

Mortgage advice

CF6 July 2015 edition

Web update 3: 27 January 2016

Please note the following update to your copy of the July 2015 edition of the **CF6: Mortgage advice** study text:

Chapter 4, section E1, page 4/5

Please delete the first two paragraphs and replace with:

Since 1980 tenants who have lived in a council home for a qualifying minimum period of time or in another 'Right to Buy' property belonging to local authorities, councils and registered social landlords, have a right to buy it at a substantial discount of up to 70% of its value (this percentage applies to both houses and flats). Currently, the minimum period for which the tenant must have lived in the property is three years. The discount is calculated on the number of years the tenant has been a council tenant (maximum 30 years). The tenant does not have to have lived in the same council home over that period. (If a secure tenancy was in existence before 18 January 2005 or the individual was a public sector tenant before that date and has been continuously since that time, they had the right to buy after two years as a public sector tenant.) If the owner wishes to sell their property within ten years of buying it, they must first offer it to the old landlord, e.g. the council. If the landlord does not agree to buy the property back within eight weeks of being asked, the owner is free to sell it on the open market. Any right to buy buyer will have to pay back some or all of the discount if they sell the property within five years of buying it.

Since 6 April 2015 the maximum discount is £77,900, or £103,900 in London. The maximum entitlements increase every year in April in line with inflation.

Chapter 4, Key points, page 4/14

Please delete the first bullet point under 'Those in housing need' and replace with:

- Tenants who have lived in a property belonging to certain public bodies for a minimum of three years have a right to buy it at a substantial discount.

Chapter 4 self-test answers, page vi

Please delete the answer to number 4 and replace with:

4. Council tenants who have lived in their property for at least three years have the right to buy the property at a discount. The amount of the discount depends on the length of time they have lived there.

