

## F.A.Q's- Rent to Homebuy

### What is Rent to Homebuy?

Rent to HomeBuy is a government scheme designed to ease the transition from renting to buying a home by providing subsidised rent. It is often seen as 'try before you buy'.

### How does Rent to HomeBuy work?

With Rent to HomeBuy in England, Scotland and Northern Ireland, you rent a newly built home at approximately 20% below the market rate for up to five years in a fixed term Assured Shorthold tenancy.

The expectation (although not obligation) is that this period of paying reduced rent gives you the chance to save for a cash deposit so you can buy your home later.

You are free to purchase a share of your home (subject to contract and conditions) at any point during your tenancy. When you get to the end of the fixed term tenancy, you must either buy part of the property under a Shared Ownership scheme or move out.

### What are the benefits of Rent to Homebuy?

1. You're able to move into your new home and save towards purchasing the property.
2. You'll pay a reduced rent on the property – 20 percent less than the market rent.
3. You can settle into your new surroundings knowing that you'll have the option to buy the home you're renting.

### Am I eligible for rent to HomeBuy?

To be eligible, you must:

- live and/or work within the Borough of Dacorum
- be employed
- meet both a credit referencing check & Right to Rent check- please note we will be unable to proceed if you have a County Court Judgement (CCJ) issued in the last three years
- be able to show that you will have sufficient income to be able to save towards a mortgage deposit
- **not** be a homeowner
- have a combined household income under £80,000 a year. A household can be one person, or you and a partner, or you and a friend.

### Can I review the proposed tenancy agreement before I commit to the Rent to Homebuy product?

Our letting agents will provide a copy of the Tenancy Agreement during the application process to give you time to read and understand the commitment you are entering in to. Our appointed Letting Agent will also be happy to answer any general questions you may have.

The Tenancy Agreement will set out the responsibilities of both Thrive Homes as your landlord and yourself, as our customer. This will include your liability for ongoing rent payments and the upkeep of the property. It will also outline when you may need to contact us, for example, if you need to gain consent to keep pets, alter the property (including decorating) or if there is any change to the household details.

The Tenancy Agreement is a legally binding contract between yourself and your landlord. It is important to remember that any breach of the agreement could lead to further action being taken to end the tenancy.

### **What is the 'Option to Buy' agreement?**

The Option to Buy Agreement sets out the terms and conditions should you decide to purchase the property either during or at the end of the tenancy period. There may be certain circumstances which may result in Thrive Homes being unable to sell the property to you at the end of the tenancy for example; if the current value of the property is less than the original value stipulated in the Option to Buy Agreement, or if there have been any breaches in the terms of the Tenancy Agreement.

### **Is the rent and service charge fixed for the term of the tenancy?**

No, rent and service charge payments are reviewed annually. These will be calculated in line with your Tenancy Agreement and will be checked to ensure that they do not exceed 80% of the open market value.

Rent payments will be collected by direct debit in line with the Tenancy Agreement.

### **Rent to HomeBuy and Shared Ownership**

Many Rent to HomeBuy schemes allows you to buy a portion of your home rather than the whole thing. This is known as Shared Ownership.

As a Shared Owner you choose to buy a percentage of your home i.e. 25% and continue to rent the remaining portion (75%). In the future you are entitled to purchase additional shares (equity) in your home through a process called staircasing. Find out more at [www.thrivehomes.org.uk/staircasing](http://www.thrivehomes.org.uk/staircasing)

### **How much deposit will I be required to pay before I move in?**

Thrive Homes will require you to pay a five-week security deposit, which is calculated at five weeks' rent inclusive of service charge. This will need to be paid prior to you moving into your home. The deposit will be held by My Deposits and you will be issued with the relevant information and deposit protection certificate within 30 days of receipt, in line with legislative requirements.

### **Will you carry out an inventory of the property?**

When you move into your home, our appointed Letting Agent will arrange and undertake a full handover inspection with you, an inventory will be completed and photographs will be taken.

The inventory will be relied upon should you move out of the property and a check out inspection is required. Should any damage or issues be identified - over and above general wear and tear - the costs will be deducted from your security deposit, along with any rent and service charge arrears. If you proceed to purchase your property, the security deposit will be returned to you in full within 14 working days of completion.

### **Are there any other costs associated with Rent to HomeBuy?**

You should be aware of the following costs, should you wish to buy the property:

- solicitor's fees, including disbursements
- Stamp Duty (if applicable)

- mortgage arrangement fees
- Shared Ownership rent
- Shared Ownership management fee
- buildings insurance
- service charge.

If you exercise the 'Option to Buy' agreement, Thrive Homes will pay the stamp duty costs associated with the purchase of your share and contribute towards your legal fees.

### **Can I carry out work to the property and decorate?**

Your property will be provided with flooring coverings, window treatments (blinds or curtains) as well as white goods (washing machine, fridge, freezer, oven, hob, extractor hood & dishwasher).

These items will remain the property of Thrive Homes and the ownership of these items will transfer over to you, should you purchase a share in the property.

If you would like to carry out decorating or works to the property, you will need to notify us in writing beforehand. We would request that, as the properties being newly built and settling, you refrain from hanging wallpaper and decorating the walls as this may affect the defects period stipulated by the Builder and may cause issues when the end of defects inspections are carried out.

### **Can I keep pets at the property?**

Under the terms of your Tenancy Agreement, you will need to seek our permission if you wish to keep pets at the property. Please notify the Letting Agent at the time of application, to allow for your request to be considered and for our consent to be granted in writing.

### **Who maintains the property?**

As a tenant it is your responsibility to keep the property in good order and as your landlord, Thrive Homes is responsible for maintaining the property under the terms of the Tenancy Agreement.

When you move into your home, you will be provided with a handover pack, which will include instructions on how to report a repair or property defect to us. You also have your own responsibilities within the Tenancy to keep the property in good order.

Thrive Homes will not be held responsible for costs relating to damage caused to the property by customers or visitors. These costs will be deducted from the security deposit at the end of the tenancy term.

### **What happens if I choose to buy my home?**

Firstly, a valuation by a RICS Chartered Surveyor will be required. Thrive Homes will arrange for the valuation to be undertaken on your behalf and you will be responsible for the cost. The valuation will confirm the current open market value of the property. We will check to ensure that this isn't less than the initial value detailed within your Option to Buy Agreement and that we're able to sell the property to you.

Should you proceed to buy your home, we will require an Agreement in Principal (AIP) from your mortgage lender, confirming that you're able to secure a mortgage.

If your home is an apartment, the property will be sold on a leasehold basis and a lease will be granted.

### **What happens if I don't buy my home?**

If you decide not – or are unable – to purchase the property, notice will be served to end the Tenancy Agreement, under the terms of the Option to buy Agreement.

### **What would happen if my circumstances change?**

If your circumstances change, please contact us at earliest opportunity to discuss this matter with Thrive Homes.

Thrive Homes will also carry out an annual visit, where we will be able to discuss any change of circumstances (known as a home plan visit).

### **Can I leave the property before the end of the tenancy term?**

Yes, you will be able to end your tenancy agreement after the initial six months with two months' notice. We will arrange for the required end of tenancy inspections to be carried out.

You must ensure that the property is returned to us in the same condition as when you moved in and that your rent account is not in arrears.

### **Can I buy the property under any other schemes?**

Rent to HomeBuy customers are not eligible to apply for any of the following schemes:

- Statutory Right to Buy
- Statutory Right to Acquire
- Voluntary Right to Buy

### **What if I have any further queries?**

Please contact our letting agent- The Shared Ownership Shop on:

**Telephone:** 0330 113 3701

**Email:** [contactus@sharedownership-shop.co.uk](mailto:contactus@sharedownership-shop.co.uk)