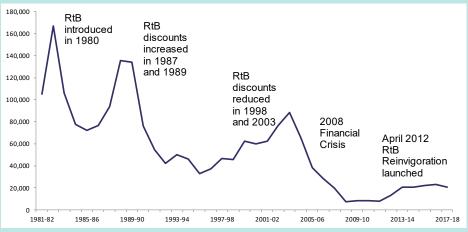


Social Housing Sales: 2017-18, England

Sales

- In 2017-18 there were 20,891 sales of social housing dwellings, this amounts to 0.5% of the total stock of 4 million social rented sector dwellings.
- Sales are down by 10 per cent on last year, but are still above the 8,061 sales before the introduction of increased Right to Buy discounts in 2012.
- The chart below shows the trend in total social housing sales since 1981-82.



- Of the total sales 12,059 were by Local Authorities and 8,832 by Private Registered Providers (PRP).
- Local Authority Right to Buy sales amounted to 11,833, a decrease of 12 per cent on the previous year. There were 4,223 Right to Buy sales by PRPs, down 10 per cent on the previous year. The total Right to Buy sales were 16,056 and accounts for 77 per cent of all sales.

Right to Buy Discounts

- In 2017-18, Local Authority Right to Buy sales had an average discount of 42 per cent of the selling price, 15 percentage points higher than in 2011-12.
- PRP Right to Buy sales had an average discount of 51 per cent of the selling price, 20 percentage points higher than in 2011-12.



Housing Statistical Release

28 November 2018

Introduction	2
Total Social Housing	2
Sales	
Types of Social Housing	4
<u>Sales</u>	
Right to Buy sales -	7
Financial information	
Shared Ownership	9
<u>sales – Financial</u>	
Information	
Household	10
characteristics PRP	10
stock buyers	
Accompanying tables	13
Related statistics	14
Technical notes	16
Definitions	22
Enquiries	25

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Date of next publication: Autumn 2019

Introduction

This Statistical Release presents National Statistics on annual sales of social housing dwellings in England up to 2017-18. It complements the statistical releases on quarterly Local Authority 'Right to Buy sales in England' with statistics on sales by Private Registered Providers and includes other schemes and types of sale in addition to the Right to Buy scheme. Information on social housing lettings is published at <u>https://www.gov.uk/government/collections/rents-lettings-and-tenancies</u> on the same day.

For the total and type of social housing sales sections of this publication all Shared Ownership sales are excluded, so that the focus is on the sale of existing social housing stock. Information on Shared Ownership completions is published in the Affordable Housing Supply publication https://www.gov.uk/government/collections/affordable-housing-supply.

For the financial and household characteristics sections of this publication which uses the COntinuous REcording of Sales (CORESales) <u>https://core.communities.gov.uk/</u> data the preserved Right to Buy and Shared Ownership has been presented separately as there are different trends in different sales types.

Total Social Housing Sales

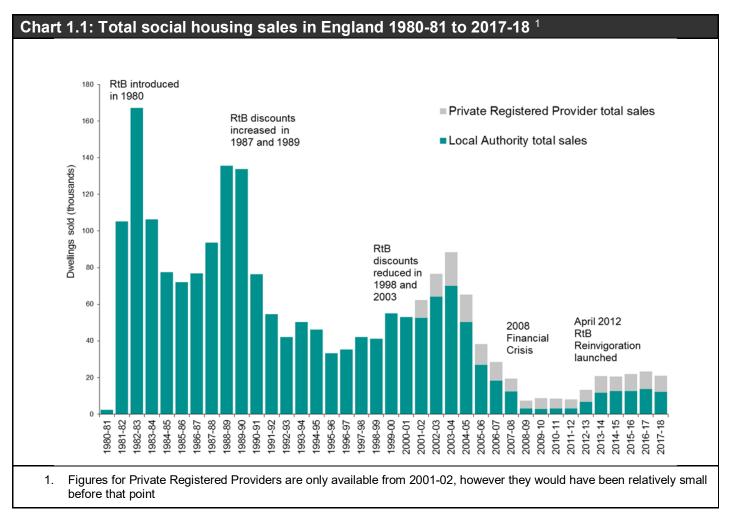
Total social housing sales include sales of existing Local Authority (LA) and Private Registered Provider (PRP) stock that will result in it leaving the social sector. This includes Right to Buy, preserved Right to Buy, voluntary Right to Buy, Right to Acquire, Social HomeBuy, Voluntary Purchase Grant, other outright sales to tenants and disposals of existing stock to the private sector. Further information these types for sales can be found in the <u>Type of Social Housing Sales</u> section of this publication.

In 2017-18 there were 20,891 sales of social housing dwellings which was a decrease of 10 per cent compared to 2016-17. Sales are at a two year low, but are still above the 8,061 sales before the introduction of increased Right to Buy discounts in 2012-13. Sales remain (76 per cent) lower than the pre-financial crisis peak in 2003-04.

The total of 20,891 sales in 2017-18 amounts to about 0.5 per cent of the total social rented stock of 4 million¹. In the same period 47,355 affordable homes have been delivered, of which 34,672 were available for rent².

¹ Source Live Table 104 <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants</u> ² Source Affordable Housing Supply LT 1009 <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply</u>

² Housing Statistical Release



Source: Pooling of Housing Capital Receipts Return (MHCLG), Local Authority Housing Statistics Return (MHCLG) and Statistical Data Return (RSH)

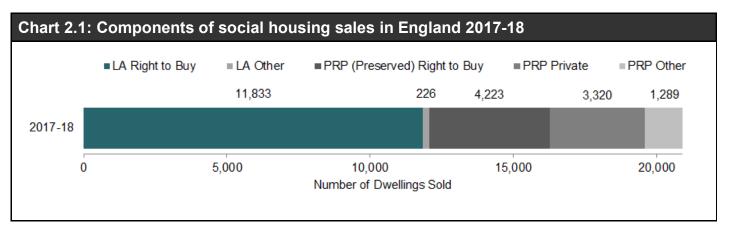
The majority of social housing sales have been of LA owned stock, however sales by PRP owned stock has increase as their stock has increased. Right to Buy and to a lesser extent preserved Right to Buy have been the main drivers of social housing sales in England since their introduction in 1980 and 1989 respectively.

Social housing sales averaged approximately 97,000 annually during the 1980's when Right to Buy sales was first introduced. There was a peak in 1982-83 after it was just introduced and then again in 1988-89 and 1989-90 when the maximum discount was raised from £25,000 to £35,000 in 1987 and to £50,000 in 1989. Sales decreased in the 1990s, averaging approximately 49,000 annually. They increased again in the early 2000s, possibly due to tenants responding to the news of the reduction in discounts and processing times of applications. Discounts were lowered and regionalised in 1998 to between £22,000 and £38,000. These were further reduced in 2003 to £16,000. This along with the financial crises in 2008 may have contributed to the further downward trend in social housing sales in the mid-2000s to their lowest point in 2008-09.

Since 2012-13 there has been an increase in total social housing sales, reflecting the increased discounts introduced in 2012-13 and the recovery of the housing market since the financial crisis.

Further detail on social housing sales, including data at a local authority level and footnotes are available in the Department's Live Tables. The tables relevant to this section are Tables 678 and 691 and can be found here- <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales</u>.

Type of Social Housing Sales



Source: Pooling of Housing Capital Receipts Return (MHCLG), Local Authority Housing Statistics Return (MHCLG) and Statistical Data Return (RSH)

There were 12,059 sales of Local Authority social housing stock in 2017-18 which was a decrease of 12 per cent from the previous year. Private Registered Provider social housing stock sales were 8,832 in 2017-18, a decrease of 7 per cent compaired with the previous year.

Tenants in Local Authority housing may be eligible to buy their property under Right to Buy if they have accrued at least three years as a social housing sector tenant. This does not need to be continuous, nor does it need to have been accrued whilst living in the same property. Right to Buy applications to Local Authorities (27,210) decreased by 9 per cent between 2016-17 and 2017-18. However applications remain above the pre-reinvigoration level of 9,000 applications.

In 2017-18 there were 11,833 LA Right to Buy sales, a decrease of 12 per cent from the year before. This is the largest type of sale making up 57 per cent of all sales and has been the case historically making up 58 per cent of all sales in previous year.

Where tenants have been moved as part of a Large Scale Voluntary Transfer of stock from Local Authorities to PRPs the tenants may be able to buy their property through preserved Right to Buy. In 2016-17, voluntary Right to Buy was introduced as a small-scale pilot and then widened to a Midlands regional pilot in 2018. This gave PRP tenants the Right to Buy who previously did not have preserved Right to Buy. PRP Right to Buy covers both preserved Right to Buy and voluntary Right to Buy.

In 2017-18 there were 4,223 PRP Right to Buy Sales, a decreased of 10 per cent on the previous year.

Both LA and PRP Right to Buy products remain the main types of social housing sales with 77 per cent of all sales (16,056 sales).

4 Housing Statistical Release

For the other types of sales;

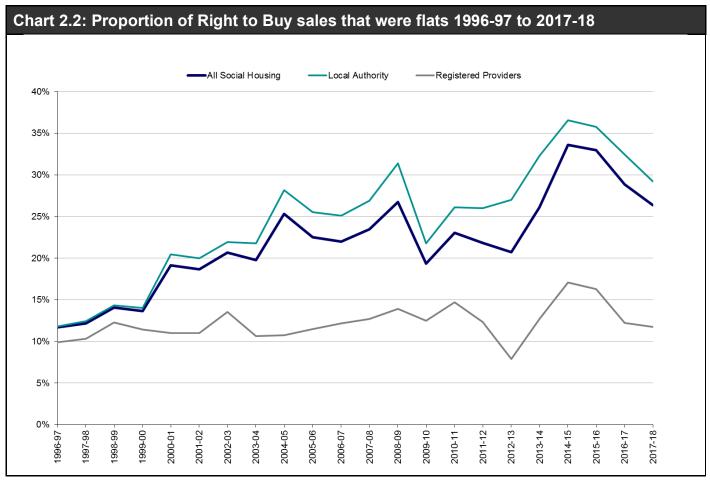
- PRPs have sold 3,320 of their stock to the private sector in 2017-18 which was a decrease of 15 per cent from the year before.
- There were 1,289 PRP other sales in 2017-18 which would include Social Homebuy, Right to Acquire and other sales to sitting tenants. This was an increase of 36 per cent from last year.
- There were 226 LA other sales which include the sales of Local Authority stock through other products such as Social Homebuy, other sales to sitting tenants and other sales.

Statistics on 'Right to Acquire' (in Live Table 677) and 'Social HomeBuy' (in Live Table 683) are also collected via the Investment Management System (IMS) and the Greater London Affordable Housing Statistics.

- In 2017-18 there were 790 sales under the Right to Acquire scheme. This compares to 580 sales³ in 2016-17.
- In 2017-18 there were 10 sales under Social HomeBuy, compared with 20 sales in 2016-17³.

³ Figures rounded to nearest 10.

Right to Buy sales of Flats



Source: Local Authority Housing Statistics Return (MHCLG) and CORE data collection (MHCLG)

In 2017-18, 26 per cent of social housing dwellings sold through Right to Buy were flats. 29 per cent of Local Authority Right to Buy sales were flats whilst 12 per cent of PRP Right to Buy sales were flats.

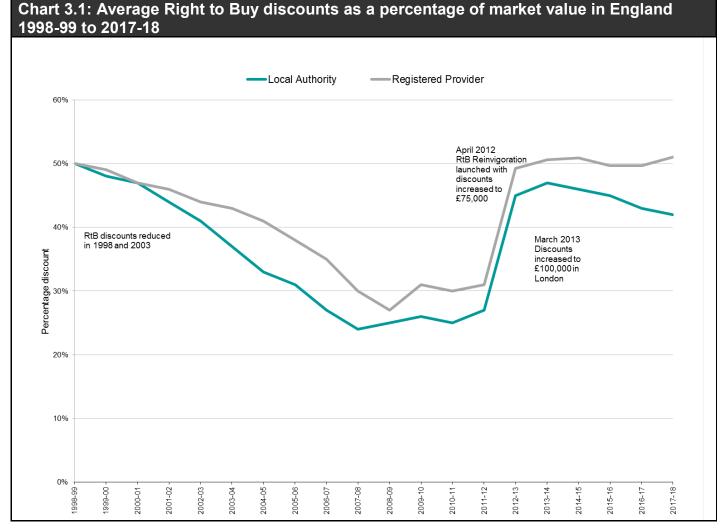
Further details on the types of social housing sales are available in the Department's Live Tables. They can be found here- <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales</u>. The tables covering this topic in particular are 671, 677, 681, 683 and 685.

Right to Buy sales – Financial Information

When a property is sold through Right to Buy the 'discount percentage' is the percentage below market value that a dwelling is sold.

Historically the average 'discount percentage' decreased steadily between 1998-99 to 2007-08, from 50 per cent to 24 per cent for Local Authorities and from 50 per cent to 30 per cent for Private Registered Providers (PRPs). In 2012-13 the discount increased back towards 1998-99 values with a 'discount percentage' of 45 per cent value for Local Authorities and 49 per cent value for PRPs. See chart 3.1.

These increases reflect changes made to the scheme between April 2012 and July 2014 which increased the maximum discounts available for buyers (see the <u>History of the Right to Buy</u> <u>Scheme</u> for further details).



Source: Local Authority Housing Statistics Return (MHCLG) and CORE data collection (MHCLG)

Local Authority Right to Buy Sales

The average Right to Buy discount ³ per Local Authority dwelling sold was £60,370 in 2017-18 which was more than double the 2011-12 value of £26,690. The increase reflects both the increased discounts with the re-invigoration of Right to Buy in April 2012 and the overall increase in house prices.

The average discount, as a percentage of market value, of Right to Buy Local Authority dwellings sold was 42 per cent in 2017-18. This is 1 percentage point lower than in 2016-17, but is still 15 percentage points higher than in 2011-12.

The average market value³ of LA Right to Buy sales was £143,540 in 2017-18, less than a 1 per cent change on the previous year.

Private Registered Provider Right to Buy Sales

The average Right to Buy discount ³ per Private Registered Provider dwelling sold was \pounds 55,280 in 2017-18, just under double the 2011-12 value of \pounds 28,410.

The average discount, as a percentage of market value, of Right to Buy Registered Provider dwellings sold was 51 per cent in 2017-18, 2 percentage points up from 2016-17 and 20 percentage points higher than in 2011-12.

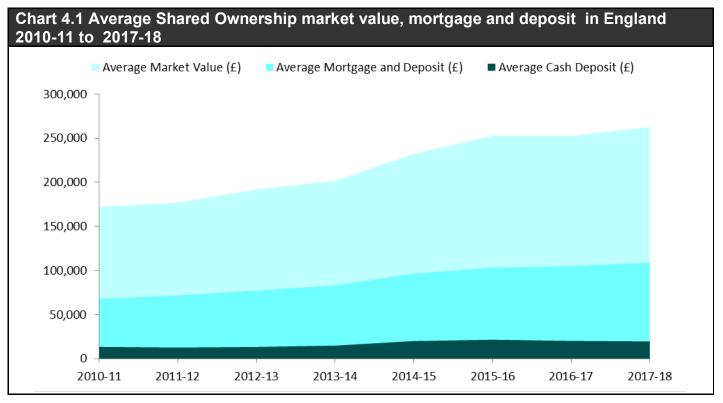
The average market value³ of PRP Right to Buy sales was £108,380 in 2017-18, a 3 per cent decrease on the previous year.

³ Figures rounded to nearest 10.

Further detail on Right to Buy Financial statistics is available in the Department's Live Tables. They can be found here- <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales</u>. The table covering this topic in particular is 682.

Shared Ownership sales – Financial Information

This section contains figures on the financial information retained on the COntinuous REcording (CORE) system. The completion of these fields in CORE is not mandatory so only sales that have no missing data in market value, initial equity stake, mortgage value and deposit were included. This totalled 8,734 shared ownership sales in 2017-18. CORE only captures data from certain Private Registered Providers and similar data on Local Authority sales is not available. As such these figures have limitations and should be treated with caution. To see the full detail behind these figures please refer to Live Table 697.



Source: CORE data collection (MHCLG)

The average market value for Shared Ownership sales was £262,500 in 2017-18, a 53 per cent increase compaired to £172,100 in 2010-11.

The value of the initial equity stake purchased has increased from £67,200 in 2010-11 to £108,200 in 2017-18, with the average initial equity stake increasing from 40 to 43 per cent.

The proportion of the average equity stake paid as a cash deposit has stayed similar from 2010-11 to 2017-18.

Further detail on Shared Ownership Financial statistics is available in the Department's Live Tables. They can be found here- <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales</u> The table covering this topic in particular is 697.

Household characteristics of Private Registered Provider stock buyers

This section presents information on the household characteristics of both preserved Right to Buy and Share Ownership sales. Similar data for those buying Local Authority dwellings are not collected. The information in this section comes from the COntinuous REcording (CORE) data collection - for details on how CORE and Statistical Data Return (SDR) collection criteria compare please see <u>Data Collection</u>. Some of the data is estimated while some questions have missing data, i.e. where respondents have not answered that question, meaning the figures have limitations and should be treated with caution. To see the full detail behind these figures, please refer to the Live Tables 694, 695 and 696.

The charts in this section are now separated by preserved Right to Buy and Shared Ownership sales. This has been done as the distribution of characteristics varies between different sales types. All other sales types such as right to Acquire or rent to Home Buy have been excluded.

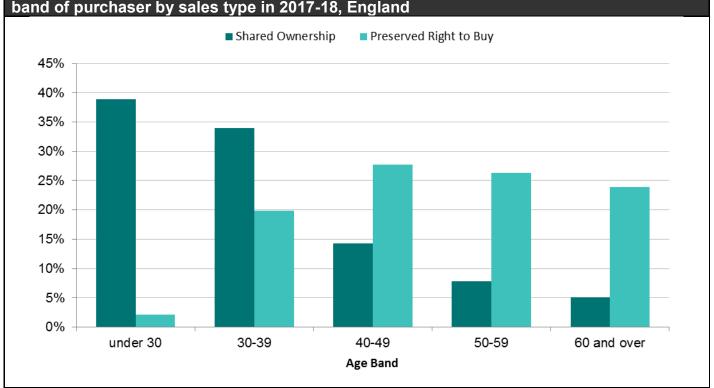
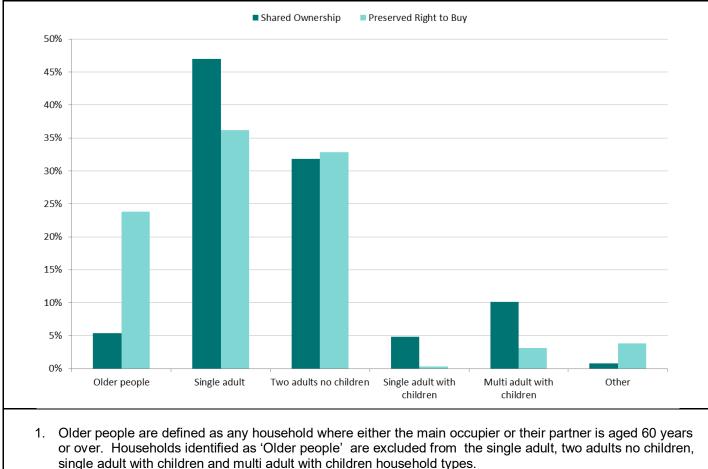


Chart 5.1 Percentage of social housing buyers of private registered provider stock by age band of purchaser by sales type in 2017-18, England

Source: CORE data collection (MHCLG)

There is a difference in age distribution between preserved Right to Buy and Shared Ownership sales. People buying Shared Ownership properties tend to be younger, being on average 35 years of age, than people buying preserved Right to Buy properties who are on average 51 years of age.





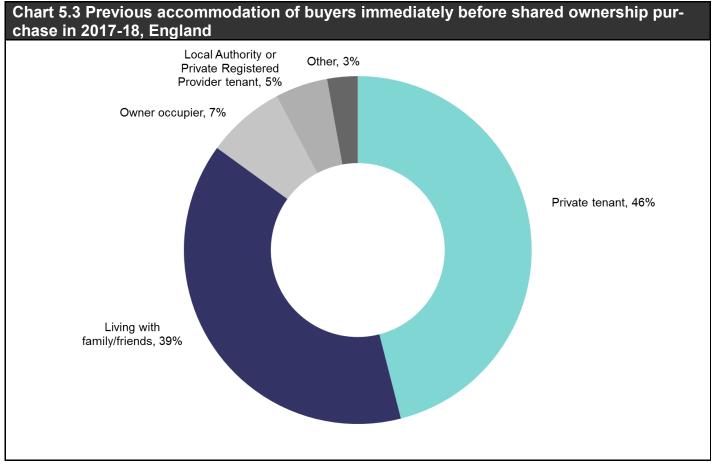
Source: CORE data collection (MHCLG)

Single adults are the most common household composition to buy either a Shared Ownership or, preserved Right to Buy property.

Older people are less common in Shared Ownership sales than preserved Right to Buy sales.

Households with children are more common in Shared Ownership sales than preserved Right to Buy sales.

For previous tenure only Shared Ownership is shown in chart 5.3. This is because to be eligible for Right to Buy the purchaser would need to be a tenant of either Local Authority or Private Registered Provider Housing.



Source: CORE data collection (MHCLG)

85 per cent of purchasers come from either the private rental sector or living with family or friends immediately before buying a Shared Ownership property.

Further detail on Right to Buy Financial statistics is available in the Department's Live Tables. They can be found here- <u>https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales</u>. The tables covering this topic in particular is 694, 695 and 696.

Accompanying tables

Accompanying tables are available to download alongside this release. These are:

Table 671	Right to Buy sales: Annual Right to Buy sales for England (includes chart)
Table 677	Other Schemes: Annual Right to Acquire sales for England
Table 678	Social Housing Sales: Annual social housing sales by scheme for England (includes chart)
Table 681	Right to Buy Sales: Annual Right to Buy sales that were flats for England (includes chart)
Table 682	Right to Buy Sales: Financial data on Right to Buy sales for England
Table 683	Other Schemes: Annual Social HomeBuy sales for England
Table 684	Other Schemes: Annual demolitions of social housing stock for England
Table 685	Right to Buy: Annual Right to Buy sales by local authority
Table 688	Annual Right to Buy Sales: Sales per 1000 dwellings of existing local authority stock by Local Authority
Table 691	Right to Buy: Quarterly Right to Buy sales, by local authority
Table 692	Right to Buy: Quarterly Right to Buy receipts, by local authority
Table 693	Right to Buy: Quarterly Right to Buy starts on site, by local authority
Table 694	Shared Ownership Sales: Previous tenure of buyers immediately before purchase (private registered providers only) for England (includes chart)
Table 695	Shared Ownership and Right to Buy Sales: Age of purchaser (private registered providers only) for England (includes chart)
Table 696	Shared Ownership and Right to Buy Sales: Household composition of social housing buyers (private registered providers only) for England (includes chart)
Table 697	Shared Ownership Sales: Financial data on Shared Ownership for England

These tables can be accessed at

https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales

Related statistics

Social Housing Sales and related statistics are detailed in Table 1. Further information can be found in the separate statistical release for each source which can be found at the links below.

Table 1: Social Housing Sales and related statistics				
Release	What do sta- tistics show?	Frequen- cy	Where does the data come from?	What are these figures most appropriate for?
This release: Social Hous- ing Sales MHCLG	Annual esti- mates of sales for so- cial housing stock in Eng- land. Characteris- tics for PRP sales are also shown.	Annual (Novem- ber)	The Local Authority Housing Statistics (LAHS) form administered by MHCLG. The Pooling of Housing Capital Receipts return administered by MHCLG. The Statistical Data Return (SDR) from the RSH. The COntinuous REcording (CORE) data collection run by MHCLG. The Investment Management System (IMS) administration system run by the HE Greater London Affordable Housing Statistics from the GLA.	These figures provide an over- view of all sales of social housing stock in England. Shared own- ership sales are not counted as they are treated as supply and not the sale of existing stock. These figures provide character- istics for PRP sales that have been recorded in COREsales.
Quarterly Right to Buy MHCLG	Quarterly es- timates of Local Authori- ty Right to Buy	Quarterly (March, June, Septem- ber, De- cember)	Data provided directly by local authorities	'Leading indicator' for the Right to Buy policy. Figures provided are Local Au- thority Right to Buy sales, the associated receipts. The starts on site and acquisitions of the delivered replacements.
Social housing lettings MHCLG	Annual esti- mates of let- tings for so- cial housing stock in Eng- land.	Annual (Novem- ber)	The COntinuous REcording (CORE) data collection run by MHCLG. The Local Authority Housing Statistics (LAHS) form administered by MHCLG.	These figures provide an over- view of all lettings of social hous- ing stock in England.
Affordable housing Sup- ply MHCLG	Overall af- fordable housing sup- ply (new build and acquisi- tions)	Annual (Novem- ber)	Homes England and Greater London Authority data which is published every six months combined with and Local Au- thority Housing Statistics Data	Provides the most complete esti- mate of affordable housing sup- ply. Affordable housing figures are a subset of total housing sup- ply.
Local Authori- ty Housing Statistics MHCLG	Stock and condition of Local Authori- ty owned housing, in- cluding infor- mation on rents and waiting lists	Annual (January)	Data provided directly by local authorities	Information on the stock, condi- tion and changes to local authori- ty owned properties.
Statistical Data Return RSH	Stock and condition of Private Regis- tered Provider owned hous- ing	Annual (October)	Data provided directly by Private Regis- tered Provider to the Regulator of Social Housing	Information on the stock, condi- tion and changes to Private Reg- istered Provider owned proper- ties.

House build- ing; new build dwellings MHCLG	Quarterly es- timates of new build starts and completions	Quarterly (March, June, Septem- ber, De- cember)	Building control officers at: •National House Building Council •Local Authorities •Approved Inspectors	This is a 'leading indicator' of house building, available soon (< 2 months) after each quarter's end
Housing sup- ply; net addi- tional dwell- ings MHCLG	Total housing supply that comprises all new build, conversions, change of use, other gains/losses and demoli- tions	Annual (Novem- ber)	Comes from local authorities outside London (Housing Flows Reconciliation Return) and for London boroughs is pro- vided by Greater London Authority (Lon- don Development Database)	Provides an accurate assessment of annual change in all housing stock and is the most compre- hensive estimate of supply.
Dwelling Stock estimates MHCLG	Total housing stock, split by tenure	Annual (May)	Overall change in stock from Net Addi- tional Dwellings. Tenure information pro- vided directly from Local Authorities and Housing Associations.	Provides an accurate assessment of the total size of the housing stock and how it is split by tenure

Quarterly Right to Buy

Quarterly Right to Buy statistics can be found at <u>https://www.gov.uk/government/collections/social-housing-sales-including-right-to-buy-and-</u>transfers

Quarterly Right to Buy sales figures may diverge for the figures in this publication due to the rolling four quarter revisions policy in the quarterly estimates.

Local Authority Stock Data

Local Authority Stock data can be found in Live Table 100 herehttps://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-includingvacants

Changes to stock can also arise due to the transfer of stock from local authorities to private registered providers (through Large Scale Voluntary Transfers, LSVTs) and between registered providers. Information on local authority LSVTs is reported by the Regulator of Social Housing at https://www.gov.uk/government/collections/statistical-data-return-statistical-releases. Transfers between registered providers are also published by the Regulator of Social Housing in their supporting tables for the Statistical Data Return

Technical notes

Data collection and Data Quality

The statistics in this publication are based on six sources-

- 1. The Local Authority Housing Statistics (LAHS) form administered by MHCLG
- 2. The Pooling of Housing Capital Receipts return administered by MHCLG
- 3. The Statistical Data Return (SDR) from the Regulator of Social Housing RSH
- 4. The COntinuous REcording (CORE) data collection run by MHCLG
- 5. The Investment Management System (IMS) administration system run by the HE
- 6. The Greater London Affordable Housing Statistics from the GLA

Right to Buy Sales of local authority stock are collected through the Pooling of Housing Capital Receipts returns supplied to MHCLG by Local Authorities. This provides information at district level for all local authority council house sales as well as housing capital expenditure and other information for other statistical releases. This is a quarterly return and is reconciled annually against LAHS values.

The RSH collects stock sale information from Private Registered Providers through the SDR. The figures in the SDR do not include new build dwellings built for Local Cost Home Ownership, such as Shared Ownership, acquisitions from the private sector for Affordable Home Ownership or transfers between social housing providers.

Sections <u>Total Social Housing Sales</u>, <u>Type of Social Housing Sale</u> and <u>Financial Information re-</u> <u>garding Right to Buy</u> use Pooling of Housing Capital Receipts, LAHS and the SDR to compile social housing sales totals. These sections include sales under the Right to Buy, Preserved Right to Buy, Voluntary Right to Buy, Right to Acquire, Social HomeBuy, other outright or shared equity sales to tenants, and sales of existing stock to the private sector. Shared equity sales to tenants are recorded at the point of initial sale. The figures exclude sales through low cost home ownership schemes where these do not relate to existing social stock, i.e. sales of newly built homes for shared ownership or acquisitions of private sector homes for affordable home ownership. Intratenure transfers between social housing providers are also excluded.

Private Registered Providers are required by the Social Housing Regulator to complete CORE Sales logs. Social landlords that are not registered with the Social Housing Regulator but affiliated to the National Housing Federation are invited to complete CORE Sales logs.

CORE captures information on each individual sale, including the demographic characteristics of the purchaser (see <u>Household Characteristics of those buying Private Registered Provider stock</u>). These demographic questions are voluntary however and not reported for all sales. CORE is also used to calculate the proportion of flats sold and financial details by private registered providers. CORE records information on Shared Ownership, in 2016-17 they were included in the characteristics and Shared Ownership financial section. However they have been excluded from the analysis on the total and type of sales, as they are not sales of social housing stock.

16 Housing Statistical Release

The IMS is a HE system for administering grants. In areas coved by the GLA this is now recorded by GLA-OPS as part of the GLA's Affordable Housing Statistics. These sources provide data on private registered provider Right to Acquire and Social HomeBuy sales.

Assessment of data quality

In 2015 the UK Statistics Authority (UKSA) published a <u>regulatory standard for the quality</u> <u>assurance of administrative data</u>. To assess the quality of the data provided for this release the department has followed that standard.

The standard is supported with an <u>Administrative Data Quality Assurance Toolkit</u> which provides useful guidance on the practices that can be adopted to assure the quality of the data they utilise.

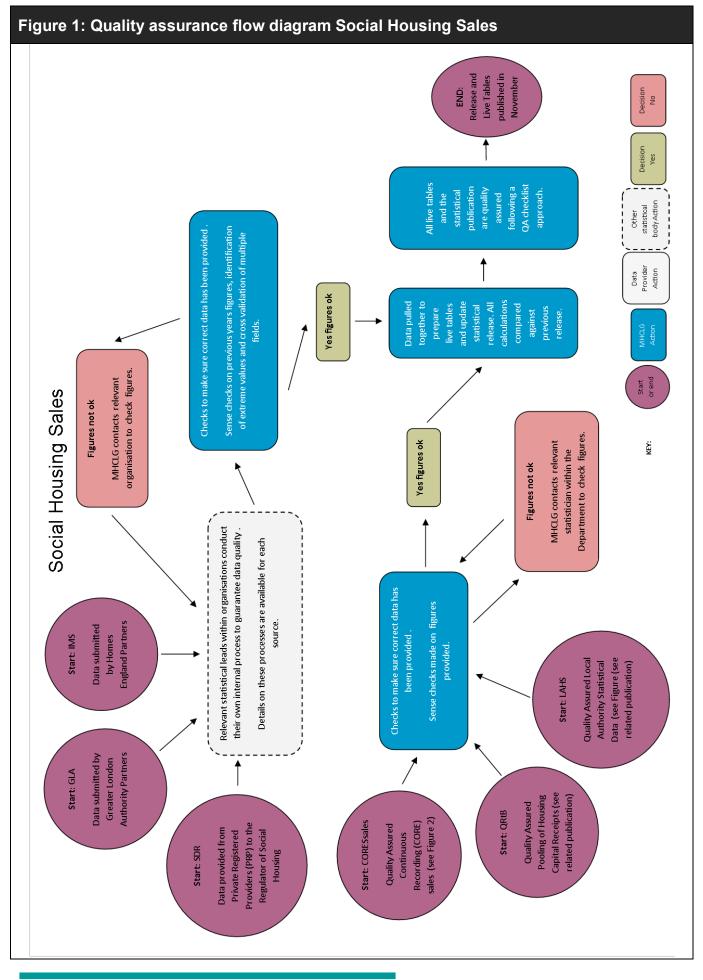
The Social Housing Sales statistical release is produced by MHCLG based on data provided by Homes England, the Regulator of Social Housing, the Greater London authority, Local Authorities and other data collections held by the department. An assessment of the level of risk based on the Quality Assurance Toolkit is as follows:

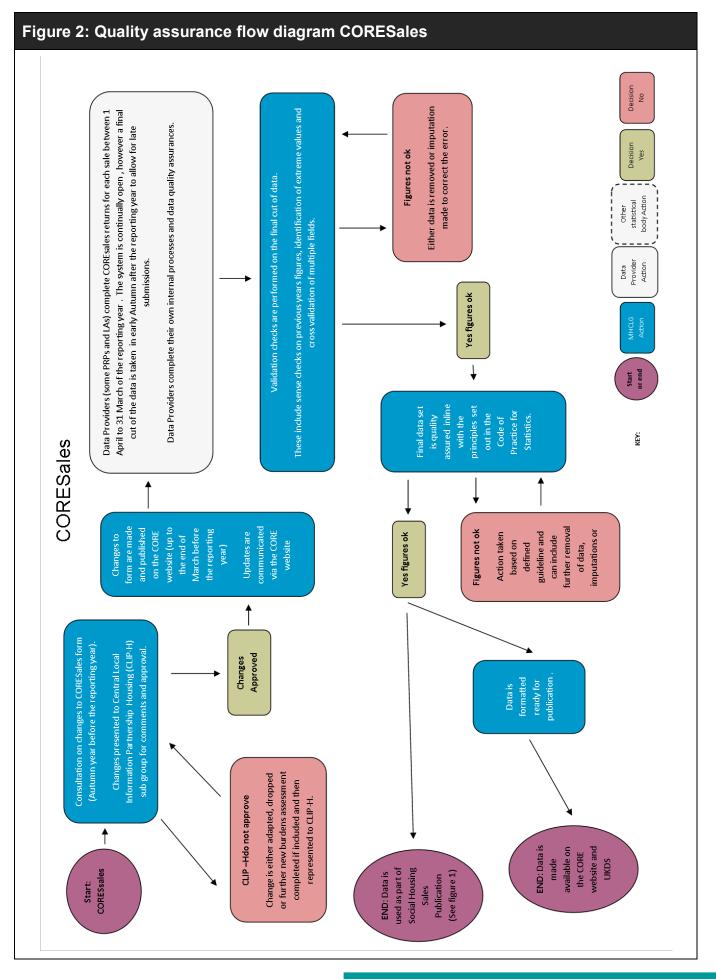
Table 2: MHCLG Social Housing Sales sources							
Risk/Profile	Administrative Source	Data Quality	Public	Matrix			
Matrix Statis-		Concern	Interest	Classification			
tical Series							
Social Housing	Homes England, GLA and Local	Low	Medium	Low Risk [A1]			
Sales Statistics	authorities' individual data sys-						
	tems.						

The publication of Social Housing Sales statistics can be considered as medium profile, as there has been mainstream media interest, with moderate economic and/or political sensitivity.

The data quality concern is considered low given that the data are checked by providers and most of the data would have been released in publications that are compliant with the Code of Practice for Statistics and subject to data quality checks prior to publication.

Overall, the Social Housing Sales statistics have been assessed as A1: Low Risk. A full outline of the statistical production process and quality assurance carried out is provided in the flow chart in Figure 1 and 2. Further details are also provided against each of the four areas outlined in the Quality Assurance of Administrative Data (QAAD) Toolkit.





Operational context and administrative data collection

For the Local Authority returns (Local Authority Housing Statistics form) some Local Authorities do not own any stock and so cannot make any social housing sales. As at 1 April 2017 there were 169 stock holding authorities (i.e. those with a Housing Revenue Account) and all but one made a return. The questions required for this release had a good response rate at 97 per cent.

For Local Authority returns (Pooling of Housing Capital Receipts) the Pooling of Housing Capital Receipts figures on Local Authority Right to Buy sales and receipts are audited annually by Local Authorities and continuously quality assured by MHCLG, both of which can result in revisions. The figures are compared against those supplied through the annual LAHS return for consistency, which again can result in revisions. Every effort is made to collect data from every Local Authority but on occasion estimates may be used (<u>see imputation</u>). Care should be taken using data at a Local Authority level as the totals are low and therefore can vary greatly year on year.

In Private Registered Provider returns all social landlords that are registered with the Regulator of Social Housing (RSH) complete a Statistical Data Return (SDR) which includes data on all their sales. The SDR sales data does not include information on property type. Instead, data on the types of properties sold by PRP is taken from Continuous Recording (CORE) returns. This method assumes that the property type distribution of any sales not reported on CORE, such as those by small PRPs, is the same as those for larger PRPs.

The SDR does not ask PRPs to provide financial information on their sales of stock. However, CORE returns do include financial data on social housing sales. The financial information from CORE is shown as simple average values for the reported sales.

The Homes England (HE) Investment Management System (IMS) contains information provided by PRPs that have applied to receive grant and this shows the number of Right to Acquire and PRP Social HomeBuy figures. These are also reported through the SDR but the IMS figures are used here because they are based on grant funded completions.

The RSH's Statistical Data Return (SDR) is used to compile figures for sales by Private Registered Providers for sections <u>Total Social Housing Sales</u>, <u>Type of Social Housing Sale</u> and <u>Financial</u> <u>Information regarding Right to Buy</u>. An alternative source, using a wider definition of 'sales', is COntinuous REcording (CORE). More information on both can be found in the <u>Data Collection</u> section of this release.

The Greater London Authority produces affordable housing statistics which can be found at <u>https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/affordable-housing-statistics</u>.

Communication with data supply partners

There are regular contacts with the data suppliers for this release to ensure that there is a common understanding of what information is being supplied.

Communication with suppliers is managed through a number of formats (regular contact with data providers and the Central Local Information Partnership Housing (CLIP-H) sub-group).

For data collected in LAHS please see the individual releases for further specific engagement with their suppliers (links provided above). For CORESales communication is delivered primarily via the website <u>https://core.communities.gov.uk/</u>.

There is a clear Memorandum of Understanding between MHCLG, Homes England and the GLA outlining the terms of what data are provided and timescales.

QA principles, standards and checks by data suppliers

The Regulator of Social Housing publication (SDR) is a National Statistics publication and has been assessed to obtain that badge. The Mayor of London has a commitment to achieve full compliance with the Code of Practice and the GLA revises its data to ensure quality of information. Details of the operational context and quality assurance procedures of how these figures are collected are included in those sources.

The LAHS return contains mandatory on completions and non-mandatory questions. Validation rules have been developed and included in the DELTA form. Where a validation rule has triggered values are checked for their reasonableness. Further details on the QA of is return can be found in the LAHS return.

The CORESales data is provided from around 250 Private Registered Providers, the Department does not have full oversight of their systems and quality procedures. We provide clear guidance and documentation to them via the CORE system. Data received by the Department undergoes an extensive validation and imputation process which is set out in figure 2.

Producers' QA investigation and documentation

Whilst providers are expected to carry out their own checks before the data is submitted for this publication, further quality assurance is carried out once the data is received by the responsible statisticians for this publication (figure 1).

The data is compiled together and compared to the raw data, published figures, historical time series and policy information that may have impacted the figures. Queries are escalated to producers if necessary to clarify further.

The data, report and tables are quality assured independently by another statistician in the production team. Further final checks are performed to the final end product. These checks use a clear checklist approach to ensure the figures are consistent across the release and live tables, with each check being systematically signed off when it has been completed.

Imputation

Imputations are performed on CORESales. Imputation rules are based on sense checks of multiple fields (e.g. outlay comparison with the value required for the purchase) and the identification of extreme values.

Imputation is used in the LAHS dataset, as described in that publication. However, the data on disposals from LAHS that is used for this release is not imputed; if a value is missing, it is set at zero.

Definitions

Total Social Housing Sales

Figures on social housing sales include only sales which result in existing stock leaving the social sector. These include sales under Right to Buy (RTB), Preserved Right to Buy (PRTB), Voluntary Right to Buy (VRTB), Right to Acquire (RTA), Social HomeBuy (SHB), Voluntary Purchase Grant (VPG), other outright or shared equity sales to tenants and disposals of existing stock to the private sector.

Sales of other kinds, such as shared ownership sales of newly built social stock or of private sector stock, stock transfers to Registered Providers, either from Local Authorities or other PRPs, and demolitions are **not included** in the total social housing sales figures.

The figures do not include sales and transfers between local authorities and private registered providers (PRPs). Large Scale Voluntary Transfers (LSVTs) of local authority stock to PRPs and sales and transfers between PRPs for social housing purposes are not included in these figures. Further information on Large Scale Voluntary Transfers (LSVTs) of local authority stock to PRPs can be found in MHCLG's Local Authority Housing Statistics (LAHS) and the RSH's Statistical Data Return (SDR).

History of the Right to Buy Scheme

The Right to Buy scheme was introduced in 1980 and gives qualifying social tenants the opportunity to buy their rented home at a discount. The scheme is open to secure tenants of local authorities and non-charitable PRPs, and to those assured tenants of PRPs who have transferred with their homes from a local authority as part of a stock transfer. In order to qualify for the Right to Buy scheme, a social tenant must have accrued at least three years social housing sector tenancy. This does not need to be continuous, nor does it need to have been accrued whilst living

in the tenant's current property.

In 1998 and 2003, Discount Orders reduced Right to Buy discounts across England to maximums ranging from £16,000 to £38,000 (depending on the local authority where the property was located). Prior to that, the discount cap had been £50,000 across England.

In April 2012, the Government changed the maximum cash discount available for Right to Buy sales to a new higher level of £75,000 across England. In March 2013, in recognition of the increasing property prices in London, the Government further increased the maximum discount available for tenants living in London boroughs to £100,000. In July 2014, there was a further change to maximum cash discount available for the Right to Buy in order for it to increase annually in line with the Consumer Price Index (CPI) rate of inflation. The discount is currently £80,900 in England and £108,000 in London.

The Government's aim is that for every additional property sold under Right to Buy, a new affordable home for rent will be built nationally under the one-for-one replacement policy. Under the reinvigorated Right to Buy, local authorities are now able to keep a portion of the receipts from additional Right to Buy sales to fund replacement affordable housing. In 2018 there was a consultation on the rules of how receipts from Right to Buy sales could be used. As of this publication the results are not available.

In 2016-17, a small-scale pilot of the voluntary Right to Buy was run with five housing associations.

In 2018 a regional pilot of the voluntary Right Buy Scheme is being run in the Midlands. <u>https://righttobuy.gov.uk/am-i-eligible/housing-association-tenants/</u>

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry of Housing, Communities and Local Government Revisions Policy (found at https://www.gov.uk/government/publications/statistical-notice-MHCLG-revisions-policy). There are two types of revisions that the policy covers:

Non-Scheduled Revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

Revisions to previous annual data are generally incorporated in the next release. Figures are not published in these statistics with a provisional status (but imputed estimates may be used). Revised figures are highlighted in the live tables

Uses of the data

These statistics are used to monitor social housing sales including Right to Buy sales and analyse the effectiveness of policy changes around Right to Buy and the housing sector.

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <u>https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users</u>

Devolved administration statistics

Data for Wales

The Welsh Government publishes information on social housing sales, which does include information on Right to Buy sales. On 26 January 2019 'Right to Buy' will be repealed for all council and housing association tenants. The latest release can be found at the following link: <u>http://gov.wales/statistics-and-research/social-housing-sales/?lang=en</u>

Data for Scotland

The Scottish Government publish information on social housing sales, however, from 1 August 2016 the 'Right to Buy' has been repealed for all council and housing association tenants. The latest release can be found at the following link:

http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/Sales

Data for Northern Ireland

In Northern Ireland social tenants have the right to a statutory house sale, which is similar to a "Right to Buy". The latest release can be found at the following link: <u>https://www.communities-ni.gov.uk/topics/housing-statistics</u>

Enquiries

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Out of hours: Email: <u>newsdesk@communities.gov.uk</u>

Public enquiries and Responsible Statistician:

Peter Chapman

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

Information about statistics at MHCLG is available via the Department's website: www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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This document/publication is also available on our website at www.gov.uk/MHCLG

If you have any enquiries regarding this document/publication, email <u>contactus@communities.gov.uk</u>or write to us at:

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