

# Rent to Buy Guide



The new Rent to Buy scheme is a government backed initiative that allows eligible working people to rent a home at less than Market Rent while they save for a deposit to buy.

Rent a fabulous property at an affordable discounted rate (usually up to 20% lower than average local market rents) for an initial letting period of five years from when the property was built. Your circumstances might change, placing you in a better position to purchase shares of your home or even buy it outright.

## Am I eligible?

### To be eligible for Rent to Buy you must:

- Be in permanent employment
- Complete our [Application Form](#)
- Provide supporting documentation when requested
- Satisfy any satisfactory reference or credit checks
- Prove you will be able to afford the rent payments in addition to all other costs
- Have the Right to Rent in the UK
- Be able to pay a deposit of one month's rent and one month's rent in advance.
- Be a first-time buyer or returning to the market (e.g. after a relationship breakdown)
- You should have a good credit history, no CCJ's (unless satisfied by the court) as an affordability check and credit check is carried out
- You would be eligible for Shared Ownership but may not have sufficient funds to pay a deposit towards a mortgage.

### Reasons why you may not be eligible:

- Not in permanent employment or contracted to zero hours
- You require housing benefit
- You have a legal interest in another property
- Your household income is more than £80,000 annually
- The property will be overcrowded
- The property won't be your main home or you intend to sub-let
- You are in rent arrears or breach of your existing tenancy.

## How do I apply?

Complete the Plumlife [online application](#) and return to [reservations@plumlife.co.uk](mailto:reservations@plumlife.co.uk). We will then require photocopies of your P60 or past three months wage slips along with information regarding any committed outgoings such as personal loans / HP payments and credit card payments. Once in receipt of this information, Plumlife will carry out an affordability assessment and inform you if you're eligible and then we can arrange a viewing with the Resident Services Associate where possible or provide you with further information regarding availability in order to reserve "off plan".

## How do I reserve a Plumlife Rent property?

We require a non-refundable application fee of £100 as a holding deposit. This fee holds the property for up to 4 weeks during which time we will carry out referencing and credit checks which are completed by a third Party who will contact you requesting supporting documentation.

Please be aware that if the credit and referencing check fails, Plumlife cannot continue with your application.

## How much is the rental deposit?

A deposit of one month's rent will be required at least 3 working days before your tenancy start date along with one month's rent in advance. The Deposit will be held within a Deposit Protection Scheme (DPS) and you will receive a Certificate of Payments along with the relevant Prescribed Information Form.

## Do I pay maintenance/service charge on top of my rent?

No, these charges are included in the rental amount each month.

## When can I move in?

Once all credit and reference checks have been completed and your application has been approved, our Lettings Team will arrange a move in date with you in accordance with availability of the property. All relevant documentation including a Tenancy Agreement will be sent to you electronically for **your** signature, a Direct Debit form will also be sent to you for completion and return as all rents payments are to be made by Direct Debit on the 1<sup>st</sup> of every month.

The Resident Services Associate will meet you at the property to release the keys subject to receipt of funds including rent and deposit payments along with completed Direct Debit mandate.

## The Tenancy Agreement

When you become a Rent to Buy tenant, you will sign a **tenancy agreement** which is your contract with us. The tenancy agreement is a legal document that sets out what the Landlords responsibilities are and what your responsibilities as a tenant are.

The tenancy agreement will be a Fixed Term Assured Shorthold tenancy agreement, this is a very important document and you should familiarise yourself with it before signing and returned to us.

Typically, a tenancy agreement with us under the Rent to Buy initiative will be for an initial term of 12 months, this doesn't mean you have to move after 12 months. If you pay your rent, meet the terms of your tenancy agreement and want to stay living in the property, it is likely that we will allow your tenancy to continue as a Statutory Periodic tenancy.

## Rent payment and Increases

The rent amount will be confirmed when your application is received and property size has been agreed, this will also be recorded in your tenancy agreement.

The rent is calculated at 80% of the market rent for your property, this figure includes any service charges but will not include parking charges and pet charges if applicable. Rent and any additional charges will be payable on the 1<sup>st</sup> day of each month by Direct Debit.

Your rent will be reviewed annually increasing on the 1<sup>st</sup> April each year in line with Consumer Price Index (CPI) plus 1T, the CPI being that at September of the previous year so no unexpected increases.

## Repairs and Maintenance

As a tenant you are expected to look after your home but you can report repairs to us as your Landlord through our website, customer portal or by telephone. We also provide an Out of Hours emergency service for repairs when our offices are closed.

Any damage caused to the property or to any shared areas by your household or your visitors will be recharged at the time or deducted from your deposit in accordance with Deposit Protection Scheme conditions, this will also be the case should you wish to purchase the property.

If you go on to buy the property including if purchased through Shared Ownership, you will become fully responsible for all repairs within your property. If you become an owner of an apartment or house that benefits from shared areas on the development, you will be required to contribute to any services charges applicable.

The **Home User Guide** will be provided when moving into a property and will include how to get the best out of the property, warranties and contact information.

## Can I purchase the property

In some circumstances, we may be able to offer Shared Ownership as an option to purchase during the initial five-year letting period but we have no obligation to sell and cannot guarantee that this will be an option. If we are unable to offer Shared Ownership as an option on your property, we may have other Shared Ownership properties elsewhere for you to consider.

## What happens at the end of the five-year initial letting period?

Under the government Rent to Buy initiative, offering the property as Rent to Buy is an option during the initial five year period which commences when the property is newly built. If the property is re-let during the initial five year period, the remaining term will reduce accordingly.

At the end of the five-year initial period, the Landlord will consider the options available which include selling the property at full market value with tenants having first right of refusal or converting the tenancy to market rent.