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White Paper Consultation Summary Report

The Future of the *Right to Buy* and *Right to Acquire*

A White Paper for Social Housing



Date of issue: May 2015

Overview	<p>The White Paper consulted on two proposals, both of which are aimed at protecting Wales' social housing stock:</p> <ul style="list-style-type: none"> i. Changing existing legislation – this would reduce the maximum sales discount available to a tenant who applies to buy their home from their Local Authority or Housing Association. The proposed reduction in the maximum discount is from £16,000 to £8,000, and: ii. Developing new legislation –if passed by the National Assembly for Wales, this would end the <i>Right to Buy</i> and <i>Right to Acquire</i>.
Background	<p>Over the last thirty years or so, many tenants have exercised their <i>Right to Buy</i> or <i>Right to Acquire</i> and have bought their home from their Local Authority or Housing Association. As a result, there has been a significant reduction in the social housing stock.</p> <p>The reduced number of social rented homes available to help people who cannot meet their needs through the housing markets is adding to the pressures on housing supply and on people's ability to find a home they can afford.</p>
Response Mechanisms	<p>Responses to the consultation and the set questions accompanying the White Paper, together with any comments on the proposals could be submitted by email to the dedicated mailbox : righttobuy@wales.gsi.gov.uk or by post to Housing Policy Division. Eight responses were also directed to the Minister for Communities and Tackling Poverty's Office, five of which were duplicated, having also relayed their views to the dedicated mailbox. The duplicate submissions have been treated as single respondents.</p>
The Consultation Exercise	<p>The White Paper consultation sought views on the proposals. It was published on 22 January 2015. The consultation closed on 16 April 2015. Respondents were invited to comment on the proposal to reduce the maximum discount (Chapter 4 of the White Paper) or the proposal to end the <i>Right to Buy</i> and <i>Right to Acquire</i> (Chapter 5), or on both. Respondents were asked to submit their views using a pro-forma. The pro-forma, which contained fourteen questions, was set out in Appendix 1 to the White Paper and was provided to structure responses to the key issues and assist with the analysis of the responses. The pro-forma included the opportunity to add comments to substantiate the views expressed.</p> <p>NOTE Not all respondents used the pro-forma, answered the specific questions or attempted to address them in submitting their views. This accounts for not all numbers appearing to be consistent. The general comments submitted by some respondents did not always answer the questions and, in some cases, extended to matters beyond the key issues of the consultation. Such points have been considered and are reflected in this summary.</p> <p>Some parts of this document may use only the term <i>Right to Buy</i>. Where this occurs, references to <i>Right to Buy</i> should be taken to mean the <i>Right to Buy</i>,</p>

Preserved Right to Buy and the *Right to Acquire*, unless the context dictates otherwise.

Number Of Responses Received

94 responses were received in total to the consultation.

Profile Of The Types Of Respondents

Type of Respondent	Number of Responses
Social Tenant	30
Registered Social Landlord	21
Local Authority	9
National Housing Organisations/Representative Bodies (or links to Housing)	9
Owner Occupier	8
Professional Housing Bodies/Local Representative Organisations (including estate agents, tenants Associations etc)	5
Not Specified	12
Total	94

List Of Respondents

See Annex 1. All respondents were from within Wales.

Numerical Summary Of Responses

Proposal	Clear - In Favour	Clear - Opposed	Qualified support	No Substantive Comments/Unclear/contradictory
Reducing the Maximum Sales Discount	53	17	0	24
Reducing the maximum discount to £8,000	31	36	2	25
Ending the Right to Buy/Right to Acquire	52	31	6	5

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| Summary Of
Key Issues
Raised | In support of the proposals: |
|---|-------------------------------------|
- The majority of respondents who stated a clear preference agreed with both proposals 52 out of 83 responses (63 per cent) in respect of ending *Right to Buy*, 53 out of 70 responses (76 per cent) regards reducing the maximum discount
 - The *Right to Buy* and *Right to Acquire* should be ended as they decrease the number of available social houses at a time when there is significant housing need
 - Protecting the social housing stock for those who need it was considered more important than the loss of ability to purchase their homes by tenants
 - The length of housing waiting lists point to the need for action to help people in need of social housing
 - The principle of discounting the sales of public assets which cannot easily be replaced is considered to be fundamentally flawed
 - There is a feeling the private sector cannot adequately step in to replace the diminished social housing stock
 - The proposals are considered fairer for tenants in social housing. A uniform policy across Wales is more acceptable than suspension of the *Right to Buy* and *Right to Acquire* in specific Local Authority areas
 - A concern raised conveyed the view, the shortage of housing is affecting house prices, which means for some people, mortgage or rent payments take up the major part of income leaving little disposable income to be spent locally to generate wealth
 - Concern insufficient social housing is causing greater public expenditure of social funds to private landlords through housing benefit, than would be the case if such tenants were retained in social housing

In opposition to the proposals:

- It was felt removing *Right to Buy/Right to Acquire* makes no difference to the immediate availability of the stock of affordable homes because the sitting tenant remains in occupation. There is no immediate net gain to the supply of social housing
- Ownership of social housing via the *Right to Buy* is seen as the best opportunity to get on the property ladder. It is perceived by some loss of the *Right to Buy* would result in low income households renting for the rest of their lives
- The *Right to Buy* gives tenants something to aspire to and leads to them improving their lives as it usually means they are in employment in order to afford a mortgage
- The principle of *Right to Buy* was seen as good but the scheme is considered to be flawed, principally revolving around the failure to reinvest income from sales in replacement new social/affordable homes. There were calls for the rules to be changed to overcome this.
- There is a concern high house prices and the level of private rents preclude the majority of social renters from home ownership
- It was suggested longer-term (qualifying) tenants should retain the *Right*

to Buy or greater priority for the entitlement

- It was pointed out only a small proportion of homes are ‘lost’ from the affordable housing sector currently each year via *Right to Buy/Right to Acquire*
- The shortage of supply was identified as the major single factor in the lack of affordable housing provision. The means of addressing housing need more effectively, than at present, was highlighted and was not felt to be tackled by the proposals
- There was concern some social housing tenants would lose the personal investment in their properties
- An alternative to abolition was suggested, which involves reinvesting the proceeds of *Right to Buy/Right to Acquire* sales for targeted contribution towards building elderly or single people accommodation facilitating the release of the current larger social rented homes they occupy. It is considered this would tackle several key housing pressures
- Two social housing tenant respondents alleged there was little or inadequate consultation with tenants, which gave rise to a feeling of being ‘robbed’ of the chance to buy their own home
- A fear expressed that the proposals will pressurise lots of young families to get into debt to try and afford a mortgage

The maximum discount

- A qualified approval of reducing the discount advocated the removal of the discount completely
- A similar approach was conveyed by another respondent who felt, although the schemes should be maintained, sales should be at market value with no discount
- The low cap on the maximum discount is seen as a disincentive and allows fewer numbers to apply in the current market
- A case for reducing the discount levels so as to maximise receipts for reinvestment

Qualified responses to key questions

- One respondent felt there is no case for abolishing *Right to Buy/Right to Acquire* but the level of discount needed to be reconsidered
- One Local Authority said in most locations/situations they would be fully supportive of the proposals but there are estates, where the percentage of rented homes is greater than privately owned. In these areas the current operation of *Right to Buy/Right to Acquire* has not all been negative. For households who are working and wish to remain in these disadvantaged communities, it offers an option to remain. Without the right, these working households will choose to move. In low demand areas, it is inevitable movers would be replaced by non-working households, reducing the viability and overall prosperity of the area further. The Authority considers the mix to be important for successful communities, schools and for such areas to retain working households who are investing their own money

Alternative suggestions or amendments to the proposals

- Three respondents felt a revised scheme or alternative legislation should be introduced allowing the proceeds of *Right to Buy* to be used to fund the construction or purchase of new social housing as a better alternative
- There was support from five respondents for an alternative option where the *Right to Buy* and *Right to Acquire* is abolished only for new tenants
- One tenant suggested the *Right to Buy* and *Right to Acquire* should be abolished for anyone who has been a tenant for less than 10 years
- Consideration should be given to a new Right for certain regeneration communities e.g. where inward investment is needed and the balance of housing owned by a single landlord is greater than 30 per cent. It is felt this would give tenants the right to choose their tenure and buy their rented home if they wish to do so. The Right to purchase should include restrictions which prevent the ability to rent out the property privately

Broader issues

- The issue of underfunding of Wales by Westminster, was raised, which was seen to have an impact on the delivery of affordable homes.
- A case was made for introducing a form of rent capping for private properties in order they are made more affordable. Although the potential negative impact on supply that may result was also identified
- Implied discrimination with tenants of social housing in Wales losing out by comparison with other parts of the UK
- Three respondents expressed views of political factors being instrumental in bringing forward the proposals, and contrasted with the policy in England
- Concern expressed around instances of the selling of private homes including properties bought via *Right to Buy* and subsequently seeking social housing
- The suggested introduction of regulation to means test the allocation of social housing and the ability to purchase or rent privately
- Tenant organisations complained at a perceived lack of notice about the consultation to enable them to engage fully with their membership

Balance Of Responses - Analysis

The consultation attracted responses from a wide variety of individuals and organisations. For organisations, this included Local Authorities, Registered Social Landlords (Housing Associations) and representative bodies working in the field of housing. Respondents from individual members of the public included social housing tenants and owner occupiers. In total, 94 responses were received.

More than nine out of ten respondents who answered the question (94 per cent) believe the Welsh Government should take more action to help people whose needs cannot be met by the housing market. Three out of four (75 percent) feel the Welsh Government should do more to protect

the social housing stock from further reduction.

Overall, the responses show support for the proposal to reduce the maximum sales discount and the proposal to develop legislation to end the *Right to Buy* and *Right to Acquire*.

The proposal to reduce the maximum sales discount was supported by 53 of the 70 respondents (76 per cent) who clearly indicated their views. The other 24 respondents either did not answer this question or answered in a way in which their views were unclear or contradictory.

Sixty nine respondents made clear their views on the level to which the maximum sales discount should be reduced. Of those who were clear one way or the other, thirty one respondents (46 per cent) agreed with the proposal. Two other respondents gave qualified support to the discount of £8,000. The remainder (54 per cent) did not agree with the figure of £8,000. Analysis of the responses shows the majority (69 per cent) of those respondents who said they opposed the reduction to £8,000 want the discount to be even lower or removed altogether.

The proposal to end the *Right to Buy* and *Right to Acquire* was supported by 63 per cent of the 83 respondents who clearly indicated their views. Another six respondents gave qualified support to the proposal. The other five respondents either did not answer this question or answered in a way in which their views were unclear or contradictory.

Summary Of Responses To Specific Questions

Question 1. Should the Welsh Government take more action to help people whose needs cannot be met by the housing market?

In favour	59
Against	4
Qualified Opinion	-

Question 2. Should the Welsh Government do more to keep the current stock of social rented homes by protecting it from further reductions as a result of *Right to Buy* sales?

In favour	46
Against	15
Qualified Opinion	-

Question 3. If action is taken, would any particular groups of people be affected more than others?

Yes	51
No	11
Qualified Opinion	-

Question 4. If anyone would benefit from changes to the *Right to Buy*, please say which group(s) of people and what the benefits would be.

- The proposed changes will reduce, and then prevent, homes currently available at affordable rent from moving into private ownership or, subsequently, the private rented sector. Those in most housing need will therefore benefit directly by having more homes available to them via social landlords. This benefit will remain in the long term
- Preventing the current stock of social housing homes from reducing is likely to benefit all those in housing need by preventing housing waiting lists from increasing and those on the lists could potentially be housed quicker
- Those for whom the private rented sector is unsuitable and for whom property ownership is a financially unattainable state
- More likely to facilitate tenants being housed in preferred choice of location leading to a sustainable community. This is particularly important in rural areas
- It would benefit those in most housing need
- As the majority of *Right to Buy* sales are for 3-4 bedroom houses, the positive impact is more likely to be felt by families with dependent children than for single person households
- The majority of *Right to Buy* sales take place in the more popular, higher demand areas, so removing the *Right to Buy* would maintain a supply of social housing in all areas, not just those where residents don't choose to buy
- Would be an end to the current reduction and gradual marginalisation of social housing stock year on year
- In rural areas, the proportion of social housing in small villages is finite, and "valuable" in cash terms on the open market. Not surprisingly, a high proportion of such stock has been sold. Changes to the *Right to Buy* would protect this scarce resource ensuring that "local people" are not priced out of the village
- Longer term benefits for people seeking social housing
- The increased supply of social housing would be beneficial to groups aiming to form housing co-operatives
- Registered Social Landlords and Local Authorities would benefit from having greater assurance, business viability and security regarding levels of housing stock/ assets. There would be less anxiety about the development of new social housing among Local Authorities who are concerned that newly built, publically funded, homes may end up in private ownership
- Improved organisational sustainability and ability to meet tenants' and housing market needs
- Increased social mobilisation opportunities for those looking for work, reduced homelessness, increased opportunities for those requiring supported housing
- Benefits the whole of society. Social housing is part of the resource that all of society makes available to assist members of society who need it,

- so taking it away adversely affects us all
- Consider the need for homes at an affordable rent, there is no need for mitigating action other than appropriate publicity of the changes being implemented

Question 5. If anyone would be affected in a negative way, please say which group(s) of people and what might to be done to mitigate the impact(s).

- Social housing tenants who have tenancies which would have qualified under the existing rules losing their *Right to Buy/Right to Acquire*
- Nobody would lose out if the scheme were to remain with a clause that if there is a *Right to Buy* applied to a tenant, the monies paid to the Housing Association/Council would be reinvested into building another property. This way, not only would the tenant benefit, but further tenants can be given the opportunity of a home. This would mean further down the line those who can afford to buy due to the benefit of the scheme, would not have to rely on the government in retirement
- Current social housing tenants and their families planning to utilise *Right to Buy* in the future whose circumstances have changed and now wish to buy, and prospective future tenants with the option to purchase no longer available. However this group have the option to buy under Low Cost Home Ownership schemes where the discount is often more than under the *Right to Buy* and more appropriate to this group
- Homebuy and other Low Cost Home Ownership products can be used to meet home purchase aspirations, without affecting the social housing stock. Tenants/prospective tenants would still have housing needs met through social housing (and other options)
- Long-term tenants disadvantaged by virtue of historic arrangements and the types of tenancy involved. These are more likely to be older tenants.
- People with disability and those who have invested in their homes and don't want to buy another home should have the *Right to Buy*
- Lower income earners losing the opportunity to buy their homes who would not be able to buy a house in their locality any other way
- People who have enough money to buy but not to maintain the property will continue to be affected. An alternative proposal is an ability to suspend *Right to Buy* down to lower "super output areas" where the levels of affordable accommodation fall below a certain level. This will stop the complete sale of affordable properties in some areas and stop them becoming too exclusive to more than the wealthiest social classes. The qualifying period for *Right to Buy* should be extended from 3 years to 5 and the repayment period for profits be extended to 5 years also
- Working tax payers
- Social tenants with aspirations to better themselves and own their home.
- Aspirational disincentive for those affected but mitigated by sensitive new development under different ownership models e.g. shared ownership
- Social housing estate tenants who will not see the benefits seen historically when estates have been improved visually and socially by

- owners and tenants living side by side having greater “stakeholding” in the estate
- The stability and prosperity of communities resulting from retaining working households is a clear benefit of the current right. However that stability is eroded if sold properties are not occupied by working households and instead let at higher rents in the Private Rented Sector.
- Any negative impact is considered necessary in order to maintain the social housing stock and meet the housing needs of those in need of social housing. The wider benefits of preserving affordable housing in perpetuity for those who are most in need has to outweigh any negative impact
- Two Local Authorities/housing consortia felt the impact could be mitigated by giving existing social housing tenants who are in a financial position to buy a property priority for other Local Authority and Housing Association home ownership schemes, such as low cost home ownership and Homebuy
- Those that could be affected could then be prioritised on any Homebuy/Low Cost Home Ownership waiting list, subject to meeting any local connection and financial viability criteria
- People who wish to stay in their social housing but wish to avoid paying rent for the rest of their lives. If this proposal is brought in, they would have to move away from their local community if they wished to buy their own house
- Would not advise on singling out groups of people (and in possibly making exemptions for the same) as consistency is key in making these changes
- Under current rules of restricting the *Right to Buy* on ‘purpose-built’ or ‘substantially physically adapted properties’ or at least having discounts reduced through the cost floor rules meant that owner occupation for disabled people means home ownership is difficult and biased against them
- Individuals wishing to profit directly (or those with a financial interest in) from acquiring, at under value, resources that all of society makes available to assist members of society who need it
- People who have to move to new areas where new properties located

Questions 6 and 7. Do you agree with the proposal to reduce the current discount & why?

Yes	53
No	17

Comments in favour

- There is not enough social housing properties to meet the demand for people in urgent need of housing, so any reduction in the loss of current stock would be welcomed

- There are potentially more equitable and tenure neutral schemes, Low Cost Home Ownership including HomeBuy to assist people into home ownership
- Seven responses welcomed the reduction in discount to discourage tenants exercising their *Right to Buy*, given the extended time required to change the legislation to end the Right. In addition, this step is more practical to administer and simpler to understand than the power a Local Authority has to apply to suspend *Right to Buy*, leading to a greater proportion of social housing stock being retained
- A reduced level of discount would ensure that, allied to more stringent affordability tests, only those who can buy and then maintain the property could afford to buy
- The discount should be reduced because the standard of build of social housing properties is often higher than market housing. The social housing buyer is getting a good deal anyway
- Public subsidy has been used to provide this rented housing which allows current tenants to benefit from a reduced rent. They would be benefiting again by paying a reduced price for the purchase of the property - again benefiting from public subsidy
- Reducing the discount will prevent households occupying social housing having an unfair advantage over those households purchasing on the open market
- Social housing should not be offered for sale
- The impact the loss of homes through *Right to Buy* has had on our housing stock and our communities has been detrimental. Social housing must be protected for future generations

Comments opposing

- As a standalone proposal, reducing the discount would not be sufficient to maintain the social rented stock. It will provide a positive intervention to reduce sales in the short term
- The current difficulty in obtaining a mortgage or deposit is probably a greater barrier to council house purchase
- Location should not determine whether you qualify for a discount
- Regional variations in house prices are significant and the impact of change would have a variable effect
- Reducing the attractiveness of the *Right to Buy* could mean that individuals will no longer be able to take a step onto property ownership, and could stifle turnover of the stock. Consider whether other tools could be used to assist people into home ownership without diminishing the social housing stock
- Three respondents felt the discount should not be reduced, low though it is. The discount should rise with house prices, as it is comparatively significantly less than that of England

Question 8. Do you agree with the proposal to reduce the discount to £8,000?

Yes	31
No	36
Qualified	2

Agree

- Two respondents felt the discount should not change and should be maintained at £16,000
- The *Right to Buy* will remain until new legislation is introduced, allowing sufficient time for those who wish to buy to pursue this option, but without the incentive of a discount as only a nominal discount would be in place

Disagree

- Tenants should be encouraged not discouraged
- A discount of £8,000 would not enable low income earners to purchase a property
- The discount should be increased to the level of England, or 70% or equivalent of the market value

Level of discount

- Twenty five responses of those opposing the proposal, including three Local Authorities, eight Registered Social Landlords/Housing Consortia and two national housing organisations, said the discount should be: zero i.e. no discount, abolished or minimised to a nominal value (£500 - £1,000)
- It was recognised if current legislation does not allow a zero discount, then a figure of, suggested £1,000, perhaps reflecting a notional cost of solicitors'/valuation fees should be implemented
- Four of the respondents who opposed the reduced discount responded on the basis homes should be sold at market value. One Local Authority agreed if *Right to Buy* is to remain in the short term then sales should be at open market value. This would achieve best value, the money from which is returned to the Housing Revenue Account (under current system) and used to maintain tenant's homes. Following the exit from the Housing Revenue Account, the money will form part of the Business Plan which could include the development of new Council owned properties
- One respondent felt the discount should be £4,000
- Private renters don't get the option to buy a house with a discount even if they've paid rent for years so the advantage of social renters is not understood
- No clear rationale for halving the discount from £16,000 to £8,000. As the clear intention is to bring the legislation to an end, believe a lower, more nominal, discount should be chosen which will effectively act as an end to the discount

Question 9. If “No”, to what figure do you think the discount should be reduced?

- Twenty five respondents favoured zero/nominal discount
- In order to achieve the fullest dampening effect on sales of social rented homes, the maximum discount should be reduced to the lowest figure permitted by the provisions of the Housing Act 1985 and the Housing Act 1996
- Three responses felt the discount should be means tested, one of whom suggested this could provide clarification that an individual would not be able to purchase the property without the £16,000 discount; may well be able to afford a purchase on the open market. £16,000 of the public purse will then be given to an individual(s) that do not need it
- The discount should be half the value of the property
- The discount should revert to being based on length of tenancy
- Views expressed there should not be a discount, as the stock should remain as social housing. If any discount or scheme is offered there should be restricted clauses, as part of the contract, for the Registered Social Landlord to have the first option to buy back the property sold at the discounted price

Question 10. Other comment(s) you wish to make about the proposal to reduce the discount or about the *Right to Buy* more generally.

- Reducing the discount further would worsen the situation for the average working family and take away opportunity from a tenant's children and the proposals doesn't recognise the security and family aspects of a home
- Consideration could be given to the use of "staircasing" and other flexible Low Cost Home Ownership arrangements to mitigate impacts in the sector
- Other discount schemes offer better solutions (e.g. Homebuy) and these should be advertised as the best way into owner occupation, not using up the existing social stock. With diminishing Social Housing Grant availability, continuing to allow *Right to Buy/Right to Acquire* will cancel out the increase in affordable housing provision, i.e. building new affordable housing to meet housing need, only for it to be lost through *Right to Buy/Right to Acquire*
- Four respondents raised concerns around rural areas due to the higher cost of market properties. Accessing the market is more unattainable and contend they would be consigned to social renting for the rest of their lives unless they moved away from their families and community.
- The *Right to Buy* gives tenants an option to stay in their locality and country of birth with beneficial consequences for Welsh language and support
- Consistently over the past couple of years the most common debt problems in Wales have related to consumer debt such as credit/store cards and personal loans. During the last six months this has been overtaken by people seeking help with Council Tax debt, which now

- makes up 12 per cent of all debt-related enquiries
- With public finances under pressure, it's not acceptable that public money should be spent on subsidising home ownership to the direct detriment of the growing number of people who can't afford market rents
- One respondent disagreed with the ending *Right to Buy* for tenants of Local Authority housing. Local Authorities are under significant financial pressure and their core business (unlike Housing Associations) is not the provision of affordable housing. Contending there is a case for the sale of these assets where a figure at or near to full market value can be obtained. Creation of more affordable housing is not to restrict the sale of these existing Local Authority housing units, which are often expensive to maintain and manage

Questions 11 and 12. Do you agree with the proposal to develop new legislation to end the *Right to Buy* and why?

Yes	38
No	18
Qualified Answer	3
Views unspecified, contradictory or unclear	1

NOTE: Not all respondents responded directly to the question or expressed an opinion on new legislative proposals

Support for the proposal

- The *Right to Buy* and *Right to Acquire* scheme should be ended as it decreases the available number of social houses at a time when there is great need
- The length of housing waiting lists dictate that all necessary action must be taken to help those that need it most
- Ending the *Right to Buy* will protect the social housing stock and the potential to make a significant positive impact on local housing pressures
- On balance, the need to retain social housing is greater than the need to expand home ownership
- Will ensure that valuable levels of social housing are not unnecessarily reduced and marginalised to levels where only those in the greatest housing need can access
- Ending the *Right to Buy* will bring more security to housing assets, possibly allowing more effective planning. Whilst the *Right to Buy* may have been seen as successful for many tenants, there have also been many for whom it has not been successful. For example, some over-extended their means and ended up facing repossession; others found it difficult to afford the maintenance of their home, resulting in their house standing out because of its poor condition compared to those of renting neighbours whose homes had been well maintained by a social landlord
- Ensures the social housing sector continues to operate as viable and

- sustainable organisations that help meet housing needs and demands
- To help ensure that housing inequalities for marginalised groups are better and more readily met
- To ensure social housing tenancies represent diversity and mixed communities, and that all the housing sector functions well
- Due to the complex qualifying criteria, ending the *Right to Buy* will also provide for greater equality of rights across existing tenants into the future. In addition, it will remove the need to administer an involved process allowing landlords to focus upon effective provision of other services
- The initiative has been disastrous from the outset. The higher cost in Housing Benefit is passed to private landlords because there isn't anywhere near enough social housing
- Disappointment taken so long for governments to realise the mistake of this policy. It was apparent that the private sector was not stepping in to replace the lost social housing stock decades ago. We now have a housing shortage pushing up house prices, meaning that mortgage/rent payments take up the major part of most people's income leaving little disposable income to be spent locally and generate wealth
- Proposals seen as the most effective long-term solution to ensuring a greater supply of social housing and is an effective long-term solution to ensure a sustainable supply of social housing
- It is generally the case that the more desirable the social housing home, better quality, preferred location, the more likely it is to be sold. New Council homes become some of the most desirable social housing stock. Removing the *Right to Buy* will ensure that these new homes remain within the social rented stock of the Local Authority and are therefore available to be let to households in housing need
- Removing *Right to Buy* is a particularly relevant long-term proposal when considering the intention for Local Authority landlords to exit from the Housing Revenue Account Subsidy System. This exit will mean that Local Authorities will have the opportunity to build new Council owned homes
- The proposals will have positive impacts on rural communities, where large numbers of general needs social housing provision have been lost due to the *Right to Buy* and young people have to leave their communities to be re-housed
- Social homes should be for those that need them and then tenants should be encouraged to 'move on' when suitable or when household economic circumstances change
- Should be more European in attitude, involving increased landlord legislation and tenant security

Against the proposal or other comments on the proposal

- Two tenant respondents, in a position to buy if the present scheme remains, contend they will have to continue to rent into retirement and then rely on the government to assist with their rent. If this scheme remains, it will afford them the opportunity to get onto the property ladder

and be self-reliant in retirement

- One Registered Social Landlord favoured suspension of the Right over ending *Right to Buy* permanently until the discount did not result in selling for less than the cost of development
- Six respondents felt removing *Right to Buy* makes no difference to the overall availability of social homes/affordable housing or does not increase the number of social houses, with the sitting tenant remaining in occupation. It will not necessarily create voids either
- Halting demolition and redevelopment with fewer social homes being built to replace existing social housing would be a better way to help sustain supply
- Supportive of continuance of the *Right to Buy* for those who have been tenants, with discounts proportionate to the length of tenancy, subject to detailed stipulations on arrears and good maintenance and tenancy
- Significant disincentive to home owning aspiration of social housing tenants and removing the most feasible mechanism of attaining the aim of home ownership
- Everyone deserves the right to own their own home and to secure their children's future
- Five respondents suggested the alternative option of ending the *Right to Buy* only for new tenants. Possible restrictions on new tenancies were considered to be more understandable and reasonable. This would provide Local Authorities with an additional incentive to build new homes. This could be implemented without affecting tenants' existing rights while at the same time increasing the housing stock
- It is unfair for people's hopes and plans to buy their home to be dashed as new legislation is introduced
- Abolition will not reduce waiting lists
- Tenants should have the *Right to Buy* if they can afford to purchase, especially long-term tenants, the option/right should not be taken away from qualifying tenants
- Tenants expressed concern that once the right was removed, it will be gone forever, and might never be an option for Wales again
- Rather than abolish the *Right to Buy*, it should be suspended nationally for five years until Councils/Housing Associations can increase their stock

Question 13. If “No” to Question 11, should the Welsh Government simply continue with other options, such as the opportunity a Local Authority currently has to apply to suspend the Right to Buy in its area?

Yes	5
No	7

- One Registered Social Landlord would support suspension in the “lower super output areas” where there is limited social housing
- Local Authorities can already make the case to government to suspend

**Detailed
Additional
Comments**

Right to Buy if they wish. Therefore, ending the *Right to Buy* and *Right to Acquire* is unnecessary

Question 14. Any other comment(s) about the proposal to develop new legislation to end the *Right to Buy* or about the *Right to Buy* more generally.

Support for the proposal

- Retention of the social stock will enable those with no chance of ever buying their own homes to rent securely for the rest of their lives with secure tenancies in houses they could call their own
- There may otherwise be regional variances across Wales which would need further analysis. A national end to *Right to Buy/Right to Acquire* is needed and across all tenure types as otherwise it would introduce complexity and inequalities into the system and create unintended consequences.
- The Low Cost Home Ownership option is “fairer” in the sense there are no eligibility criteria which make it harder for younger tenants to access, as with *Right to Buy/Right to Acquire*
- The level of support for those not wanting to help themselves, but no help for low income workers not claiming benefits was questioned by a respondent. Those not in work/paying rent/council tax should not be more deserving than low income workers paying full rent/council tax
- *Right to Buy/Right to Acquire* leasehold sales in blocks of flats creates significant difficulties for financing necessary repairs and shared maintenance
- The impact of living in poorly maintained *Right to Buy/Right to Acquire* homes on residents’ health can be considerable, as a causal factor in respiratory problems or poor mental health
- The schemes undermine social cohesion
- Social housing should not be a permanent tenure, but for those who need until the household’s situation improves and they move on. Subsidised housing should not be looked at as a permanent measure, but help until one can afford to move into private renting or buying your own home therefore opening up another property for those who need it

Against the proposal or other comments on the proposal

- Against a background where those who can afford to buy are occupying affordable housing, as evidenced by their ability to buy, one respondent felt it would make more sense to allow them to do so
- A significant level of support for alternative/new legislation allowing the proceeds of *Right to Buy* to be used to fund the construction or purchase of new social housing. A revised *Right to Buy/Right to Acquire*, permitting reinvestment from sales, will benefit not only social housing provision but also will produce returns and generate ‘hidden’ benefits including reducing expenditure on management and maintenance. Historically, sales receipts should have always been reinvested in new homes and bringing empty properties back into use. The law should be changed to

make this a requirement

- A further suggestion, tweaking the reinvestment potential of sales income, involved a ‘profit sharing’ amendment to the legislation, whereby the social landlord receives a proportion of the resale value over the original purchase price. Regardless of the volume of resales, this was seen by one respondent as providing a better refinement through offering funds for reinvestment in social housing
- The *Right to Buy* gives an unprecedented chance for some people to get on the housing ladder. The problem has been Councils were not allowed to reinvest the money raised to replace their housing stock
- Social housing sold via *Right to Buy/Right to Acquire* will upgrade many properties via householder improvements and produce much better mixes of public and private housing, particularly in larger estates
- The extension of home ownership schemes plus more innovative ways of reducing costs would also be likely to produce more desirable results than ending *Right to Buy/Right to Acquire*
- The *Right to Buy*, in most cases, reduces old inefficient stock in need of improvement. Receipts could be used for new better suited stock
- Ending the *Right to Buy* will result in a return to historic Council estates where tenants had no aspiration or chance of betterment
- Many tenants would have taken older poorer stock thinking it would be their opportunity for betterment. Unfair to remove opportunity
- It was a concern the proposals will pressurise lots of young families to get into debt to try and afford a mortgage
- A suggestion was those failing to maintain their properties to a good standard could be denied *Right to Buy*
- The bigger picture is understood and other factors to consider but proceeds of sale houses can go towards building elderly or single people who are sometimes occupying bigger accommodation which could become available for rent
- *Right to Buy* allows aspirational low income workers to get on the housing ladder and reflects a long term tenant’s contribution
- One respondent questioned the perceived aim of “reserving” old social housing for those on a low income and building new houses for those who can afford to buy. Suggests research evidence showing people maintain properties they own to a higher standard than rented housing
- Retain *Right to Buy* as a right! In order to enable the use of the earned discount as a ‘government backed deposit guarantee’ to buy, thus enabling working tenants to meet the deposit needs of mortgage providers. A Homebuy specifically targeted at tenants who could afford mortgages but cannot raise the capital for the deposit. This would meet both the aspirations of people in existing social housing while retaining the social housing stock for future need
- Rather than end the *Right to Buy*, supply would be better increased with brownfield sites developed, homes that are really affordable in relation to wages, and less Buy to Let mortgages approved (a house should be a home, not a business opportunity!), and empty buildings turned into homes, better housing options

Comments and/or suggestions on alternative proposals

- If owners/purchasers wish to sell, having bought via the scheme, it should be stipulated they must sell back to the social landlord and not for profit
- Work should be undertaken on analysing the demographics of existing subsidised housing to formulate a database aimed at identifying future demand for *Right to Buy/Right to Acquire* and to provide solutions for them
- Tenants' accessibility to shared ownership housing at a discounted rate may enable them to purchase and satisfy their desire for home ownership. This would free up tenants' social housing properties and generate a revenue stream for reinvestment
- Three responses called for the revocation of Statutory Instrument 2005 No. 2681 (W.187) - The Housing (Right to Buy) (Information to Secure Tenants) (Wales) Order 2005, requiring social landlords to publish and circulate, to all tenants, information on the *Right to Buy/Right to Acquire* at the start of every tenancy and at least once every 5 years
- Three respondents felt there is a case for consideration and potential introduction of a form of rent capping for private properties in order they are made more affordable. There was acceptance there is maybe an associated danger this might impact on supply
- In terms of dealing with the shortage of supply of social housing, increased requirements via Section 106 agreements were offered as a better means of producing benefits
- The redesign and redevelopment of existing stock and land together with incentives to developers to produce more possibly via planning easing would further help to increase supply and the provision of more discounted Low Cost Affordable Housing for working people to buy via planning gain
- Encourage purchase of open market or affordable housing with *Help to Buy Wales* or discounted affordable housing and leave social rented properties for the more vulnerable
- One view expressed was those in most need are least deserving. Sometimes, those who need it the most do not deserve it the most. "They take for granted what they have and have no respect or appreciation for the fact that they have a place they can call home"
- Housing co-operatives offer homes to people in housing need at affordable rents. Believe the *Right to Buy* and *Right to Acquire* is a potential threat to the sustainability of the co-operative and should be restricted to mutual exchange
- New social housing should be made a priority and adequate numbers should be built. Demand for housing exceeds supply. There are not enough new homes, of all tenures, being built to meet the housing needs of the population. Demand for social housing is significant and increasing. The demand for the right type of property in the right location is also important, in particular: The impact of welfare reform has increased demand for smaller properties. High house prices (to buy and rent privately) have increased the demand for social housing in these

- areas, including the demand from working and low income households
- Two responses called for more stringent affordability tests to ensure those purchasing homes are able to meet the costs associated with maintaining them
 - There is an alternative concern that the existence of *Right to Buy/Right to Acquire* overtly implies that social housing is accommodation of last resort when, for the vast majority of tenants, it is a sensible, secure and desirable housing solution
 - One organisation contends that the role of the private rented sector is underplayed in the consultation. There is a competitive rent regime in the sector and regulatory changes to further improve the sector are suggested
 - The approach to enable the private sector to take up the shortfall in social housing supply is seen as 'disastrous' with many social tenants having to access more expensive and poorer standards than would have been otherwise provided by Councils / Housing Associations. It is argued that this is the primary reason why housing benefit costs had risen substantially
 - The reliance on the private rented sector to meet the demand for properties was a false economy with housing benefit rising and renters and the tax payer subsidising the growth of buy-to-let landlords
 - The Welsh Government should do more to make new genuinely below-market rents available to meet a growing need for homes for not just those in greatest need but the working poor
 - Should explore new financial help such as availability of mortgage deposits for those wishing to buy and who could afford a mortgage to help aspiration to owner occupation instead of discounts on social housing. But critically, not necessarily new build, which may be distant from their existing communities as currently available through HomeBuy
 - Voluntary sales to existing tenants should be maintained as part Local Authority/Registered Social Landlord's asset management strategy and to meet Registered Social Landlord's business objectives. Changes should not impose a blanket ban on sales, but the sale of social housing should not be incentivised

**Next Steps –
What Will
Happen As A
Result Of
This
Consultation**

This report has informed the decision on action regarding the proposals set out in the White Paper.

Annex 1

List of Respondents