

RIGHT TO ACQUIRE POLICY

Responsible Officer

Director of Customer Services

Aim of the Policy

This policy aims to ensure that Right to Acquire applications are processed fairly, accurately and in accordance with the relevant legislation.

Policy Scope

This policy covers applications submitted under the Right to Acquire scheme. It does not deal with applications submitted under the Preserved Right to Buy scheme.

Definition of Right to Acquire scheme: The Right to Acquire scheme is a policy in the United Kingdom which gives some *assured tenants* of some housing associations the legal right to acquire, at a discount, the home they are living in. Tenants on an introductory tenancy are not eligible to make an application under the Right to Acquire scheme. All Right to Acquire (RTA) applications received will be processed and managed by Specialist Housing Services.

The Policy

Eligibility for Right to Acquire

To be eligible for the Right to Acquire, housing association tenants whose homes were transferred using public monies after 31st March 1997 must:

- Hold an assured tenancy.
- Have been a public sector tenant for a minimum of three years, this need not be consecutive years.
- Reside in their current property as their main or principal home.
- Live in a property that is self-contained.

Where it is a joint tenancy, the three year period need only be satisfied by one of the joint tenants.

Tenants who meet the criteria are able to make joint applications for the Right to Acquire with:

- The joint tenant (if the tenancy is joint),
- Up to three family members, if they have resided in the property as their main or principal home for a minimum of 12 consecutive months prior to the application.

Exclusions

- Tenants who are subject to a possession order (suspended or outright) or who are bankrupt are, by legislation, not allowed to benefit from the Right to Acquire. Tenants with rent arrears will be required to clear them before any property sale is completed.
- Tenants with the Preserved Right to Buy cannot apply for the Right to Acquire.

- Assured shorthold tenants do not have the Right to Acquire.
- Some properties may be excluded from the Right to Acquire, for example if your property is designated as a dwelling suitable for elderly persons or has a demolition order.

Right to Acquire discounts

Tenants exercising the Right to Acquire are entitled to a legislatively prescribed discount of £16,000 on the purchase price.

Timescales

Phoenix aims to process Right to Acquire applications within legislative timescales, wherever possible.

Fraud prevention and money laundering

Phoenix will use practicable resources available to prevent the acceptance of fraudulent applications and to prevent properties being purchased by a third, ineligible party.

Ineligible third parties include:

- Family members who fraudulently claim to be residing in the property, and
- Companies or Persons who gift the purchasing funds to the eligible tenant with an agreement or intention for the property to transfer ownership at a later date, or where the gift granting party earns interest from the eligible tenant on the gifted funds.

Where fraudulent activity has been evidenced Phoenix will allocate available resources to prosecute the parties involved to the fullest extent of the law and recover the property.

Repairs following the acceptance of a RTA application

Once a tenant has been accepted for the Right to Acquire only repairs that are necessary to maintain health and safety will be carried out to the home. The normal repairs service will resume if an application is withdrawn.

Selling a home where RTA has been exercised

Once purchased, there are restrictions on the sale of the home for a period after the Right to Acquire has been exercised:

- **Within five years** – A proportion of the discount will have to be repaid to Phoenix Community Housing. The amount repayable is calculated based on how long has passed since the property was sold under the Right to Acquire.
- **Within ten years** – The property must first be offered to Phoenix Community Housing. Only after we have declined our right of first refusal can you place the property for sale on the open market.

Exceptions to discount repayment

Where the legislation permits discretionary decisions to be made by the Landlord, any such decisions will be made by the Head of Service. Any requests will only be considered in exceptional circumstances such as the purchaser developing a medical condition that makes the property uninhabitable for them and not for financial reasons.

Proceeds

Proceeds from the sale of homes through the Right to Acquire will be re-invested within Phoenix Community Housing to provide new housing.

Monitoring and review

This policy will be reviewed every three years or sooner whenever there are changes to legislation, good practice or other learning.

This policy will be monitored through annual performance reports and Key Performance Indicators.

Legislation

- Housing Act 1985
- Housing Act 2004
- Equality Act 2010
- Prevention of Social Housing Fraud Act 2013
- Money Laundering Regulations 2017
- Data Protection Act 2018
- Coronavirus Act 2020

Associated documents, policies and procedures

- Anti-Money Laundering Policy and Procedure
- Community Empowerment and Engagement Strategy
- Customer Access Strategy
- Data Protection Policy
- Equality and Diversity Charter
- Home Ownership Handbook
- Home Ownership Charter
- Leasehold Management Policy
- Leaseholder Hardship Buy Back Policy
- Phoenix Standards
- Rent Arrears Policy
- Right to Buy Policy
- Tenancy / Lease Agreement

Definitions

Term	Description
Resident	Includes tenants, freeholders and leaseholders.
Phoenix	Phoenix Community Housing.
RTA	Right to Acquire

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