

Rent to Buy

Rent to Buy is a way to live in a good quality, affordable home while you save up to eventually purchase one – rent now, buy later.

The rent you pay is discounted by 20 % off the market rate, leaving you with money each month to save up a deposit for a mortgage.

When you're ready, you can use your deposit savings towards a mortgage to buy your property. If you decide to move on or purchase elsewhere, you can leave your Rent to Buy home just by giving us the notice required by your tenancy agreement.

Rent to Buy is a government backed initiative. You are guaranteed a reduced rent period for a minimum of 5 years, providing you pay your rent and keep to the terms of your tenancy.

Who is eligible for a Rent to Buy home?

You may qualify for a Rent to Buy home if you:

- are working and can afford the monthly rent payments
- are a first time buyer or do not currently own a home
- want to buy a home in the future but don't have a deposit towards a mortgage
- pass our pre-tenancy referencing, affordability assessment and credit checks

How much rent will I pay and how often will I pay it?

The monthly rent for your home is calculated as 80 % of the market rent of the property. In other words, the rent you pay is 20 % below what it would cost to rent the same home from a private landlord. Your rent will include any buildings or service charges if applicable.

Rent must be paid by direct debit on the 1st of each month. The rent amount will increase each year in line with the Consumer Price Index (CPI) +1 %. Full details will be in your tenancy agreement.

When can I buy my home?

A Rent to Buy home cannot be sold outright for the first 5 years after it is built. You will be able to buy your home once it is 5 years old, if you can afford to. This is called the **Target Purchase Date**.

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.

What are the costs upfront for a Rent to Buy home?

Similar to renting a home privately, 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 your tenancy begins, plus one whole month's rent in advance, to allow time to set up your direct debit.

Saving up

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. We'll contact you for regular reviews throughout your tenancy to discuss how saving for your deposit is going. We'll ask for evidence of these savings, such as bank statements.

At your review, we can also direct you to independent sources of mortgage and financial advice.

What happens if I'm not saving for a deposit?

Rent to Buy is to help people onto the property ladder and into home ownership. If you're unable to build up savings for a deposit, we'll discuss this at your regular reviews.

If it's unlikely that you'll be in a position to buy at the Target Purchase Date, then we may 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

What if I want to buy my home before it's 5 years old?

Rent to Buy is for people who don't have enough savings or income for a deposit or mortgage right now. It gives you a period of 5 years to become 'mortgage ready', so that you can buy your home.

If you think you'll be ready to buy earlier than within 5 years, other options such as Shared Ownership may be more suitable for you. Our team can give you some advice and details of other developments where this is available.

What happens if I can't or don't want to buy my home?

If you are unable to buy after 5 years, we may agree to extend the reduced rent period, if you need more time to save for your deposit for example.

In some circumstances we may increase the rent level to a market rent. If you do not wish to buy your home, we may not renew your tenancy once it runs out, so that we can sell the property. We will stay in touch with you throughout your tenancy, so you will always be aware of our intentions. You will have the first right of refusal if we do intend to sell the property.

Are there any reasons why I may not be able to purchase a Rent to Buy Home?

Rent to Buy is intended to help people onto the property ladder in the future, so as the tenant of a Rent to Buy home, you will have the first option to buy it. However, we may not be able to sell your home to you 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 will not have a statutory Right to Buy or Right to Acquire your Rent to Buy home, so these discounts do not 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 are 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.

Your tenancy while you rent

What type of tenancy agreement will I have?

You will have an Assured Shorthold Tenancy agreement, for an initial fixed term of 12 months. As long as you keep up with your rent and the tenancy conditions, we will then renew your tenancy for a 2 year fixed term. If you want to remain in your home, we will issue another 2 year fixed term tenancy following that. After these 5 years of tenancy, we'll discuss with you your circumstances and intentions to purchase.

A Rent to Buy tenancy is not the same as a council or housing association 'lifetime tenancy.' We recommend you take your own independent advice before you enter into the Rent to Buy tenancy agreement.

Who is responsible for repairs?

While you're renting your home, any repairs can be reported to us and we will arrange for them to be fixed.

Response times for repairs will depend on the urgency. We'll give you details of these timescales and information about maintenance of your home in a Welcome Pack at the start of your tenancy. Usually for the first year after your home is built, some repairs will be carried out by the original builder under the 'defects period.'

You will be expected to look after your home in general, so any damage caused by either your household or your visitors will be recharged to you or be taken from your deposit in line with the Deposit Protection Scheme conditions.

Once you've bought the property, you will take on full responsibility for repairs and maintenance of your home.

Can I make improvements to my home?

Under your tenancy agreement, you must ask our permission before you do anything that will change the original fixtures and fittings in your home, so we can make sure you do not invalidate any warranties in place.

Any home improvements we give permission for will be at your own cost.

Can I sub-let?

Subletting is not permitted. It is a condition of the Rent to Buy tenancy agreement that the property is used only as your 'main or principle home'.

Can I have pets?

You can keep household pets but you must tell us about any you have in your home. You must not allow pets to cause a nuisance to your neighbours or to damage your property or any communal areas.

How do I end my tenancy?

You can end your tenancy at any time by giving us notice. The notice period will be specified in your tenancy agreement. You will be responsible for rent payments until the tenancy ends.

The property must be returned in the condition it was in when you first rented it, so you must leave it clean, free of any rubbish and empty of all your personal items and furniture. You must also return or reinstate any fixtures or fittings which you may have removed.

Find out more

If you have any other questions, just get in touch.

sales@riverside.org.uk

0345 111 0000

www.riversidehomeownership.org.uk

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Registered office: 2 Estuary Boulevard, Estuary Commerce Park, Liverpool L24 8RF

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