125,000 you will also have to pay stamp duty.

Once you have bought your home, you will have to pay for any repairs and maintenance it needs. If you live in a flat, you will also have to pay a share of repairs and maintenance to the block – the 'service charge'. The cost of this is set for the first 5 years, we'll give you an exact cost once you send in your form.

What is the risk?

Home ownership is not for everyone. The weekly cost of your mortgage may go up and down with interest rates during the time you pay it off – and interest rates are currently low historically. If interest rates go back up by 3%, this could cost you an extra £40 per week.

You should also think about how you would make payments if you or anyone you're buying with lost some or all of their earnings. Government support for mortgage costs is limited and **you may lose your home if you fail to keep up payments on it.**

Where can I find out more?

If you would like to find out more about the Right to Buy, you can use our website www.Leeds.gov.uk/Housing/Right_to_Buy.aspx or call us on (0113) 2476041/042. You can ask for a leaflet that will also help you get started – this is available from us or via www.direct.gov.uk/righttobuy along with all the forms and more detailed information you need.

Free advice

We recommend you get independent, professional advice when thinking about buying your home. The **Money Advice Service** has been set up by Government to give free impartial advice about money. Give them a call on **0300 500 5000** or go to www.moneyadvice.service.org.uk.

The **Leasehold Advisory Service (LEASE)** is another body set up by Government that provides free advice on buying a flat and on service charges. Give them a call on 0207 383 9800, email info@lease-advice.org or go to www.lease-advice.org

Paid advice

You could contact an Independent Financial Advisor (IFA). Always make sure that you ask what they are charging you, and check they are registered with the Financial Services Authority by looking on www.fsa.gov.uk or call 0845 606 1234.

Find out what other tenants are saying

There is also a government Facebook page at www.facebook.com/righttobuy where you can swap information with other tenants on any Right to Buy issues and get answers to any questions.

How much discount will I get?

The table below gives some examples of the discount you could receive.

Years renting from the Council	House Flat		Assumed Property Valuations					
			£40,000		£80,000		£125,000	
			Discount		Discount		Discount	
			House	Flat	House	Flat	House	Flat
		£	£	£	£	£	£	
5	35%	50%	14,000	20,000	28,000	40,000	43,750	62,500
10	40%	60%	16,000	24,000	32,000	48,000	50,000	75,000
15	45%	70%	18,000	28,000	36,000	56,000	56,250	75,000
20	50%	70%	20,000	28,000	40,000	56,000	62,500	75,000
25	55%	70%	22,000	28,000	44,000	56,000	68,750	75,000
30	60%	70%	24,000	28,000	48,000	56,000	75,000	75,000

The most discount you can get on your home is £75,000.
