

# TRY BEFORE YOU BUY



Live Smart @ Home and  
IKEA together

## 1. How it works

- 1.1 Live Smart @ Home are able to offer potential buyers the opportunity to rent their chosen home for a limited 6 month period before deciding whether or not they are able to and wish to proceed to purchase the property on the Completion Date in the rent to buy agreement.
- 1.2 This will be documented legally by both Live Smart @ Home and the buyer entering into a "rent to buy agreement".
- 1.3 The rent to buy agreement is an agreement for the sale and purchase of the property which can be terminated by the buyer if it does not want to buy the property.
- 1.4 The buyers' occupation of the property in the time between it entering into the rent to buy agreement and either completing its purchase, or terminating the agreement and vacating the property, is dealt with by way of the grant of a licence covered under a document called the Standard Conditions of Sale 4th edition (as amended by the rent to buy agreement).
- 1.5 If the buyer wishes to buy the property before the Completion Date in the agreement it should contact the sales representative of Live Smart @ Home who may agree an early completion in which case solicitors will be needed to make the appropriate contractual arrangements.

## 2. What buyers pay and when

- 2.1 The Buyer must pay £625.00 on the date the rent to buy agreement is signed, which is the date it becomes entitled to occupy the property.
- 2.2 The Buyer must then pay a further 5 payments of £625.00 per month, on the first day of each month.
- 2.3 These payments are called the "Instalment Payments" in the rent to buy agreement.
- 2.4 The Instalment Payments total £3750.00 and this sum is **non returnable**.
- 2.5 If the Buyer decides to proceed to buy the Property then it must pay the purchase price less the deposit plus the engrossment fee (the sum charged by Live Smart @ Home's lawyers for the documents).
- 2.6 The Deposit will be £3000.00 made up of the 6 Instalment Payments less the Administration fee (which is a sum of £750.00 towards Live Smart @ Home's costs in administering this arrangement).
- 2.7 Therefore if the Buyer enters the rent to buy agreement and decides to proceed with the purchase **part of** the 6 instalment payments it has made operate as credit towards a deposit.
- 2.8 If the Buyer decides not to proceed then it does not have to pay any more money provided it leaves the property on the date known as the Completion Date in the rent to buy agreement. If the buyer stays after this date then it will be charged a licence fee at the rate previously called the instalment payments under the rent to buy agreement.

### 3. Can a buyer decide not to proceed with the purchase of the property?

- 3.1 Yes, a buyer can serve notice on Live Smart @ Home to end the rent to buy agreement. It must give at least 14 days written notice, which will end the agreement on the date known as the Completion Date in the rent to buy agreement.
- 3.2 The buyer must then vacate the property on the Completion Date.
- 3.3 If the buyer wishes, it can approach Live Smart @ Home and request that it is permitted to continue its occupation under a tenancy agreement which Live Smart @ Home has absolute discretion to grant or not: if it is granted then a new rent will be agreed and payable from the Completion Date. **Any such request should be made a minimum of 1 month before the completion date to allow the necessary legal arrangements to be put in place.**
- 3.4 If the Buyer does not vacate on the Completion Date and no new tenancy arrangements have been put in place then it must pay a licence fee at the same rate as the Instalment Payments and in addition Live Smart @ Home will take the appropriate court action to apply for eviction.

### 4. What happens at the end of the agreement?

- 4.1 If the Buyer wishes to proceed on the Completion Date then it should have made contact with its solicitors a minimum of 2 months prior to the Completion Date and have also arranged mortgage funding. The solicitors will then make the necessary legal arrangements: **there will be no money refunded to the Buyer but a credit will be given towards the deposit out of PART of the Instalments Payments.**
- 4.2 If the Buyer does not want to proceed then it should serve at least 14 days written notice on Live Smart @ Home which will terminate the contract on the Completion Date, on which date it should vacate the Property: **there will be no money refunded to the Buyer or credit given for sums paid.**
- 4.3 The Buyer may wish to approach Live Smart @ Home to request that they be permitted to stay in the property on a tenancy agreement after the Completion Date in which case a new rent will be agreed and be payable: **there will be no money refunded to the Buyer or credit given for sums paid.**

### 5. Do buyers get their money back?

- 5.1 If a Buyer does not proceed with the purchase and either vacates or stays under a new tenancy agreement: **there will be no money refunded to the Buyer or credit given for sums paid.**
- 5.2 If a Buyer proceeds to buy the Property then **there will be no money refunded to the Buyer but a credit will be given towards the deposit out of PART of the Instalment Payments: note that this will total £3000.00 therefore £750.00 is an administration fee which is not credited towards the deposit.**