



A Guide to Rent to Buy



Rent to Buy is a government backed initiative that allows eligible working people to rent a home at less than market rent while they save for a deposit to buy.

Who is eligible?

To be eligible for Rent to Buy you must:



Be in employment



Prove you'll be able to afford the rent payments



Intend to purchase a home in the future



Have the Right to Rent a home in the UK



Be a first-time buyer or returning to the market (e.g. after a relationship breakdown)



Be able to pay a deposit and an agreed amount of rent up front

Reasons why you may not be eligible:



Not in employment or contracted to zero hours



The property will be overcrowded



You have legal interest in another property



The property won't be your main home, or you intend to sub-let



You're in rent arrears or breach of your existing tenancy

What are the benefits of Rent to Buy?



Lower Rent

You pay 20% less than market rent (including any service charges), making saving for a deposit to purchase a home in the future easier

To ensure sustainability, you will be assessed against the full market rent value.



New home

You get the benefit of a new or recently built home.



Responsible regulated landlord

You have a professional landlord who is regulated by the government.



Security

If we decide to sell the property, the Rent to Buy tenant will be given the first option to buy.



Controlled Rent Increases

Your rent will increase each year in line with the Consumer Price Index (CPI) +1%.



Full landlord repairing obligation

The landlord is responsible for all repairs in the property, other than those caused by tenant damage.

The tenancy agreement

When you become a Rent to Buy tenant you sign a **tenancy agreement**.

The tenancy agreement is a legal document that sets out what are our landlord responsibilities and what your responsibilities as the tenant are.

The tenancy agreement we use for Rent to Buy is an Assured Shorthold Tenancy agreement and different to the tenancy agreements we use for our social rent or Affordable Rent homes.

The tenancy agreement is a very important document and you should familiarise yourself with it. You may wish to obtain legal advice before signing.

By signing the tenancy agreement, you are only committing to rent the property in accordance with the tenancy terms. You are **not** committing to buy the property and we are **not** committing to sell.

Remember

If you fail to pay your rent or meet the requirements of the tenancy agreement, then you may lose your home.



How long is the tenancy agreement?

A Rent to Buy tenancy will be for an initial fixed term of 6 or 12 months.

Please note, this is only an initial term, tenants are able to occupy a Rent to Buy home for longer if they follow their tenancy agreement and the Landlord has not advised them otherwise.

Rent payments and increases

The rent amount is detailed in the tenancy agreement.

The rent is calculated at 80% of the market rent for your property. This rent figure includes any service charges.

You're expected to pay your rent monthly, via Direct Debit.

Your rent will increase each year in line with the Consumer Price Index (CPI) +1 %.

If you don't keep up rent payments, then you may lose your home. We will also not sell to you if you are in rent arrears. Remember if you're struggling to make rent payments, let us know.

Can I sub-let?

No! Rent to Buy homes are strictly for the named tenant(s) and any permitted occupants. **No subletting is permitted.**

Repairs and maintenance

As a tenant you're expected to look after your home, but you can report repairs to us as your landlord online or over the phone. Different repairs will be dealt with in different timescales depending on seriousness and urgency.

Details of our repair timescales are included within the repairs policy.

During the first year after the property is built it is covered under a 12 months Defect Liability Period. If any legitimate repairs arise during this time, we will instruct the builder to attend to any problems relating to the construction or builder's work.

Our Rent to Buy homes will also benefit from a new home warranty that covers any major problems. The warranty will normally last a minimum of ten years after the property was built.

Any damage caused to the property or any shared areas, by either your household or your visitors, will be recharged at the time or be taken from your deposit in accordance with the Deposit Protection Scheme conditions. This will also be the case if you purchase.

If you go on to buy the property, including when purchasing through Shared Ownership, then you will be responsible for the repair and maintenance of the property fully as the owner. If you become an owner of an apartment or house that benefits from shared areas on the development, you may also be required to contribute to any service charges and contributions to reserve funds. We will provide details of these prior to any purchase.

The Home User Guide: Please familiarise yourself with the Home User Guide. This contains lots of information about getting the best out of the property, warranties and contact information.

When can I buy?

We can't sell the property in the first five-years since it was built, unless it is on a Shared Ownership basis. This is a condition of the funding we've received from the government.

5-years after the property was built, the Rent to Buy tenant can approach us about purchasing or if we decide to sell, the Rent to Buy tenant will be given the first option to buy.

How much is it to buy?

The price of a Rent to Buy property will be based on the market value at that point in time.

To buy you'll need to be able to have saved a sufficient cash deposit and fees for solicitors, along with having access to a sufficient mortgage.

Who saves for the deposit to buy?

The low rent we charge is intended to provide an opportunity for tenants to save for a deposit.

The responsibility to save a deposit is yours - Torus will not do this for you.

Are there times when you may not sell to a Rent to Buy tenant?

There are some situations when the tenant may wish to buy the home they rent, but we may not be able to sell.

These include:

- If the tenant is in rent arrears or otherwise in breach of the tenancy agreement, for instance due to anti-social behaviour
- If at the time of the request, the value of the property is worth significantly less than it has cost to develop

If we're unable to sell the property, we'll discuss any other opportunities we may have for home ownership elsewhere.

Can I buy through Shared Ownership?

In some circumstances we may be able to offer Shared Ownership (subject to qualification) during the first 5 years of your tenancy. However we can't guarantee that this will be an option available on all Rent to Buy homes.

If we can't offer a Shared Ownership option on your Rent to Buy home, we may be able to explore other options.

Shared Ownership sales during the first 5 years of your tenancy will be based on the current market value of the property. An affordable rent will also be payable, along with any service charges which will be confirmed at the time.

Will I have the Right to Buy?

No; the government Right to Buy scheme, that some social housing tenants benefit from, cannot be used to purchase Rent to Buy homes.

If you have the Right to Buy and take out a tenancy of a Rent to Buy home, you will be giving up the Right to Buy and any discount you may previously have benefited from.

If you are a housing association or council tenant and want to find out if you have the Right to Buy before applying for Rent to Buy, please contact your landlord.

What happens if after five-years of renting, I still can't buy?

If you can't buy after renting and it is five years after the property was built, the Leasehold Team will discuss your options as you approach the fifth year.

Remember

If you don't keep up rent payments, then you may lose your home.

