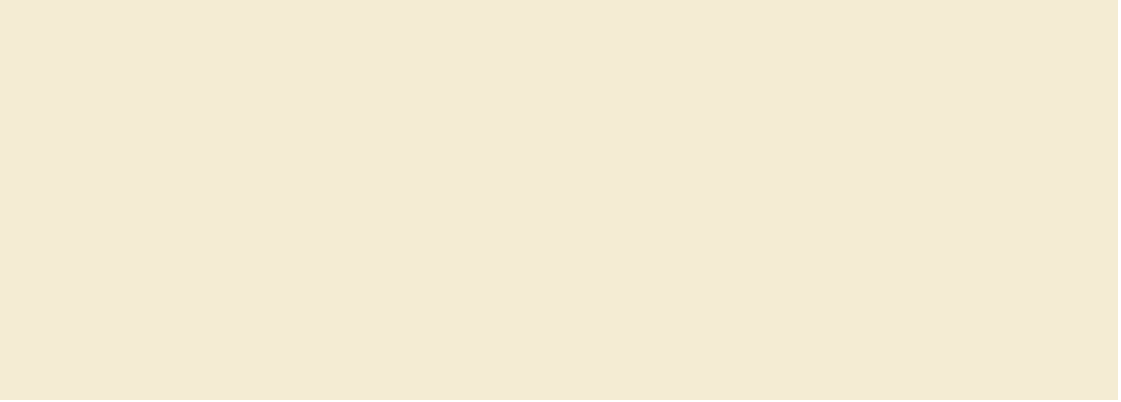
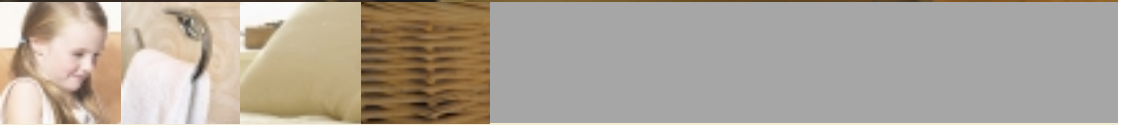




SOCIAL HOMEBUY

Peabody
Trust 



BUYING YOUR HOME

SOCIAL HOMEBUY WHAT IS IT?

This is a brand new Government scheme funded by the Housing Corporation which allows some tenants to buy their current home.

Peabody has been given a limited amount of funds and allocation of these funds will be on a first come first served basis.

If you can't afford to buy outright, you will be able to buy shares of at least 50%.

You will pay a rent on the share that remains with Peabody and maybe a service charge.

A discount of up to £16,000 is available, dependent on what share you purchase.

WHO IS ELIGIBLE?

We can only accept applications from tenants living on certain estates in the following boroughs: Barking & Dagenham, Enfield, Greenwich, Haringey, Harrow, Hillingdon, Lewisham, Lambeth. For further information on which estates are included in the scheme, please go to our website peabody.org.uk or call us on 020 7021 4496.

You must be an assured or secure tenant of Peabody for at least two years at the date of application (5 years if you became a tenant after 18th January 2005).

You must not have breached your tenancy agreement for 2 years. This includes not being subject to a possession order (as a result of rent arrears or anti-social behaviour) or having arrears of no more than one month on your rent account for the last two years.

WHAT SHARE WHAT DISCOUNT?

Equity Share	Discount
50%	£8,000
75%	£12,000
100%	£16,000

BUYING YOUR HOME

WHAT SHARE WHAT DISCOUNT?

You must buy at least 50% but we will expect you to buy the biggest share you can afford, taking into account your discount.

The discount is offered on the first share and if you buy further shares in the future (called 'staircasing').

The maximum discount on offer is £16,000 if you purchase 100%. If you buy 75% the discount is £12,000.

If you decide to sell within the first 5 years you will have to pay some or all of the discount back to the Trust on a pro-rata basis.

RENT AND SERVICE CHARGE

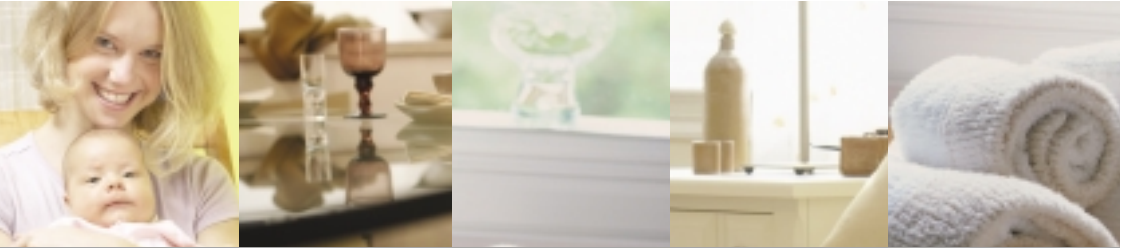
If you are purchasing less than 100% you will pay 2.5% rent on the unowned share. This rent is subject to an annual increase of 0.5% + the previous year's RPI (Retail Price Index).

Full service charges would be payable on all flats regardless of percentage bought and on houses where less than 100% is bought.

HOW LONG WILL THE PROCESS TAKE?

Initial Stage

1. You receive from Peabody an application form (attached to the back of this booklet) and guide to costs including service charges, rent and any information on major works due to happen on your estate.
2. You apply for Social Homebuy.
3. You attend one of our seminars and have an interview with an Independent Financial Adviser, this will be provided free of charge.



1st month

Peabody will assess your application (including eligibility and affordability) and if eligible, confirm that you have been approved for the scheme.

You have a deadline of two weeks from our confirmation of approval, to request a valuation of your property.

2nd month

Peabody make a formal offer to you.

You accept the offer, you then arrange your mortgage and appoint a solicitor (we can assist with this).

Your valuation is valid for three months.

3rd month

Completion of Sale.

If completion does not take place within three months you may have to pay for an extension to your valuation.

This timescale is intended as a guide only. Remember funds are limited.

APPROXIMATE ASSOCIATED COSTS

Solicitors Fees + disbursements	£650 + vat
Land Registry search fee	£4
Land Registry Registration fee	£200 max
Local Authority search fee	£150
Bankruptcy search	£1
Notice of Mortgage & Transfer	£60
Bank Charges	£25x2
Stamp Duty – 1% of purchase price	£1,500*
Mortgage Application fee	£299-399
Mortgage Lenders Valuation fee (fees vary)	£325
Total Approx (average costs)	£3,500

*Dependant on the price of your property – based on a property with a value of £150,000. 3% for properties over £250,000.

BUYING YOUR HOME

YOU'VE COMPLETED WHAT HAPPENS NOW?

You can make home improvements – but leaseholders must get our written permission first. We'll only say no if you're doing something to cause structural damage or reduce the value of your home. Please refer to the Residents' Handbook provided to you at offer stage.

You don't need permission to put in a new kitchen or bathroom or for minor things like decorating, putting up shelves or simple repairs.

REPAIRS & MAINTENANCE

Whatever size share you buy in your home, you will be responsible for all repairs and maintenance needed in it. For example, if your central heating boiler broke down the day after you bought a 50% share in your home you would have to arrange and pay for the boiler to be repaired yourself.

If you live in a flat you will be responsible for arranging and paying for repairs inside your home and will contribute to repairs and maintenance of the communal areas of the block and the estate by way of the service charge.

If you live in a house you will be responsible for both internal and external repairs. You may also need to contribute to the estate costs by way of the service charge.

Your home is at risk if you don't keep up your mortgage repayments, service charge or rent payments.

WANT TO BUY MORE SHARES?

After your initial purchase you can buy further shares in your home. This is called 'staircasing'. You can staircase in minimum 10% instalments, the value of which is determined by an up-to-date market valuation taken at the time. You would need to pay for the valuation (currently £160). You will receive any discount due on the further share you buy.

Remember, funds are limited on this scheme.



WANT TO SELL?

You can sell your home at any time but Peabody has the right of first refusal on the property for 21 years after you buy. We may arrange for you to sell your home to someone on our waiting list or decide to buy back your home ourselves. If we do not find a buyer within 8 weeks then you are free to sell privately.

If you decide to sell within 5 years then you will have to repay some or all of the discount. The amount due to be repaid is calculated as a percentage of the resale value. This is the equivalent to the percentage of the discount when compared to the purchase price and reduced by a fifth each year.

Sell within 1 year, repay an amount equal to the percentage that the discount bore to the purchase price. For example, if the purchase price was £160,000 and the discount received was £16,000, then the discount is equivalent to 10% of the purchase price. If the property was sold on during year 1 and the property value had risen to £180,000 at the time of sale, the repayment would be $£180,000 \times 10\% = £18,000$. This also applies if the property reduced in value.

Number of years property sold within	Percentage to repay
1 year	100% of amount calculated as above
2 years	80% of amount calculated as above
3 years	60% of amount calculated as above
4 years	40% of amount calculated as above
5 years	20% of amount calculated as above

There is no discount repayment required after year 5.

FREQUENTLY ASKED QUESTIONS

Q. Does applying for Social HomeBuy cost me anything?

- A. Initially your only cost is approximately £160 for the valuation on your property. There is no fee payable to Peabody. If you decide to proceed with the purchase you will be responsible for your lenders legal costs involved in the purchase. You will need to appoint a solicitor or licensed conveyancer to handle the legal formalities of buying your home or a share in it. We have a list of solicitors and IFA's who can assist you.
-

Q. I have outstanding repairs to the property, will they be completed?

- A. Any booked repairs will be honoured, but once you apply to us for a valuation no new repairs or major works will be carried out. If you don't proceed the Trust's repairing obligations will start again when your valuation expires. The Trust will remain responsible for structural repairs to flats.
-

Q. If I do not agree with the valuation can I appeal?

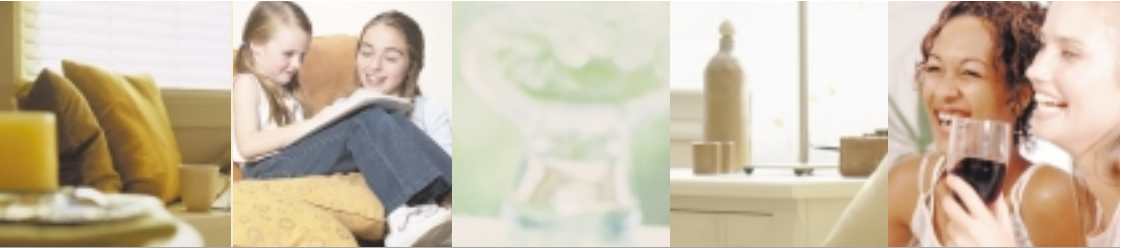
- A. No, there is no right to appeal the valuation on the initial sale; however, we do have the discretion to revalue the property if you make written representations giving valid reasons for disputing the valuation. We only use independent RICS qualified valuers.
-

Q. I can't afford to buy my home myself, can my family buy with me?

- A. A maximum of three members of your family who live permanently with you can join in the purchase. You will need to provide proof that your family members have lived with you for at least 12 months before the date of your application. Other members of your family who live elsewhere or have recently moved in with you cannot join in the purchase.
-

Q. How do I find out if I can afford to buy?

- A. We will refer you to an Independent Financial Advisor (IFA) who will meet with you to assess your financial situation and advise you of the share you can afford to buy. This service is offered free by Peabody.



Q. How do I get a mortgage, can I go to any company?

- A. The IFA will be able to advise you about this, not all lenders are experienced in providing loans for shared ownership. This is a new initiative and there are fewer lenders who are familiar with this type of purchase.
-

Q. Will I have to pay a deposit?

- A. We do not require a deposit but your mortgage lender may.
-

Q. If I buy a share in the property does this mean that I will be responsible for all the repairs to my property?

- A. Yes, once you become a shared owner you will be responsible for the costs of all repairs to the property, both internal and external. If your property is a flat you will pay for repairs to the exterior of the building and the communal areas via the service charge.
-

Q. I live in a house but I pay a service charge. Will this stop if I buy a share in my home?

- A. No, usually the service charge for houses is to pay for the upkeep of the estate, cleaning, gardening, maintenance of car parking areas, etc. The new service charge will be variable.
-

Q. How long will it take to buy a share of my home?

- A. The sale will need to be completed within 3 months of you receiving an offer. If you do not complete within this time you may have to pay for an extension to your valuation.
-

Q. Can I buy a car park space?

- A. As with Right to Buy and Right to Acquire sales, parking spaces will not be included in the sale, even if there are spaces available on your estate.

FREQUENTLY ASKED QUESTIONS

Q. How soon can I sell the property?

- A. You can sell immediately after you buy if you wish but you will have to pay back the discount. You will have to repay a proportion of the discount if you sell within five years. After 5 years there is no discount to be repaid.
-

Q. Will I have to repay the discount if I give my share to a family member within the first five years?

- A. Yes, you cannot dispose of your share to anyone within the first five years without repaying the discount, even if you assign your lease or transfer the property as a gift.
-

Q. Can I sell my share to anyone at the end of the five years?

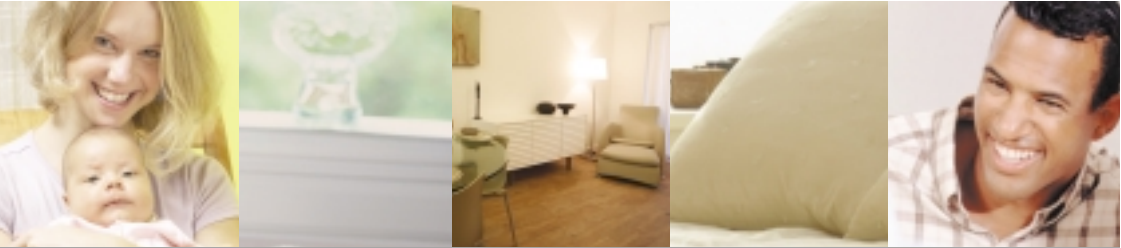
- A. For 21 years after you buy, Peabody Trust has the right of first refusal on the property. We may wish to buy your share from you so we can offer the property to someone on our waiting list or we may find you a buyer. If we fail to find you a buyer within prescribed time limits then you can sell on the open market.
-

Q. If I buy a 50% share initially can I buy more in the future?

- A. Yes, you can buy further shares until you own 100% of the property, or you may prefer to remain a shared owner. This process is called 'staircasing'.
-

Q. If I buy a further share will I get more discount?

- A. Yes, as from April 2008 the Government will allow discount to be paid on further shares. If, for example, you buy an additional 25%, you will receive £4,000 discount. This further discount will be available to all existing purchasers.



Q. I have made a lot of improvements to my home. For example, I have a new fitted kitchen, will this increase the price of the share?

A. Although the value of your share will not increase, your improvements may add value to your property. You do not need our permission to carry out minor changes, eg decorating the inside of your home or installing a new kitchen. You do need our permission to make structural changes, eg knocking down walls or changing windows.

Q. I want to buy but I need a bigger property. Can you move me?

A. No, you can only buy the property you live in.

Q. If I want to move in the future, will you help me?

A. Our Sales & Marketing Team would be able to advise you if you were looking for another part-buy, part-rent property, but otherwise you would need to find your own property.

APPLICATION FORM

Please use a separate sheet to provide any other supporting information. All parties to the proposed purchase must answer these questions – continue on a separate sheet if necessary. If there are more than 2 applicants please photocopy this form for the extra applicants.

Please fill in this form in **BLOCK CAPITALS** and **BLACK INK** then send it back to us at the address on the back of this form. We cannot consider your application unless all sections of this application are fully completed. All persons over the age of 18 must fill in their details as the “SECOND APPLICANT” even if they do not earn an income.



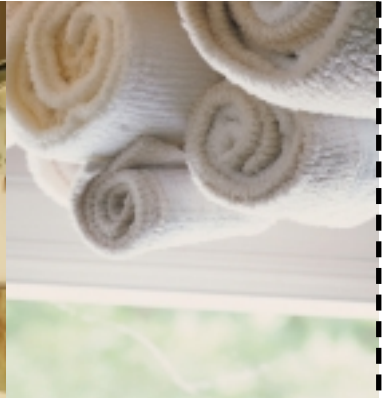
Peabody
Trust



General enquiries

Contact our dedicated customer service team between 8am and 8pm, Monday to Friday.

Telephone number: 020 7021 4444



**Response service No.
Licence No. SE 3305**

2



**Sales & Marketing Team
Social HomeBuy
Peabody Trust
45 Westminster Bridge Road
London
SE1 7BR**

APPLICATION FORM

TENANCY REF:

1. About you

	First Applicant	Second Applicant
Gender (please tick)	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Male <input type="checkbox"/> Female
Title (Mr/Mrs/Miss/Ms/Other)		
First name		
Last name		
Previous last name (if applicable)		
Date of birth		
Address If you have lived elsewhere in the last 5 years, please list all your previous addresses on a separate sheet		
Postcode		
How long have you lived there?		
When did you first become a Peabody tenant?		
Home telephone number		
Mobile telephone number		
Work telephone number		
What is the best time to be contacted?		
Email address		

2. Eligibility Criteria (this section applies to all applicants)

Please read the following questions carefully. If the answer to any of them is yes, then you do not qualify for Social Homebuy.

	First Applicant	Second Applicant
Are you an undischarged bankrupt or do you have a bankruptcy petition pending? (if yes, we need full details)		

APPLICATION FORM

Do you have any county court judgements currently against you?		
Are you in rent arrears?		
Have you been in rent arrears in the past year?		
Is there a court order for the possession of your home?		

If you fail to answer any of the questions we will not be able to take your application further.

3. About Your Employment

	First Applicant	Second Applicant
Job Title/Occupation/Grade		
Employer's name and address		
Employer's telephone number		

4. Income / Savings

Income / Savings	First Applicant	Second Applicant
Total gross annual income (Excluding overtime & bonuses)	£	£
What is your monthly take home pay after deductions?	£	£
Total Savings	£	£
Other income (Including any benefits eg tax credit child benefit and weekly amounts)	£ £ £	£ £ £
Have you any outstanding loans or other regular payments? (e.g. CSA payments, loans or CCJ)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, specify total amount	£	£
If yes, how much are the total monthly repayments?	£	£
Final repayment date		

APPLICATION FORM

5. What Share Are You Hoping To Purchase?

50% <input type="checkbox"/>	75% <input type="checkbox"/>	100% <input type="checkbox"/>	Other amount between 50%-100% : _____
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6. Equal Opportunities

a) As an equal opportunities organisation, Peabody wants to ensure that all applications for housing are considered regardless of age, creed, disability, race or sexuality. To help us do this please complete the information below. This information is confidential and will not effect your application for housing. We are grateful for your assistance and co-operation.

How would you describe your ethnic origin?								
White	1st	2nd	Asian/Asian British	1st	2nd	Chinese	1st	2nd
British	<input type="checkbox"/>	<input type="checkbox"/>	Indian	<input type="checkbox"/>	<input type="checkbox"/>	Other ethnic group	<input type="checkbox"/>	<input type="checkbox"/>
Irish	<input type="checkbox"/>	<input type="checkbox"/>	Pakistani	<input type="checkbox"/>	<input type="checkbox"/>	Question refused	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	Bangladeshi	<input type="checkbox"/>	<input type="checkbox"/>	Please state your country of origin		
			Other	<input type="checkbox"/>	<input type="checkbox"/>	1st applicant	_____	
Mixed	1st	2nd	Black/Black British	1st	2nd	2nd applicant	_____	
White & Black Caribbean	<input type="checkbox"/>	<input type="checkbox"/>	Caribbean	<input type="checkbox"/>	<input type="checkbox"/>			
White & Black African	<input type="checkbox"/>	<input type="checkbox"/>	African	<input type="checkbox"/>	<input type="checkbox"/>			
White & Asian	<input type="checkbox"/>	<input type="checkbox"/>	Other	<input type="checkbox"/>	<input type="checkbox"/>			
Other	<input type="checkbox"/>	<input type="checkbox"/>						

7. Declaration And Authorisation

IMPORTANT INFORMATION: PLEASE READ. PLEASE ENSURE THAT YOU SIGN AND DATE THIS FORM BEFORE RETURNING IT.

Peabody Trust will collect, store and process my personal data in accordance with the Data Protection Act 1998.

We may also share this information for the same purposes with other organisations that handle public funds. The information may be used for statistical surveys, which means we may pass this information in confidence to the Department for Communities and Local Government and agencies working on our and their behalf who may contact you.

All information you give us on this form (and information resulting from contact with your landlord and/or employer) may be shared with the same only in relation to this application.

All information will be treated in the strictest confidence. We reserve the right to take up any references relating to applicants as we consider it necessary and may also search the files of any credit reference agency which will keep a record of any such request.

We must protect the public funds we handle and so may use the information you have provided on this form to prevent and detect fraud. Under section 29(3) of the Data Protection Act 1998 the information may be disclosed for purposes of crime prevention and detection. Sensitive personal data such as racial or ethnic origin, offences (including alleged offences) and physical and mental disabilities are required under the Equal Opportunities Monitoring statute.

We may also make checks with credit rating agencies to authenticate and verify your identity and credit status. These checks help us ensure that we are able to provide you with the service you are requesting. The scope and extent of the gathering of information from third parties depends on what type of service you are taking from us.

Declaration: It is a criminal offence to knowingly or recklessly make a false declaration or withhold information reasonably required in connection with your application. I/we have read the above and confirm that I/we have provided accurate and up-to-date information relating to my/our application for home ownership. I/we understand that if it is found that false information has been given to obtain housing either knowingly or recklessly, appropriate legal action may be taken by the RSL or local authority and they may seek possession of any leasehold tenancy granted.

Signed (First Applicant)

Date

Signed (Second Applicant)

Date

**Please check you have filled in all sections, otherwise the form will be returned to you.
(Translated version of this document is available on request).**

Please send your completed application to:
Peabody Trust, 45 Westminster Bridge Road, London, SE1 7BR