

Rent to Homebuy: Frequently Asked Questions

What is Rent to HomeBuy?

Rent to HomeBuy is a government scheme designed to ease the transition from renting to buying by providing a home at a discounted rate. You will then have the opportunity to buy that home in the future, via shared ownership, providing you still meet the eligibility criteria. The scheme is often described as 'try before you buy'.

How does Rent to HomeBuy work?

With Rent to HomeBuy, you rent a modern home at approximately 20% below the market rent for up to five years on a fixed term Assured Shorthold tenancy. The expectation (although not an obligation) is that this period of paying a reduced rent gives you the chance to save a cash deposit, so you can buy your home at a later date. 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 five-year fixed term period, you may be served notice if you haven't already purchased a share of your property. The opportunity to stay on as a tenant after the five-year fixed term is never guaranteed and should not be expected.

What are the benefits of Rent to HomeBuy?

- You'll pay a reduced rent on the property which makes it easier to save.
- You can settle into your new surroundings knowing that you'll have the option to buy the home you're renting, but without any obligation to do so.
- As a tenant, your property will be fully managed by us until you purchase, and we'll help you through the purchasing process if you decide that's what you want to do.
- You are not tied into a five-year tenancy if you wish to vacate beforehand, although at least eight months of the tenancy must be served and two months' notice provided to us in writing if you wish to vacate.

Am I eligible for Rent to HomeBuy?

To be eligible, you must:

- Live and/or work within the Borough of where the property is located.
- Be permanently employed with consistent income.
- Pass a credit referencing check - We will not be able to consider you if you have a County Court Judgement (CCJ), IVA or have declared bankruptcy within the last six years.
- Pass a Right to Rent check - You will need to have the right to rent in the UK for the duration of the tenancy.
- Be able to show that you will have sufficient income to be able to save towards a mortgage deposit - You will be referenced against the full market rent as opposed to the discounted rate.

- 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.
- Must not be an existing homeowner unless you are in the process of selling/separating.

Can I view the proposed tenancy agreement before I commit to the Rent to HomeBuy product?

We 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. We 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 your household details/occupants.

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 would result in Thrive Homes being unable to sell the property to you for example:

- If the current value of the property is less than the original value stipulated in the Option to Buy Agreement.
- If there is any outstanding rent due on your account.
- If you no longer meet the affordability requirements.
- If there has been a significant breach of your tenancy agreement.

Is the rent fixed for the term of the tenancy?

No, your rent will be reviewed annually. This will be calculated in line with the terms of your Tenancy Agreement and will be checked to ensure that it does not exceed 80% of the open market value.

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

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

Thrive Homes will require you to pay a security deposit, which is calculated at five weeks' rent. This will need to be paid prior to you moving into your home along with the first month's rent.

The deposit will be held by My Deposits <https://www.mydeposits.co.uk>, an independent Deposit Protection Scheme, and you will be issued with the relevant information and deposit protection certificate within 30 days of receipt.

Will you carry out an inventory of the property?

When you move into your home, our independent clerk will arrange and undertake a full handover inspection with you, an inventory will be completed, meter readings, and photographs will be taken.

The inventory would be relied upon should you move out of the property without purchasing and would be used to assess the property at your checkout inspection. 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 arrears. If you proceed to purchase your property, the security deposit will be returned to you in full within 14 working days of your purchase completion.

Can I carry out work to the property and decorate?

Your property will be provided with basic furnishings (flooring, cupboards, white walls, doors etc) 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 the property.

If you would like to carry out decorating or other works to the property, you will need to notify us in writing beforehand, this includes putting nails in the walls etc. If you choose to leave the property without purchasing, it will need to be returned fully to its original condition.

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 Agreement to look after the property and keep it in good order. This responsibility extends to the communal areas if your property is in an apartment block.

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 unless rectified by you to a satisfactory standard.



Rent to HomeBuy and Shared Ownership

The Rent to HomeBuy product allows you to buy a share of your home at any time during the period of your tenancy, through shared ownership. As a Shared Owner you can buy from 25% to 75% of your home and pay a rent (and service charge) on the share you have not purchased.

In the future you are entitled to purchase additional shares (equity) in your home through a process called staircasing. You can eventually own 100% of your home if you would like to.

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 which tend to vary. 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 a share in the property to you at this value.

Should you proceed to buy your home, we will require you to provide an Agreement in Principle (AIP) from your mortgage lender, confirming that you are able to secure a mortgage. It is your responsibility to find a suitable mortgage lender, this is not something that Thrive Homes are able to support with or advise on. The amount of deposit you need to purchase shares in the property will be outlined by your mortgage lender, not Thrive Homes.

You will be required to buy the maximum share you can reasonably afford, the minimum being 25% and up to a maximum of 75%. If your home is an apartment, the property will be sold on a leasehold basis, and a long-term lease will be granted. Even if you purchase 100% of the flat, the block will still belong to us.

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:

- Survey cost
- Solicitor's fees, including disbursements
- Stamp Duty (if applicable)
- Mortgage arrangement fees
- Shared Ownership rent
- Shared Ownership management fee
- Buildings insurance
- Service charge

What happens if I don't buy my home?

If you decide not to, or you are unable to purchase the property during the tenancy period, you may be served notice to vacate by the end of the tenancy term. There is a possibility that you could stay on as a tenant after the five-year tenancy has finished, but this is never guaranteed and should not be expected.

It is important to be aware that you may lose the right to purchase shares in the property after the five-year term has completed.

What would happen if my circumstances change?

If your circumstances change (income, occupants, contact info, credit, affordability etc) please contact us at the earliest opportunity to discuss this.

Thrive Homes will also carry out an annual inspection, where we will assess the property condition, your plans to purchase, and any change of circumstances.

This is known as a Homeplan visit and you must permit access for this in line with the terms of your contract.

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 by providing two months' notice to us in writing. 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, subject to fair wear and tear, 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 customer service team who will direct you to the lease contact our Lettings Assistant Chloe Evans, or the Market Rent team: chloe.evans@thrivehomes.org.uk or marketrent@thrivehomes.org.uk

Do you need this information in another format or language? Contact us!

Thrive Homes, Westside, London Road, Hemel Hempstead HP3 9TD
Freephone: 0800 917 6077 | enquiries@thrivehomes.org.uk | www.thrivehomes.org.uk
Thrive Homes Limited trading as Thrive Homes – a charitable Community Benefit Society
Registered office: Westside, London Rd, Hemel Hempstead HP3 9TD.
Registered under the Co-operative and Community Benefit Societies Act 2014 reg no 30398R.
Registered with the Regulator of Social Housing (RSH) reg no L4520. VAT registration no 926 6337 07.
Thrive Homes is a member of the Housing Ombudsman scheme. For more information visit www.thrivehomes.org.uk/complaints.
Further details on how to make a referral to the Housing Ombudsman can be found by visiting: www.housing-ombudsman.org.uk or by calling 0300 111 3000

