



Department for Levelling Up, Housing & Communities

Data release

Housing: Voluntary Right to Buy Midlands pilot

Annual Data Release

In this release:

- **44** housing associations took part in the VRtB Midlands pilot, of which **42** have completed at least one VRtB sale as of 30 September 2021.¹
- There has been a total of **1,839** completed sales by 30 September 2021.
- **£118.8m** has been spent by the Department for Levelling Up, Housing and Communities on funding the discount amount from sales that is paid to the pilot housing associations.
- The net receipts that housing associations have received from VRtB sales, and which will be spent on replacement homes, totals to **£192.2m**.
- A further **£35.8m** of Recycled Capital Grant Funding has been retrieved from VRtB sales and is available to be spent on replacement homes.
- All **42** housing associations that completed at least one VRtB sale during the Midlands pilot have plans to develop replacement homes.
- The first VRtB sales took place in early 2019 and **437** replacement homes have been started on site as of 30 September 2021.
- **429 of these replacement homes have been started in 2020-2021.**

This data was correct as of 30 September 2021. Any revisions will be incorporated into the next annual release.

Release date: February 2022

Date of next release: February 2023

Contact: vrtd@levellingup.gov.uk

Media enquiries: 0303 444 1209 NewsDesk@levellingup.gov.uk

¹ Two associations had no completed sales, as tenants withdrew from the process.

Table of contents

In this release:.....	1
Table of contents	2
Introduction	3
Overview of Voluntary Right to Buy data	4
Progress of replacement homes	7
Technical Notes	9

Introduction

The 2015 Government manifesto included a commitment to 'extend the Right to Buy to tenants in Housing Associations to enable more people to buy a home of their own'. In September 2015, the National Housing Federation (NHF), on behalf of its members, put forward a proposal for the Government to extend the Right to Buy to eligible housing association tenants on a voluntary rather than statutory basis. This proposal was accepted by the Government in October 2015.

An initial pilot of the Voluntary Right to Buy (VRtB) ran from 2016 to 2017 with 5 housing associations in England. A further larger regional pilot was confirmed in the Government's 2017 Autumn Budget, which would be opened to participating housing association tenants in the East and West Midlands. The Midlands pilot was launched in August 2018, with 44 housing associations taking part.

6,000 tenants of participating housing associations in the East and West Midlands were given the opportunity to apply to purchase their homes at Right to Buy level discounts (up to a maximum of £80,900). Successful entrants were selected by a ballot system, with a total of 9,146 tenants registering their interest. To be eligible for the scheme, tenants needed to have accrued at least three years of public sector tenancy, and to hold an un-demoted secure tenancy, an assured tenancy, or a Localism Act fixed term tenancy. Housing associations have been fully compensated by the Government for the cost of the discounts.

The Midlands pilot is testing all key aspects of the 2015 voluntary agreement with housing associations, including the portable discount and one for one replacement of homes, under which housing associations said that they would deliver an additional home through new supply nationally for every home sold. Housing associations have the flexibility to make a start on replacement homes within three years for the homes sold under the VRtB. The first sales under the Midlands pilot completed in early 2019.

This Data Release provides management information data on homes sold and replacements started on site under the Voluntary Right to Buy Midlands pilot to 30 September 2021, as well as other pilot data.

The Data Release uses data collected from housing associations using the Department for Levelling Up, Housing and Communities (DLUHC) DELTA system (see technical note). This data has in some cases also been collected by Homes England's Investment Management System (IMS), which has been used for quality assurance purposes.

In May 2018, DLUHC provided detailed guidance to all housing associations participating in the pilot, outlining details on the operation of the scheme and data reporting requirements.

Overview of Voluntary Right to Buy data

Details of homes sold

As of 30 September 2021, a total of 1,839 homes have been sold under the Voluntary Right to Buy Midlands pilot, across 42 housing associations. £118.8m has been spent in total by the Department for Levelling Up, Housing and Communities on funding the discount amount from sales that is paid to the pilot housing associations. These discounts were between 35-70% of the value of the home sold, depending on the length of tenancy (up to a maximum of £80,900).

Net receipts for the homes sold, which will be used toward replacement homes properties, total to £192.2m. A further £35.8m of Recycled Capital Grant Funding (RCGF) has been retrieved from VRtB sales and is available to be recycled into replacement homes.

The pilot entered its final phase in 2020-21, resulting in lower sales for the 2020-21 reporting period.

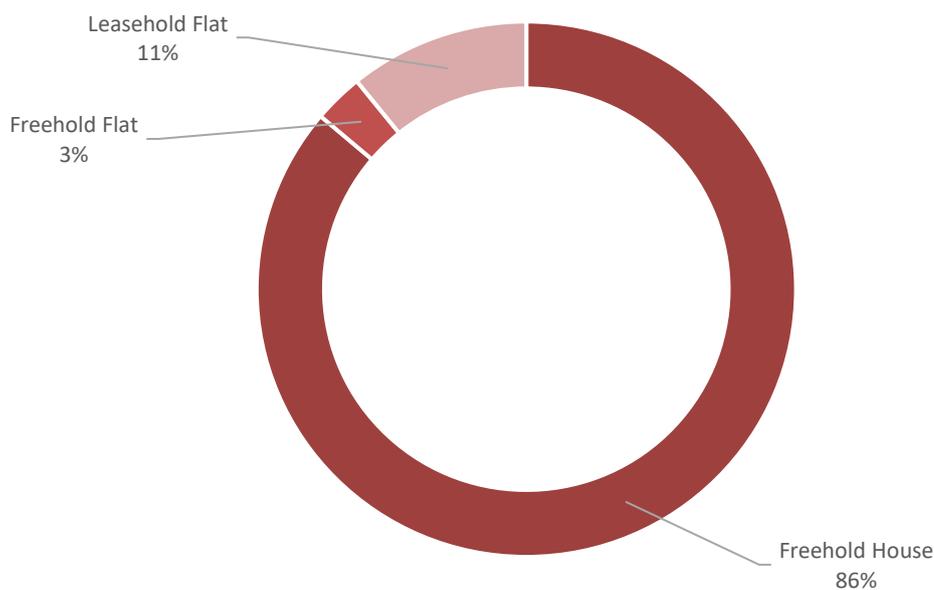
The figures below cover all 1,839 sales concluded during the Midlands Pilot.

Table 1: Details of homes sold

Categories	Oct 18 – Sep 20 ¹	Oct 20 – Sep 21	Total
Number of sales	1,772	67	1,839
Discount compensation	£114,482,153	£4,306,855	£118,789,008
Recycled grant	£33,952,064	£1,837,966	£35,790,031
Net Receipts	£186,124,202	£6,096,772	£192,220,974

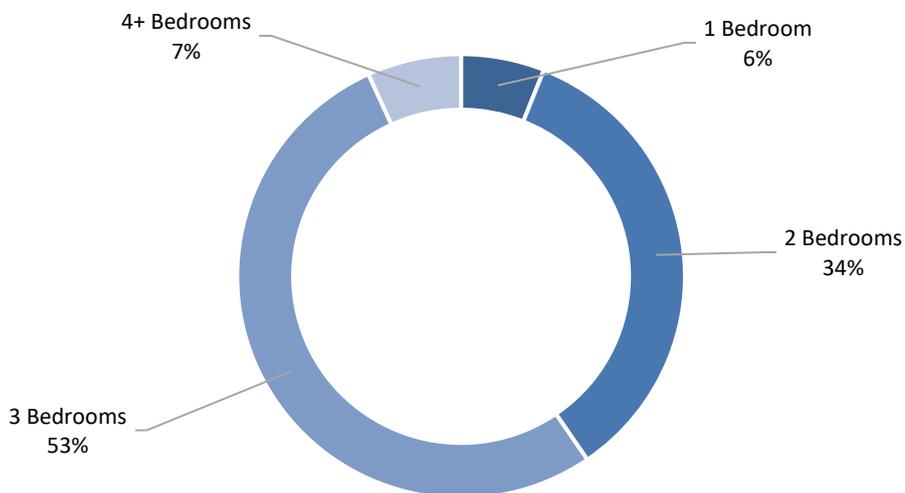
¹ Between October 2018 and September 2020 there have been revisions to financial data which cannot be allocated to specific 12-month periods.

Figure 1: Homes sold by ownership category



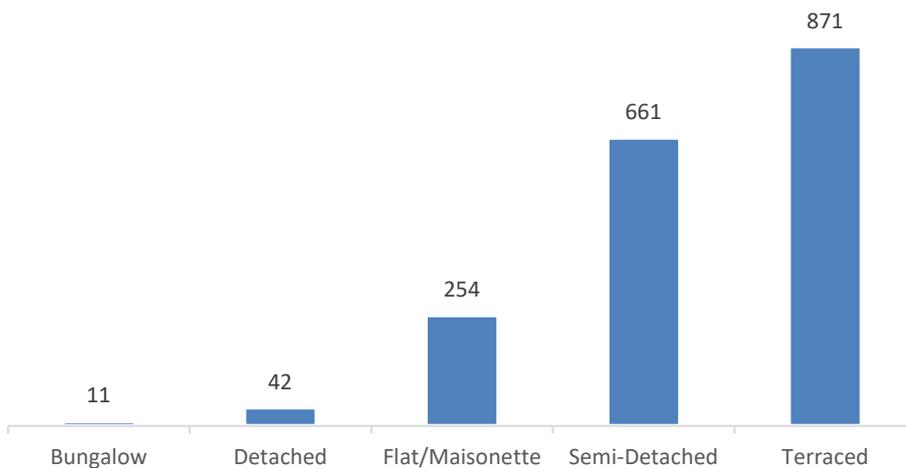
1,585 of the homes sold were freehold houses. A further 55 properties were freehold flats, and the remaining 199 properties were leasehold flats. Leasehold houses were excluded from the scheme.

Figure 2: Homes sold by number of bedrooms



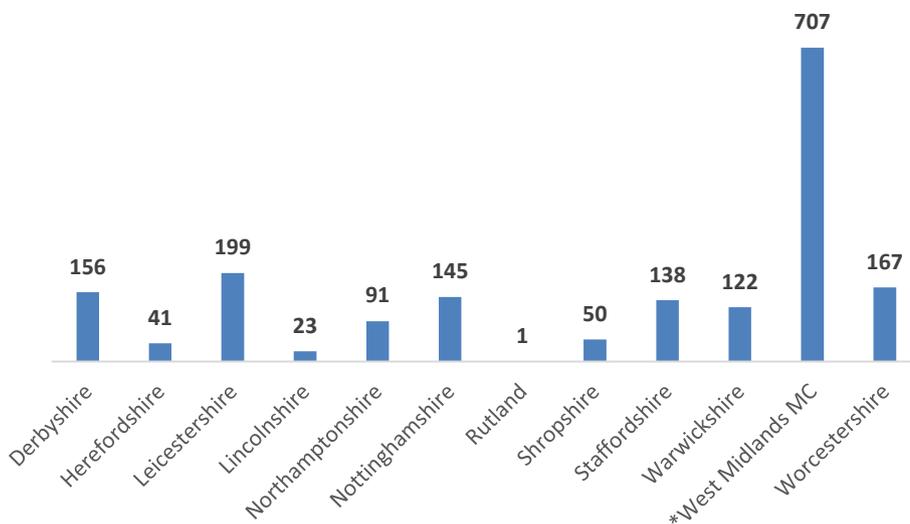
The majority of homes sold were three-bedroom, with 970 sales completed as at 30 September 2021. A further 633 sales were of two-bedroom homes, 111 sales of one-bedroom homes and 101 sales of four-bedroom homes. Properties with five or more bedrooms accounted for just over one percent of homes sold, with 24 sold in total.

Figure 3: Number of homes sold by property type



Terraced and semi-detached houses accounted for the majority of homes sold, with 871 and 661 sales respectively. Flats and maisonettes accounted for 254 sales, with the remainder of sales comprising of detached houses (42 sales) and bungalows (11 sales).

Figure 4: Number of homes sold by location (county)



More homes were sold in the West Midlands metropolitan county than any other county, accounting for 38% of all sales. West Midlands metropolitan county is the largest county by population in the Midlands, and incorporates the cities of Birmingham, Coventry and Wolverhampton. It also has the greatest level of Private Registered Provider (PRP) stock compared to the other counties.

Table 2: Number of homes sold compared to Private Registered Provider stock in each county with sales

County	PRP Stock 2020 ¹ (no. of self-contained units/bed spaces)	Homes sold up to 30 September 2021 under the Midlands pilot ²
Derbyshire	33611	156
Herefordshire	11336	41
Leicestershire	27830	199
Lincolnshire	25076	23
Northamptonshire	30270	90
Nottinghamshire	29900	145
Rutland	1834	1
Shropshire	28559	50
Staffordshire	53872	138
Warwickshire	19086	122
West Midlands	123879	707
Worcestershire	35448	167

¹ Figures cover the whole of 2020. Not all PRP stock was included in the pilot. They are included for comparative purposes only.

² Figures cover the totals for the whole pilot.

[Live table 115](#) provides data on Private Registered Provider stock.

A table providing further information on the location of sales by Local Authority Area is provided alongside this Data Release.

Progress of replacement homes

Housing associations are expected to make a start on site for a replacement home in the three years following a Voluntary Right to Buy sale. The first sales under the pilot were completed in early 2019.

41 of the 42 housing associations that have completed Voluntary Right to Buy sales by 30 September 2021 plan to invest their receipts into replacement homes which they will develop themselves. The remaining housing association intends to transfer some or all of their receipts to another association to invest on their behalf.

No housing associations are developing replacement homes through exceptional circumstances provisions. These provisions allow homes to be purchased off-plan from a developer, or for empty properties to be brought back into use in limited circumstances. For exceptional circumstances provisions to be used, a business case must be agreed by DLUHC, where a housing association can demonstrate that they are not able to deliver a replacement home through new supply.

429 replacement properties have been started on site by 12 housing associations in 2020-21.

Table 3: Details of replacement homes

		Oct 18 - Sep 19	Oct 19 - Sep 20	Oct 20 - Sep 21
Location (County)	Cambridgeshire	0	6	0
	Herefordshire	0	0	127
	Nottinghamshire	0	0	9
	Shropshire	0	0	2
	Staffordshire	0	0	102
	West Midlands	0	2	136
	Worcestershire	0	0	53
	Total	0	8	429
Total				
Type	Bungalow	0	0	11
	Flat/Maisonette	0	6	98
	Semi-Detached House	0	1	102
	Terraced House	0	1	218
	Total	0	8	429
Total				
Size	1 Bedroom	0	0	80
	2 Bedrooms	0	6	178
	3 Bedrooms	0	0	146
	4 Bedrooms	0	2	25
	5+ Bedrooms	0	0	0
	Total	0	8	429
Total				
Rent Level	Affordable Rent	0	6	283
	Social Rent	0	2	28
	Shared Ownership	0	0	111
	Other	0	0	7
	Total	0	8	429
Total				
Receipts invested to date	Total	£0	£438,127	£36,705,485

Technical Notes

Please see the accompanying technical notes document for further details. This can be found at <https://www.gov.uk/government/publications/voluntary-right-to-buy-midlands-pilot-annual-data-release>.

Information on Official Statistics is available via the UK Statistics Authority website: <https://www.statisticsauthority.gov.uk/>

Information about statistics at DLUHC is available via the Department's website: <https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/statistics>



© Crown copyright, 2022

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at <http://www.gov.uk/dluhc>

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/luhc>
February 2022