

## **TENANT PURCHASE SCHEME, 2005**

THE SCHEME ADOPTED BY LOUTH COUNTY COUNCIL (THE HOUSING AUTHORITY) FOR THE SALE OF HOUSES IN ACCORDANCE WITH SECTION 90 OF THE HOUSING ACT, 1966 AS SUBSTITUTED BY SECTION 26 OF THE HOUSING (MISCELLANEOUS PROVISIONS) ACT, 1992 IS AS FOLLOWS:-

1. Subject to Paragraph 2, all houses provided by the Housing Authority under the Housing Acts, 1966 to 1992, that are owned and let by them shall be offered for sale in their existing state of repair and condition, to those tenants who hold a tenancy from the Authority of at least one year. A tenant shall be regarded as having held a tenancy for a year if:-
  - a. The combined period of his/her tenancy and of the preceding tenancy (if any) held by a spouse is not less than one year, or
  - b. He/she bona fide resided in the dwelling for a period of at least one year either as the tenant or as a member of the household of the preceding tenant.
  
2. There shall not be offered for sale under the Scheme:-
  - a. Houses provided for and occupied by elderly persons,
  - b. Flats, or
  - c. Houses that, in the opinion of the Housing Authority, ought not be sold for reasons of good estate management or on account of their structural condition, or ought not be sold for the time being on account of any proposals the Authority may have to carry out works of improvement to the houses.
  
3.
  - a. The purchase price of each house shall be its Market Value as reduced first by the amount of the discount under Paragraph 4 and then by any allowance under Paragraph 5.
  - b. In Paragraph (a) "Market Value" means the amount which, in the opinion of the Housing Authority, the house, if sold on the open market in its existing state of repair and condition and without reference to special conditions, might be expected to realise, reduced by the portion, if any, of such value that, in the opinion of the Authority, is attributable to improvements to the house, other than those carried out by the Authority.
  
4. The discount to be applied in determining the purchase price shall be 3% of the Market Value of the house for each year of the reckonable period of tenancy, subject to a maximum discount of 30%, plus £3,000. The following rules shall apply in determining the reckonable period of the tenancy for the purpose of calculating the discount:-
  - a. Any periods of tenancy in a Local Authority dwelling other than that being purchased shall be added to the tenancy period in the house being purchased, provided both such periods are continuous.
  - b. A widow or widower shall be allowed the continuous tenancy entitlement of the deceased spouse.
  - c. Where a member of the household succeeds to a tenancy having been bona fide resident with the previous tenant for a continuous period of at least twelve months immediately prior to the previous tenant's death or to his/her leaving the house, the

tenancy discount to which the previous tenant would be entitled shall be allowed to the successor.

- d. Where the reckonable period of tenancy exceeds a complete number of years by a portion of a year in excess of six months, it shall be rounded up to the next number of complete years.
  - e. The reckonable period of the tenancy shall be calculated up to the date of the making of the Transfer Order.
  - f. Where the house was previously sold to the purchaser or his/her spouse by the Housing Authority and the purchaser (or his/her spouse) has reverted to tenancy of the house, the period of occupation of the house, under the terms of the previous sale, may be reckoned as if it were a period of tenancy.
5. After the discount has been determined, a further allowance shall be made in respect of the full amount of any capital paid by the Purchaser or his/her spouse under the terms of a previous purchase of the house from the Authority.
  6. The Purchaser shall have the option of purchasing the house in fee simple or, in the case of a house being sold under the Shared Ownership option, by way of a Shared Ownership lease for a term of 99 years.
  7. The Purchase Price or the cost of the Equity being acquired shall, at the time of purchase, be paid to the Authority or constituted as a loan from the Authority to the Purchaser.
  8. No warranty by the Housing Authority shall apply or be deemed to be implied as to the state of repair or condition or the fitness for human habitation of any house sold under this Purchase Scheme. All responsibility for the repair and maintenance of the house shall rest with the Purchaser.
  9. The sale shall be exempt from Stamp Duty.
  10. The following Special Conditions (as in Section 89 of the Housing Act, 1966) shall apply to a house sold under the Purchase Scheme.
    - a. The house shall, unless the Housing Authority otherwise allow, be occupied as a normal place of residence by the Purchaser or the Purchaser's successor in title or by a member of the Purchaser's family or the family of his successor in title.
    - b. The house or any part thereof shall not, without the consent of the Housing Authority, be mortgaged, charged or alienated otherwise than by devise or operation of law.

These conditions shall apply to a house sold outright for a period of 30 years from the date of the Transfer Order, or in the case of a house purchased under the Shared Ownership option, for 20 years or the duration of the lease, whichever period is the longer.

11. The Purchase Scheme shall have effect from the date of its adoption by the Housing Authority until terminated or replaced by another Scheme.