Rent to Buy Policy

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1. POLICY SUMMARY

1.1 The purpose of Rent to Buy is to help aspiring homeowners access to below-market-rented housing with the intention of purchasing their home after five years. The five-year period of tenancy is aimed at helping tenants to save for a deposit.

1.2 The aim of the policy is to:

- promote owner–occupation by enabling tenants to purchase their own home on completion of five years' tenancy; and
- provide homes at 80% of the market rent enabling tenants to use the discount towards saving for a deposit.

2. APPLICABILITY

2.1 The policy applies to applicants wishing to purchase properties under the Rent to Buy scheme, staff and anyone acting on behalf of the Landlord.

2.2 This policy applies to all Rent-to-Buy properties or similar products that provide an opportunity for customers to rent a home at a below-market rent for a period, while they save towards a deposit which will allow them to purchase that home under shared-ownership conditions or outright.

3. INTRODUCTION

3.1. EPIC owns 2 and 3-bedroomed houses in the Stoke-on-Trent, Newcastle-under Lyme and Staffordshire Moorlands areas purchased with the intention of promoting and encouraging low-cost home ownership in the area.

3.2. All properties are expected to achieve a gross growth yield of at least 5% per year and be located within areas which have a positive track record of house-price growth.

4. CONTEXT

Customers applying for Rent to Buy must fit the following criteria:

4.1. Applicants must be in employment and have a household income sufficient to make rental payments and save for a satisfactory deposit over the five-year tenancy period, to support a mortgage application to facilitate the outright purchase following the five-year tenancy period.

4.2. Applicants should be first-time buyers or returning to the market following a relationship breakdown (and would need to prove they have no legal interest in any properties).

4.3. Applicants must not meet any of our published exclusions criteria; however, the exclusions relating to income and savings levels will not apply to Rent-to-Buy applicants.

4.4. Applicants will be required to pass a credit check.

4.5. Applicants' date of eligibility will be upon receipt of all relevant information. Applicants will not be eligible to express interests in properties or view properties until they have provided this information.

4.6. Applicants should not be able to buy on the open market when applying for Rent to Buy.

4.7. Applicants should demonstrate a real commitment to become homeowners.

5. RESPONSIBILITIES

5.1 The roles and responsibilities for key stakeholders across EPIC are detailed below:

- **The Executive Team –** to ensure compliance with relevant legislation and any grant funding requirements.
- **The Housing Manager –** to review the policy as required and to ensure that the policy is adhered to by Housing Officers.
- **Staff –** to ensure that the processing of applications and awarding of tenancies is carried out in line with the policy.
- **Tenants –** to commit to purchase the property at any time during or at the end of the fixed-term tenancy, during which time the tenant will be expected to adhere to the terms and conditions of their tenancy agreement.

6. DATA VALIDATION, REVIEW AND MONITORING

6.1. Until the relevant Renters' Rights Act 2025 tenancy reforms commence for these Rent to Buy homes, tenancies will initially be granted as assured shorthold fixed-term tenancies of 18 months. EPIC will review and amend its tenancy arrangements before the expected October 2027 commencement date for assured tenancies of social housing provided by private registered providers.

6.1a. The Renters' Rights Act 2025 is expected to apply to assured tenancies of social housing provided by private registered providers from October 2027. Until then, qualifying social housing assured tenancies will continue to be governed by the existing assured tenancy rules. From commencement, assured shorthold tenancies and fixed-term assured tenancies will be abolished, relevant tenancies will become assured periodic tenancies, and section 21 'no-fault' possession will no longer be available. EPIC will implement the reforms in accordance with the final commencement arrangements and guidance applying to its Rent to Buy homes.

6.2. The course of the tenancy will be carefully monitored and managed and tenants are required to demonstrate their ongoing commitment to owner–occupation.

6.3. Before the relevant Renters' Rights Act 2025 tenancy reforms commence, the future of a fixed-term tenancy will be reviewed three months before the expiry of its initial term. Following commencement of the reforms for these tenancies, reviews will be undertaken at least annually and will not treat the expiry of a fixed term as bringing the tenancy to an end.

6.4. If progress towards owner–occupation is insufficient, the future of the tenancy should be reviewed, and a course of action recommended.

6.5. Tenants must obtain a confirmed mortgage offer within 6 months of the end of the five-year tenancy period. An Agreement in Principle (AIP) from a mortgage lender is required.

6.6. A valuation by a RICS Chartered Surveyor will be required. We will arrange for the valuation to be undertaken on your behalf and you will be responsible for the cost. The valuation will confirm the current open-market valuation of the property.

6.7. Houses will be sold on a freehold basis; if your property is an apartment, the property will be sold on a leasehold basis and a lease will be granted.

6.8. Tenants are free to make an outright offer at any time during the five-year period.

6.9. During the five-year period, we will contact tenants on at least an annual basis to review their financial status and check that Rent to Buy is still suitable for their needs.

6.10. 6.10. Tenants who do not intend to purchase, or are unable to purchase, should inform EPIC as early as possible and preferably at least six months before the end of the initial five-year Rent to Buy period. EPIC will review the household's circumstances, the applicable funding conditions and the tenancy law in force at that time. Any decision to seek possession must use the notice procedure and statutory ground then available; where appropriate, EPIC may allow the existing tenancy to continue or offer another tenancy in accordance with its tenancy management policies.

6.11 Breaches of tenancy will be dealt with in accordance with our tenancy management policies and practices.

6.12. Rent-to-Buy tenants may be eligible to apply for Right to Acquire if the tenancy is converted to a full assured tenancy, subject to the normal Right to Acquire qualifying period.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 We are committed to ensuring and promoting equality of opportunity for all. We are opposed to discrimination on any grounds, including race, religion, gender, marital status, sexual orientation, disability, age, or any unjustifiable criteria. We are committed to developing a culture that values people from all sections of society and the contribution which everyone can make. We will ensure our approach to accessing properties is considerate to people's individual needs. We also adhere to the Equality Act 2010.

7.2 EPIC Housing recognises that some people experience disadvantage due to their socio-economic circumstances and will strive to ensure no person or groups of persons is treated with injustice due to their personal circumstances. EPIC will also ensure that all services and actions are delivered within the context of current legislation and will make sure the central principles of the Equality Act (2010) will be adhered to.

8. MONITORING / REVIEW

8.1 The Rent-to-Buy scheme in terms of its operation and strategic performance should be reviewed at the start of each new financial year and a report submitted to the Executive Committee.

8.2 This policy will be reviewed every 3 years. A review may be conducted earlier if there are significant changes to either legislation or EPIC's operating practices.

9. ASSOCIATED DOCUMENTS & LEGAL FRAMEWORK

- Allocations Policy
- ASB and Tenancy Enforcement Policy
- Rent Setting & Service Charge Policy
- Homes England Capital Funding Guide

- Consumer Protection and Unfair Trading Regulations
- Repairs Policy
- Tenancy Management and Sustainment Policy

Version Control

Date of Review	Reviewer	Version Number	Changes	Date of Next Review	Approved By
July 2023	C Gleghorn	V02	Full review	October 2023	Executive
October 2023	C Gleghorn	V2.1	Minor changes	October 2026	
October 2026	Chris Panting	V3.0	Minors wording changes to reflect Renters Rights Act changes	October 2026	Executive