



CAN YOU AFFORD TO BUY YOUR HOME?

During the end of 2015 valuations on homes for Right to Buy applications ranged from £230,000 for a three bed house in High Wycombe to £300,000 for a three bed house in Princes Risborough and £380,000 for a house in Marlow.

Valuations of two bed houses ranged from £200,000 to £240,000 in High Wycombe.

A flat in Marlow was valued at £285,000 and a flat in High Wycombe at £170,000.

The price paid is the valuation minus the discount which may be different for each customer.

If you do not have the cash to buy your home, it is likely that you will have to take out a mortgage to complete your purchase. A typical mortgage may be over 25 years with monthly repayments of capital and interest.

At a mortgage rate of 4% repayments are likely to be:

Mortgage Amount £	Monthly Repayment £
40,000	212
50,000	264
60,000	317
70,000	370
80,000	422
90,000	475
100,000	528
110,000	580
120,000	633
130,000	686
140,000	739
150,000	792
160,000	845
170,000	897
180,000	950
190,000	1,002
200,000	1,055
250,000	1,319
300,000	1,583



These costs do not include mortgage lending fees which range from £99 to £2,000 depending on your lender. You will also have to pay for survey and legal fees, building and life insurance and, possibly, stamp duty land tax.

You will also have to incur expenditure to keep your property maintained and in good repair. Improvements will become your responsibility.

If you are buying the lease of a flat, this expenditure will include charges in respect of services provided, building insurance, our management charges and provision for repairs and major works to the building. You will be responsible for maintaining your own home internally.

If you are in receipt of Housing Benefit, this will stop when you have completed the purchase of your home. Housing Benefit is to assist with the payment of your rent, but is not available to help with mortgage payments.

Before submitting your Right to Buy application, please consider carefully the costs of borrowing shown above and the other costs involved in the purchase and ongoing ownership of your home.

It is particularly important to compare the costs of borrowing with the amount of rent you are paying at present. If your proposed mortgage payment is higher than your current rent payment, you should think about how you can afford the extra cost month by month over a period of many years and be confident that you can do so.

Please remember that your home is at risk if you cannot keep up your mortgage payments or any other loan repayments where your home acts as security for the borrowing that you have taken out.

If you have any queries or concerns about the information provided, please contact our Home Ownership Advisor – Right to Buy and Leasehold.

You may also find it helpful to speak to the mortgage adviser at your own bank or building society, or to an independent mortgage advisor. They should be able to give you an idea of the amount of mortgage available to you and the monthly repayment costs involved.

It is important that you obtain independent advice as we cannot provide this.