	RTB	RTA
	Cost floor – limits the discount Relevant costs – costs to be taken into account for the purposes of the cost floor	RTA does not arise if the net debt or peak debt attributable to the dwelling-house on the date of service of the notice claiming the RTA is equal to or greater than the purchase price plus the discount. Net debt = amount of the relevant costs less the amount of public subsidy.e.g grant or financial assistance in whole or part for construction/acquisition/R&M/improvement, from Hsg Corp/Sec of state/ local authority/national lottery/a local authority conveyed the freehold or leasehold to the landlord at a price below the market value at the time of the conveyance. Peak debt = the amount under a loan agreement , the portion of the maximum amount which the landlord can borrow under a loan agreement attributable to the dwelling house. A loan agreement = - for a loan between lender and landlord which is wholly or partially secured by a charge on the landlords interest in the dwelling house - which specifies the portion of the maximum amount which the landlord may borrow in any period which is attributable to the dwelling house - to provide monies for use in connection with the acquisition of land held for housing purposes following a disposal and where the loan is for eg to construct dwelling houses including acquisition of land/development/R&M
Relevant costs	1. Costs of **construction** (incl, site development/&acquisition) incurred by the landlord 2. Costs of **acquisition** of the dwelling house 3. Costs after initially acquiring the dwelling house to put it in good repair or deal with a defect 4. Where the aggregate of the costs of R&M&dealing with a defect exceed	1. Costs of construction of the dwelling house (costs of development/acquisition of land) incurred by the landlord

	£5,500, the costs in excess of that amount and 5. Other costs of other works to the dwelling house, except costs as mentioned at 4. Above.	
Costs that are not relevant	1. Admin costs 2. Interest 3. Costs recoverable as a service charge or a contribution to improvements 4. Costs incurred more than 15 years before service of the RTB1	1. Works of R&M 2. Works to deal with any defect 3. Works of improvement where they are paid for on or after the date of service of the RTA1 unless the landlord has entered into the contract before that date or tenant has agreed to the work and the work has been carried out no later than the date of the offer notice or will be carried out as part of the conveyance