

Right of First Refusal

Definition

The Housing Act 2004 states that anyone who received their offer notice for Right to Buy or Right to Acquire after 18 January 2005 and wants to sell their home within the first 10 years of purchase must give Right of First Refusal to their former landlord (in this case Harrow Council). It also states the discount is also repayable up to the first 5 years.

This guidance explains the circumstances that may influence Harrow Council's decision whether or not to purchase or to nominate another Registered Provider to buy back such a property through the Right of First Refusal and the process for dealing with requests.

What this means for you

Harrow Council has a Duty to have First Right of Refusal for any Harrow Council home purchased through Right to Buy or Right to Acquire after 18 January 2005. This Duty will apply for ten years after the purchase date of the home.

This means that if your home was purchased through Right to Buy after this date, then you will need to offer it to Harrow Council before offering to sell to anybody else.

The Offer Notice

If you, the applicant, are bound by the Right of First Refusal, the Government rules say that you must send an "Offer Notice" or letter to Harrow Council's Leasehold Team stating the following:-

1. That you wish to dispose of the property
2. That there is a covenant requiring you to first offer the property back to Harrow Council
3. Give the property's full postal address
4. State the property type (house, flat etc...)
5. Specify the number of bedrooms
6. Give details of heating system; and
7. Specify any improvements or structural changes which have been made since the purchase (including adaptations).

Please send this to:

Post: Leasehold Services, Housing Department. PO Box 65, Station Road, Harrow, HA1 2XY

Email: leasehold&RTBservices@harrow.gov.uk

What Happens next?

When Harrow Council receives your "Offer Notice" we will write to confirm receipt and explain the "Right of First Refusal" procedure governed by Regulations 6 to 10 of the Housing (Right of First Refusal) (England) Regulations 2005.

Harrow Council then has eight weeks in which to assess the Right of First Refusal on the property and reply to you confirming if it will:-

1. Buy the property or
2. Nominate another Registered Provider to buy the property; or
3. Not purchase the property.

This letter explains the process in detail.

Option 1 and 2

If the letter confirms either Option 1 or 2 above, Harrow Council or a Registered Provider will buy back the home within an additional 12 weeks of the date of the letter, with any Discount monies owed being repaid to Harrow Council. This is an **Acceptance Notice**.

An Acceptance Notice must:

- I. Be in writing
- II. Indicate clearly that the Council is accepting the offer.

During this time the Council will ask its nominated Valuer to value the property. The market value must be agreed between the parties or, if we are unable to agree, it will be determined by the District Valuer. The District Valuer's fees will be met by the Government.

If Harrow Council or the nominated Registered Provider does not complete the contract for sale within **12 weeks** you can sell your home on the open market, with any Discount monies being repaid to Harrow Council.

This means that the process will be completed within 20 weeks of receipt of the initial "Offer Notice" letter by Harrow Council.

Option 3

If Harrow Council or the nominated Registered Provider does not wish to purchase your property, then you are free to sell the property on the open market and the rules of Right of First Refusal will no longer apply. This means that whoever buys the property does not have to offer it back to Harrow Council when they come to sell it.

However, any Discounts that are applicable will need to be paid back to Harrow Council. If after 12 months, you have still not sold your property and you still wish to, a fresh "Offer Notice" to Harrow Council must be made in writing.

Repayment of discount

Your solicitor will need to confirm the sale price of the property in writing. Our Legal Team will calculate the amount to be repaid. Once this discount is repaid we will draft a certificate.

Flow chart showing the Right to Buy process

