

## Options on Leaving Service Housing

### Important Information: Your pension and terminal grant or resettlement grant

Are you aware that DBS can take up to 30 working days (6 Weeks) past your last day of paid service i.e. your Discharge Date; before paying any terminal benefits (i.e. pension and terminal grant or resettlement grant) that you may be due; it is notified to you in your Service Leavers pack. If this applies to you then you may need to plan a lot earlier in your career.

### Joint Service Housing Advice Office (JSHAO) [joint-service-housing-advice](#)

Have you heard of the JSHAO or have you attended one of their briefings. You are able to attend them at any time during your career, your spouse can attend as well. Understanding what your options are in terms of civilian housing as early as possible in your career will give you the ability to make informed decisions now or for the future. You can get details of the locations of the briefings from the Housing Matters magazine in your Welfare Office.

### SFA – CAAS

If you live in Service Families Accommodation you have recently noticed the change to the cost of that accommodation. Although the cost to you may have increased it still represents very good value for money compared to the civilian market and it continues to be subsidised which reflects the disadvantage of living in it (lack of choice, inability to make improvements and lack of security of tenure). All you need to do is look on line or at the local press and see what it costs to rent a similar sized property outside the wire and you should realise how much you benefit from the subsidy.

### Landlords responsibilities: Decent Home Standard for properties for rent

The Dept for Communities and Local Government issued guidance encouraging Landlords to ensure that properties for rent meet the **Decent Home Standard**; to do so the properties must meet the following 4 criteria:

- a. **it meets the current statutory minimum standard for housing**  
(safe and free from 'category 1 hazards' - these are things that can cause death or pose a serious danger to your health)
- b. **it is in a reasonable state of repair**
- c. **it has reasonably modern facilities and services**
- d. **it provides a reasonable degree of thermal comfort**  
(dwellings are to have both effective insulation and efficient heating)

### When do you enter the Housing Maze

- What are my housing options?
- How much will I have to pay for accommodation?
- Do I need to have a job?
- What size of house will I get?
- Where should I live?
- What if I want to live in a certain place?
- I have medical conditions that mean I need something a bit different.
- I am not originally from UK can I get housing?
- Have you made any plans for what you want to do.



## **When Should I Think About private Housing?**

- Straight away
- If you are leaving soon
- If you are a Service Leaver (2 years or less to serve)
- If you have between 2 and 20 years left to serve

## **Where do I want to live when I leave the Service?**

- No idea
  - The house you already own?
  - One I plan to purchase?
  - One I plan to rent?
- Or
- Leave your chances to Social Housing?

## **Areas Covered in this handout:**

- a. Social Housing
- b. House Price Statistics
- c. House Purchase Tips
- d. Forces Help to Buy Scheme
- e. Private Rent Statistics and Tips
- f. Affordable Housing Schemes



## SOCIAL HOUSING – THE FACTS

In accordance with The Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012 additional priority will be awarded to Armed Forces personnel or associated persons who can demonstrate that they meet one of the following criteria;

- is serving or has served in the regular Armed Forces but suffering from a serious injury, illness or disability attributable to the person's service
- has served in the Regular Armed Forces
- has recently ceased, or will cease to be entitled to reside in accommodation by the MoD following the death of that person's spouse or civil partner who has served and whose death was attributable to that service

It is important that personnel leaving the Armed Forces understand they have no automatic right to Social Housing (previously known as Council Housing). Social Housing is in short supply and the demand is very high.

### ***Social Housing Myth Buster***

Many people believe that the Armed Forces Covenant gives service leavers an automatic right to Social Housing – **This is not the case.**

The Armed Forces Covenant was created to promote understanding and awareness among the public of issues affecting the Armed Forces community. It ensures that Service Personnel are not disadvantaged when applying for social housing. However the allocation of Social Housing is based on a 'Housing Need'. Individuals need to understand that their own view of housing need may not be the same as the view of the local authority.

Social Housing is predominantly for those individual and families who cannot afford to rent or buy on the open market. Families with sufficient funds may have to consider other options in the first instance. According to HAIG Housing Trust, a housing need can be defined as:

**Applicants may be homeless, threatened with impending homelessness, inadequately or inappropriately housed or in other housing need and without the financial resources to make their own provision by renting in the private sector or buying their own home**

The Local Authority Housing Office should not refuse you a place on the housing needs register but equally they do not have to give you a higher priority than anyone else purely based on your military service.

You will be given your priority grading based on 'your level of need'.

- It is not an entitlement or guaranteed when leaving the Service
- It is not in abundant supply regardless of location.
- It is not the level of accommodation that you should aspire to and may not be at the standard you are used to!
- It is not free; if you have substantial savings/gratuity and a pension and/or a regular income the chances of receiving any housing benefit is drastically reduced.
- It is a point based process – points scored denote where on the register you will be placed.
- It is there for those that need it most
- It is all in line with the Armed Forces Community Covenant



## HOUSING ASSOCIATIONS – what are they?

In the [United Kingdom](#), **housing associations** are private, [non-profit making](#) organisations that provide low-cost "[social housing](#)" for people in need of a home. Any trading surplus is used to maintain existing housing and to help finance new homes. Although independent they are regulated by the state and commonly receive public funding. They are now the United Kingdom's major providers of new housing for [rent](#), while many also run [shared ownership](#) schemes to help those who cannot afford to buy a home outright.

Housing associations provide a wide range of housing, some managing large estates of housing for families, while the smallest may perhaps manage a single scheme of housing for older people. Much of the supported accommodation in the UK is also provided by housing associations, with specialist projects for people with [mental health](#) or [learning disabilities](#), with [substance misuse](#) problems ([alcohol](#) or illegal [drugs](#)), the formerly [homeless](#), [young people](#), [ex-offenders](#), [asylum seekers](#), and women fleeing [domestic violence](#).

**National Housing Federation:** (The voice of housing associations)

**Housing management** - Giving tenants the best possible service is at the heart of what housing associations do as great landlords. That includes allocating homes that are right for tenants' needs, managing the letting process effectively, involving tenants in decision-making, responding to complaints and tackling any anti-social behaviour. At times it can also involve providing support and accommodation to people who have become homeless.

## What do I need to know about How to apply for social housing

About council housing schemes

- What are the rules in your chosen area?
- Application Forms
- What to include in your form
- Joint applications
- Who assesses your application?
- If the council accepts your application
- If the council rejects your application
- Can you choose where you live?
- Keep your application up to date

## Choice based letting Schemes

How Choice based letting Schemes work

Step 1. Available properties are advertised locally

Step 2. Bidding stage

Step 3. Deciding Priority

Priority for choice based lettings

Other factors to take into account

- Priority cards
- Choice based lettings for Disabled people
- Turning down an offer
- Problems with using choice based systems

Key advice



## APPLYING FOR SOCIAL HOUSING

### Choice-based lettings

Some councils have a choice-based letting scheme. This lets you tell your council which properties you're interested in. It depends on the council, but once you've been accepted onto the waiting list, the basic steps are:

1. Find a property: check in local papers, on council websites, in council offices or in local libraries.
2. Check you can apply for it: some properties are only suitable for single people, families or disabled people.
3. Apply: this is known as 'bidding', but it doesn't involve money. You can bid online, by phone or by text.
4. Get the council's decision.

You [apply for council housing](#) through your local council.

Each council has its own rules. You'll be placed on the Housing Register in an appropriate Band and you'll usually have to join a waiting list and you're not guaranteed to get a property.

Ask your council how long you're likely to have to wait. You can apply if you're 18 or over (some councils let you apply if you're 16 or over). You can apply even if you don't live in the area.

Housing associations offer similar types of housing as local councils – often to people on a low income or who need extra support. You can apply:

- directly to a housing association
- often through your [local council](#)

You can apply to more than one housing association at a time.

**WAITING LISTS** - Once you've applied, you'll be put on a waiting list.

Housing associations normally offer housing to people most suited to that particular property. You may have to wait a long time for a suitable property to become available.

Councils decide who gets offered housing based on a 'points' or 'banding' system.

Points and bands are based on housing need. For example, ***you're likely to be offered housing first if you:***

- are homeless
- live in cramped conditions
- have a medical condition made worse by your current home

Once you're high enough on the waiting list, your Council /Housing Association will contact you about an available property.

**Getting an offer** - Normally you only have a short time to accept a housing offer. If you don't accept it, you can usually stay on the waiting list (or bid for other properties), but you may be put lower down the list.

You may be taken off the list temporarily if you keep rejecting offers.

You can appeal if you're not happy with your council's decision.



## TENANCIES

Your rights and responsibilities depend on the type of tenancy you have. Your tenancy agreement is a legal document that tells you all the rules about living in your property.

### Starter/Introductory tenancy

New council tenants may be offered a starter/introductory tenancy. These usually last 12 months and are like a 'trial' period.

You automatically become a secure/assured or flexible tenant after 12 months, unless your council has either:

- a. started action to evict you
- b. extended your starter/introductory tenancy for a further 6 months

There are limits to what you can do with an introductory tenancy, for example you can't:

- make major improvements to the property
- swap your property with another council tenant
- apply to buy your property through the [Right to Buy scheme](#)

### Secure/Assured and fixed-term tenancies

As a secure tenant, you can normally live in the property for the rest of your life, as long as you don't break the conditions of the tenancy.

You can:

- rent out rooms - but you can't sub-let the whole property
- buy your property through the [Right to Buy](#) scheme
- [swap your home with another council or housing association tenant](#) - with your council's permission
- transfer your tenancy to someone else in some circumstances
- make improvements to your home - you'll need permission from your council for some types of work

At the end of your starter tenancy you can be offered either:

- an assured tenancy - meaning you can normally live in your property for the rest of your life
- a fixed-term tenancy - usually lasting for at least 5 years (your landlord will decide whether it's renewed)

Your rights may include:

- [buying your home](#)
- having your home repaired
- swapping your home with another council or housing association tenant

You'll usually have a [Scottish secure tenancy](#) if you rent your home from the council, a housing association or housing co-operative in Scotland.

### Flexible tenancy

As a flexible tenant, you have tenancy for a fixed period. This is usually for at least 5 years, though in some cases it may be between 2 and 5 years.

At the end of the fixed period the council may decide to:

- offer you another fixed-term tenancy



- offer you a secure tenancy
- not renew your tenancy

They must explain their reasons if they decide not to renew your tenancy and give you a chance to challenge the decision.

As a flexible tenant you can:

- rent out rooms - but you can't sub-let the whole property
- buy your property through the [Right to Buy](#) scheme
- [swap your home with another council or housing association tenant](#) - with your council's permission
- transfer your tenancy to someone else in some circumstances

## Joint tenancy

Under a joint tenancy, all the tenants share equal responsibility.

You can apply for a joint tenancy at any time if you're married or in a registered civil partnership. You must usually have lived together at the property for at least 12 months if you're a cohabiting couple or related (like brother and sister).

## Transferring your tenancy

Secure and flexible tenants may be able to transfer a tenancy to someone else, or, in some circumstances, pass on a tenancy to someone when they die.

Secure tenancies granted before 1 April 2012 can be transferred or passed on only once. For example, if you take over a tenancy when someone dies, you can't pass on the tenancy to someone else when you die. Some secure and flexible tenancies granted from 1 April 2012 may mean you can transfer or pass on your tenancy more than once - check your tenancy agreement.

To transfer a tenancy, complete a 'request to assign tenancy' form, available from your [local council's housing department](#).

## Ending your tenancy

Your tenancy can only be ended if:

- you give the council 4 weeks' notice in writing
- the council [evicts](#) you
- the council needs to move you, e.g. to redevelop the property - it should offer you a new property and a new tenancy with no less security

Secure tenancies can also end if:

- the council needs to move you, e.g. to redevelop your property – it should offer you a new property and a new secure tenancy
- you transfer your tenancy to someone else or [swap homes](#)

## Ending joint tenancies

If only one of you wants to end the tenancy and the other joint tenant(s) wants to stay in the property, your council may:

- give the remaining tenant(s) a new tenancy at the same property
- not give them a new tenancy, e.g. because the property could be offered to another couple or family
- If one joint tenant dies, the tenancy continues for the surviving tenant(s).
- If you and your partner divorce or your relationship breaks down and you can't agree on who gets the tenancy, a court can decide this.



- If you have concerns about the standard of your home you can [make a complaint](#).
- As a social housing tenant you can [help run a maintenance service](#).

## Repairs and maintenance

You're likely to be responsible for things like:

- fixing a curtain or shower rail
- getting keys cut if you lose them
- arranging and paying for any damage you or your visitors have caused in your home to be put right

Your council is responsible for making sure:

- the structure of your property is kept in good condition – this includes the walls, ceiling, roof and windows
- gas and electricity appliances work safely
- shared parts of a building or housing estate are kept in good condition

Your council will have a published policy setting out the timescales in which it will carry out different types of repairs.

You should get several weeks' warning of any work needed.

You can request a [repair to your council property](#) to fix an urgent problem.

## Temporarily leaving your home – major works

You may have to leave your home if major works are needed on the building. Your council must find you somewhere to live while work is carried out and pay for the cost of this.

You may also get money from your council to pay for the cost of moving and the inconvenience it causes.

## If council works damage your property

The council should repair any damage caused by maintenance or building work. You may be able to get a reduction in your rent if the repairs cause a lot of disruption.

## Your own home improvements

The kind of improvements you can make to your council property depends on the type of tenancy you have. Introductory tenants are usually limited to minor improvements like redecorating inside.

If you're a secure tenant, you have the right to carry out improvements to your property. These include:

- installing a new bathroom or kitchen
- building an extension
- putting up a garden shed or greenhouse
- installing a new gas fire or fireplace
- cavity wall insulation
- redecorating the outside of a house
- fitting an aerial or satellite dish

You might need [your council's](#) written permission for work you do.



## BUYING YOUR HOME

As a housing association tenant, you might be able to [buy your housing association home](#) at a discount.

## SWAP YOUR COUNCIL OR HOUSING ASSOCIATION HOME

You can swap your council or housing association home with another tenant if you follow certain rules and get permission from your landlord. This is often called 'mutual exchange'. Contact your landlord if you're a housing association tenant and want to swap homes.

## COMPLAINTS

Follow these steps if you have a problem with your housing association home:

1. Complain to your landlord - they should have a complaints policy that you can follow.
2. Make a complaint to a 'designated person' ([your MP](#), a [local councillor](#) or a tenant panel) if you can't resolve the problem with your landlord.
3. Contact the [Housing Ombudsman](#) if you and your landlord still can't resolve the problem.

**Housing Ombudsman** : [info@housing-ombudsman.org.uk](mailto:info@housing-ombudsman.org.uk)

Telephone: 0300 111 3000     [Find out about call charges](#)



## House Price Statistics

### First Time Buyers

- Average age of a first time buyer is 31
- Average deposit required in 2015 for first time buyers was circa £15,000
- Average household income of a first time buyer was circa £36,00

### Comparison (2016 rates)

#### Typical Single Living Accommodation charges (30 day month)

- Grade 4 - £26.10                      Grade 1 - £75.90

#### Typical Service Families Accommodation charges – Unfurnished (30 day month)

- Type IV Grade 2 - £334.80            Type C Grade 2 - £219.00

### Average House Prices - East Midlands\*

#### ● Nottinghamshire

Flat £93,298 Terraced £109,544 Semi Detached £137,699 Detached £221,539

#### ● Derbyshire

Flat £102,968 Terraced £118,855 Semi Detached £140,601 Detached £225,376

#### ● Leicestershire

Flat £110,593 Terraced £144,822 Semi Detached £174,497 Detached £278,905

#### ● Lincolnshire

Flat £87,457 Terraced £116,114 Semi Detached £142,111 Detached £210,445

#### Northamptonshire

Flat £106,971 Terraced £148,780 Semi Detached £180,665 Detached £305,825

#### ● Rutland

Flat £132,515 Terraced £155,327 Semi Detached £266,128 Detached £397,249

\*Statistics taken from Land Registry

### Average House Prices - East Anglia\*

#### ● Suffolk

Flat £125,4783 Terraced £168,543 Semi Detached £205,867 Detached £328,205

#### ● Norfolk

Flat £120,602 Terraced £157,974 Semi Detached £186,241 Detached £276,957

#### ● Essex

Flat £174,495 Terraced £243,286 Semi Detached £279,596 Detached £421,804

#### ● Hertfordshire

Flat £237,939 Terraced £324,379 Semi Detached £433,521 Detached £740,365

#### ● Bedfordshire

Flat £104,589 Terraced £166,569 Semi Detached £247,240 Detached £399,057

#### ● Cambridgeshire

Flat £182,044 Terraced £229,704 Semi Detached £250,314 Detached £359,235

\* Land Registry May 16



## Costs of House Purchase

### Minimum mortgage deposit.

In the current mortgage market you'll need a deposit of at least 5% of a property's value to get a mortgage. A lender would then lend you 95% of the property's value. So, if you wanted to buy a £150,000 property you would need to save up at least £7,500 and borrow £142,500.

### Mortgage example

- Average house price £192,139
- After 10% deposit approx repayment mortgage @ 4.5% interest £909 per month  
**BEWARE @ 7.5% interest this would rise to £1208 per month**

### **MORTGAGE PROMISE-** What is a Mortgage Promise?

A Mortgage Promise will help you search for a property in your price range. It may also help you negotiate a better price with the seller because they know you can get a loan.

### **YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

**A Mortgage Promise**, also known as a '**Decision in Principle**' or '**Agreement in Principle**', is useful if you haven't found a property you want to buy but would like to know how much you could borrow. All the mortgage lender needs is a few personal details about you and anyone else who will be named on the mortgage.

Then they'll contact a credit reference agency for a credit search and give you a credit score. If you reach their pass mark, they'll give you a certificate so that you can show the seller you can get a loan. Other lenders will be able to see that they've made an enquiry about you, but this should not affect your ability to get a loan from them.

While they aim to lend you the amount agreed in principle, sometimes they may not be able to lend you as much as this if:

- any of the details you provide change
- anything about you has changed at the credit reference agency when they make a full loan application search at the time you apply; or
- following their discussion with you about your needs and circumstances, they find that they do not have a suitable mortgage for you.

A Mortgage Promise is based on the maximum loan the mortgage lender thinks you can afford. It won't take into account the type of property you eventually buy or if you buy under certain Schemes such as Help to Buy.

Sometimes the amount they're prepared to lend may change depending on the property you choose. This is because mortgage lenders expect you to put down a bigger deposit on some types of property than others.

Once you have engaged with Mortgage advice there are other costs you need to be aware of:

- Mortgage Arrangement Fee
- Valuation Fee
- Legal Fees
- Stamp Duty Land Tax on purchase
- Surveys
- Costs of Removals to your new address
- Any repairs
- Furniture and White Goods



Be aware that the purchase process can take between 3 and 6 Months.

### **Residential property Stamp Duty rates**

When you buy residential property, eg a house or flat; you will pay **Stamp Duty Land Tax (SDLT)** on increasing portions of the property price **above £125,000 (there is no duty to pay on the first £125,000 of the property purchase value).**

The table below shows the percentage rates payable on the value of the property purchase and an example of how to work out what you may have to pay.

<b>Property value</b>	<b>SDLT rate</b>
Property value - Up to £125,000	Zero %
Property value - over £125,000 (the portion from £125,001 up to £250,000)	2%
Property value - The next step (any portion from over £250,001 up to £925,000)	5%

### **How to work out what you may have to pay.**

#### **Example:**

If you **buy a house for £200,000**, the SDLT you owe is calculated as follows:

0% on the first £125,000	= £0
2% on the balance remaining of £75,000	= £1,500
<b>Total SDLT</b>	<b>= £1,500</b>

If you **buy a house for £250,000**, the SDLT you owe is calculated as follows:

0% on the first £125,000	= £0
2% on the balance remaining of £125,000	= £2,500
<b>Total SDLT</b>	<b>= £2,500</b>

If you **buy a house for £275,000**, the SDLT you owe is calculated as follows:

0% on the first £125,000	= £0
2% on the next £125,000	= £2,500
5% on the balance remaining of £25,000	= £1,250
<b>Total SDLT</b>	<b>= £3,750</b>

### **Are you thinking of purchasing a second property**

If you already own a property and are thinking of buying a second property you need to be aware of the Higher Rate of SDLT for additional properties. You'll usually have to pay 3% on top of each of the normal SDLT rates.

**To work out your SDLT liability you can use this calculator:**

**[www.tax.service.gov.uk/calculate-stamp-duty-land-tax](http://www.tax.service.gov.uk/calculate-stamp-duty-land-tax)**



## House Purchase Tips

Buying a property will probably be one of the biggest purchases you make in your life; the following tips have been taken from MoneySavingExpert and other places.

1. How many viewings has it had?
2. How many offers have been made?
3. How long has it been on the market?
4. How long is the lease?
5. Have there been any neighbour disputes?
6. How long has the seller lived there?
7. Why are the sellers moving, how keen are they to sell?
8. How long is the chain?
9. What's included in the sale? Carpets, Curtains, White goods etc?
10. What renovations have been done?
11. Has the property been rewired?
12. How old is the boiler? Has it been serviced?
13. Is that a real fireand has it been cheked as safe to use?
14. Can I see the Electrical and Gas Check reports?
15. Is there an issue with subsidence?
16. What's the Council Tax Band?
17. Are ther any parking issues?

If you are thinking of buying or renting you can seek early advice from the Services Insurance and Investment Advisory Panel (**SIAP**) <http://siiap.org/>  
They have dedicated Mortgage Advisers and Independent Financial Advisers to assist you in this process.

