

# YOUR GUIDE TO RENT TO BUY



# LET US INTRODUCE OURSELVES

Riverside is one of the UK's leading housing providers, owning or managing around 80,000 homes across the country.

Since 1985, we've been experts in building and selling affordable homes through a range of government-backed home ownership schemes, including shared ownership and rent to buy.

As residential property managers, we also provide and manage services such as gardening and cleaning to our leaseholders and tenants.

Helping people onto the property ladder plays a key role in our aim to transform lives and build strong, lasting communities.



# RENT TO BUY

Rent now, buy later

Rent to Buy is a way to live in a newly-built, affordable home while you save for a deposit to buy it – rent now, buy later.

The rent you pay is set at 20 per cent below the market rent for a minimum of five years – giving you the chance to save up a deposit for a mortgage. It makes the cost of moving into a new home much more affordable.

When you're ready to buy, we'll be there to help you through the process. But if you want to move on or buy elsewhere, you can.

To get more details, read through the rest of this guide.



**PAY A  
REDUCED  
RENT**

**USE THE SAVINGS ON  
YOUR RENT TO BUILD  
UP A DEPOSIT FUND.**

# FREQUENTLY ASKED QUESTIONS

Here are some of the questions we get asked the most. If there's anything else you need to know, just drop us a line.

## HOW IT WORKS

### AM I ELIGIBLE FOR A RENT TO BUY HOME?

If the following applies to you then it's likely you'll be eligible for Rent to Buy:

- You're a first-time buyer or a previous homeowner looking to buy again
- You want to buy a home in the future but don't have the deposit to buy right now
- You're working
- You can afford the rent and have a good credit rating

### HOW IS THE RENT CALCULATED?

The monthly rent is calculated as 80 per cent of the full market rent for the property for a minimum of five years. In other words, the rent you pay is 20 per cent less than what it would cost to rent a similar home in the same area.

Your rent will include any buildings or service charges, if applicable. Rent is payable by direct debit, usually on the 1st of each month. The rent will increase each year in line with the Consumer Price Index (i.e. the cost of living increase) +1 per cent. Full details will be in your tenancy agreement.

### ARE THERE ANY UPFRONT COSTS BEFORE I MOVE IN?

Before your tenancy begins you'll need to pay:

- A security deposit equal to one month's rent, which will be held in an approved Tenancy Deposit Scheme until the end of your tenancy
- Rent up to the end of the month when your tenancy begins, plus one whole month's rent in advance, to allow time to set up your direct debit. For example, if your tenancy begins on 20 July, you'll pay rent for the rest of July and the whole of August.

### WHAT TYPE OF TENANCY AGREEMENT WILL I HAVE?

You'll have an Assured Shorthold Tenancy agreement for an initial fixed term of 12 months. If you keep up with your rent and the tenancy conditions, we'll renew your tenancy annually after that.

After five years, we'll discuss with you your circumstances and intention to buy.

A Rent to Buy tenancy is not the same as a council or housing association lifetime tenancy, where you have the right to live in your home for the rest of your life. We recommend you get some independent advice before you enter into a Rent to Buy tenancy agreement.

## AFTER MOVING IN

### WHO'S RESPONSIBLE FOR REPAIRS?

While you're renting, we'll carry out any necessary repairs to make sure your home is safe and comfortable to live in. Also, for the first year after your home is built, some repairs will be carried out by the builder as part of the 'defects period'.

We have set response times for emergency, urgent and routine repairs. You'll get more information on timescales and the general maintenance of your home in a welcome pack.

You'll be expected to look after your home. Any damage caused by your household or your visitors will be recharged to you. Once you've bought your home, you'll take on full responsibility for repairs and maintenance.

## CAN I MAKE IMPROVEMENTS TO MY HOME?

You'll need to ask our permission before you do anything that will change the original fixtures and fittings in your home. This is so we can make sure these changes don't invalidate any warranties in place. Any home improvements we give permission for will be at your own cost.

## CAN I SUB-LET MY HOME?

You cannot sub-let your home to someone else. It's a condition of the Rent to Buy tenancy agreement that the property is used by you as your 'main or principle home'.

## CAN I HAVE PETS?

You can keep household pets but you'll need to tell us first. Your pets mustn't cause a nuisance to your neighbours or damage your home or any communal areas.

## CAN I END MY TENANCY WHENEVER I WANT?

You're free to end your tenancy at any time by giving us notice, but you must give us at least three months written notice ending on the last day of the month. Your tenancy agreement will also provide details of the notice period. You'll be responsible for rent payments until the tenancy ends. The property should be left in the condition it was in when you first rented it. This includes putting back any fixtures or fittings that you removed.

## HOW WILL YOU CHECK I'M SAVING UP A DEPOSIT TO BUY MY HOME?

Before you start your tenancy, we'll talk through your financial circumstances and give you some advice on how to save. We'll also contact you for regular reviews throughout your tenancy to discuss how saving for your deposit is going.

We might ask to see evidence of these savings, for example by looking at your bank statements. At your review, we can also direct you to independent financial advisors who'll carry out a detailed assessment of your finances and help you find a suitable mortgage. You should check what their fees are before you begin.

## WHAT HAPPENS IF I'M NOT SAVING FOR A DEPOSIT?

Rent to Buy is designed to help people into home ownership. If you're unable to build up savings for a deposit, we'll discuss this with you at your regular reviews. If it's unlikely that you'll be in a position to buy at the target purchase date (i.e. when the property is five years old), then we may need to reconsider if Rent to Buy is the right option for you.

In some circumstances, we may end the tenancy in accordance with the terms of the tenancy agreement.

## BUYING YOUR HOME

### HOW WILL THE PROPERTY PRICE BE CALCULATED?

A Rent to Buy home cannot be sold outright until it's five years old. At this point the purchase price will be based on an independent market valuation, carried out at the time you wish to buy, not when the property was first built. We will arrange and pay for the property valuation.

### WHAT ARE THE COSTS FOR BUYING THE PROPERTY?

As you'll be renting and already living in the home you wish to buy, you'll have no estate agency fees or moving costs to pay. The only costs you'll have are legal fees, survey costs and any fees charged by an independent financial advisor if you choose to use one.

### WHAT IF I WANT TO BUY MY HOME BEFORE IT'S FIVE YEARS OLD?

Rent to Buy is for people who don't have enough money for a deposit right now. It gives you a minimum period of five years to become 'mortgage ready', so that you can buy your home.

If you think you'll be ready to buy sooner, other options such as shared ownership might be more suitable for you. Our team can give you advice and details of developments where we have shared ownership homes available.

## WHAT HAPPENS IF I CAN'T OR DON'T WANT TO BUY MY HOME?

If, after five years, you still want to buy your home but don't have the full deposit, we might agree to extend the reduced rent period. We'll do this to give you more time to save up.

If you choose not to buy your home, we might not renew your tenancy once it runs out, so that we can sell the property. In some circumstances we might increase the rent level to a market rent. We'll stay in touch with you throughout your tenancy and discuss your options with you. If we do decide to sell the property, you'll have the right of first refusal.

## ARE THERE ANY REASONS WHY I MIGHT NOT BE ABLE TO BUY MY HOME?

You might not be able to buy your home if:

- The property value at the time you wish to buy is below what it cost us to build/provide it
- You're in rent arrears or in breach of the tenancy agreement

## CAN I TRANSFER A RIGHT TO BUY OR RIGHT TO ACQUIRE DISCOUNT TO MY RENT TO BUY HOME?

You won't have a statutory Right to Buy or Right to Acquire your Rent to Buy home, so these discounts don't apply. If you already have the Right to Buy or Right to Acquire your current home, you should take independent advice to discuss whether Rent to Buy is a suitable option for you.

If you're a local authority or housing association tenant, your landlord can tell you whether you have the Right to Buy or Right to Acquire your current home.

When you're ready to buy, we'll be there to help you through the process.



# A LITTLE EXTRA HELP

To help you along the way, we've put together this list of places where you can find even more information.

## [www.riversidehomeownership.org.uk](http://www.riversidehomeownership.org.uk)

The Home Ownership section on Riverside Housing Group website explains all of the different affordable housing options and properties that we have available, and how the schemes work.

## [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)

Set up by the government, the Money Advice Service offers free, impartial advice and help planning your finances.

## [www.gov.uk](http://www.gov.uk)

Visit GOV.uk and search 'Rent to Buy' for details of how the scheme is governed and the guidelines we follow. There you can also find information on a range of issues including housing options, benefit entitlement and more.

## [www.lawsociety.org.uk](http://www.lawsociety.org.uk)

The Law Society is the independent professional body for solicitors. When you're ready to buy your home, their website can help you find a suitably qualified solicitor near you, and gives some general advice on buying property.

If you've got any other questions, give us a call on 0345 111 000 (24 hours a day, 365 days a year), email us at [sales@riverside.org.uk](mailto:sales@riverside.org.uk) or check out our website at [www.riversidehomeownership.org.uk](http://www.riversidehomeownership.org.uk)



If you haven't got access to the internet, give us a call and we can give you details of how to contact organisations by telephone.



Riverside Home Ownership is the sales arm of Riverside, established over 90-years ago to provide a range of affordable housing options for people across England and Scotland. With customers firmly at our heart, we are all about creating vibrant, friendly, diverse communities where people want to live, work, and relax.

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