



Ministry of Housing,
Communities &
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Statistical release

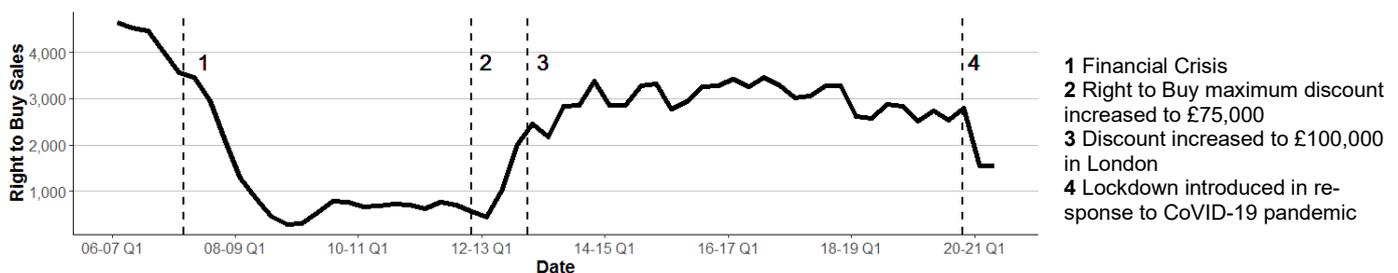
Housing

Right to Buy Sales in England: July to September 2020

In this release:

Sales

- In Q2 2020-21 (July to September 2020), local authorities sold an estimated 1,548 dwellings under the Right to Buy scheme. This is a decrease of 43 per cent compared to the same quarter of 2019-20.



- 1 Financial Crisis
- 2 Right to Buy maximum discount increased to £75,000
- 3 Discount increased to £100,000 in London
- 4 Lockdown introduced in response to CoVID-19 pandemic

Receipts

- In Q2 2020-21, local authorities received £137.2 million from Right to Buy sales, 40 per cent lower than the same quarter of 2019-20 (see **Table 2**).
- The average receipt per dwelling sold in Q2 2020-21 was £88,657. This is the second highest average receipt since recording started in 2012-13 and 6% greater than Q2 2019-20 (see **Table 3**).

Starts on Site and Acquisitions

- There were 682 dwellings started on site or acquired by local authorities in Q2 2020-21, 51 per cent lower than the number of dwellings started or acquired in the same quarter of 2019-20. This reduction in starts may be, in part, a result of the period of national restrictions introduced in response to the COVID-19 pandemic.

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Contact: Niall McSharry housing.statistics@communities.gov.uk

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

Table of contents

In this release:.....	1
Introduction	2
History of the Right to Buy scheme.....	3
Right to Buy Sales	4
Right to Buy Sales: Regional	6
Right to Buy Receipts	9
Starts on site and acquisitions	10
Accompanying tables and open data.....	14
Technical Notes	14
Enquiries.....	15

Introduction

This statistical release presents Official Statistics on the number of sales of dwellings under the Right to Buy scheme, as well as providing statistics on receipts resulting from those sales. It also covers the starts on site and acquisitions which are part of the one-for-one additions policy introduced in April 2012. The Right to Buy scheme allows eligible social housing tenants to buy their house at a reduced price and has been in place since 1980 (see History of the Right to Buy scheme for more detail).

These statistics relate to sales by local authorities under the Right to Buy scheme only and exclude sales by Private Registered Providers (PRPs) under preserved Right to Buy. Sales by PRPs are recorded in Social Housing Sales (see Related Statistics). Figures are collected from local authority returns to the Ministry of Housing, Communities and Local Government (MHCLG).

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. To qualify for the Right to Buy scheme, a social tenant must have accrued at least three years public 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 Department for Communities and Local Government (DCLG) reinvigorated the Right to Buy scheme by changing 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, DCLG changed the maximum cash discount available for the Right to Buy so that it increased annually in line with the Consumer Price Index (CPI) rate of inflation. The discount is currently £112,300 in London and £84,200 in the rest of England.

The Government's aim is that for every additional property sold under Right to Buy, a new affordable home for rent will be provided nationally under the one-for-one additions policy. Under the reinvigorated Right to Buy, local authorities are now able to keep the receipts from additional Right to Buy sales to fund additional affordable housing.

Right to Buy Sales

In Q2 2020-21, local authorities sold 1,548 dwellings under the Right to Buy scheme. This represents a decrease of 43 per cent from the 2,727 sold in the same quarter of 2019-20. This large decline may be due in large part to the lockdown restrictions introduced in response to the CoVID-19 pandemic.

Table 1: Quarterly Right to Buy sales, England 2006-07 to Q2 2020-21

	Q1	Q2	Q3	Q4	Total
2006-07	4,655	4,538	4,470	4,021	17,684
2007-08	3,553	3,454	2,954	2,082	12,043
2008-09	1,286	851	455	277	2,869
2009-10	293	532	789	761	2,375
2010-11	657	689	714	698	2,758
2011-12	615	764	693	566	2,638
2012-13	442	1,041	2,011	2,450	5,944
2013-14	2,181	2,846	2,853	3,381	11,261
2014-15	2,849	2,847	3,288	3,321	12,304
2015-16	2,779	2,941	3,250	3,276	12,246
2016-17	3,417	3,256	3,469	3,301	13,444
2017-18^R	3,017	3,055	3,272	3,272	12,616
2018-19	2,607	2,575	2,887	2,842	10,910
2019-20^P	2,509	2,727	2,538	2,789	10,563
2020-21^P	1,549	1,548			3,097

For annual data back to 1980-81, refer to Live Table 678 at this link: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

Sales figures are rounded and therefore there are minor discrepancies between the totals

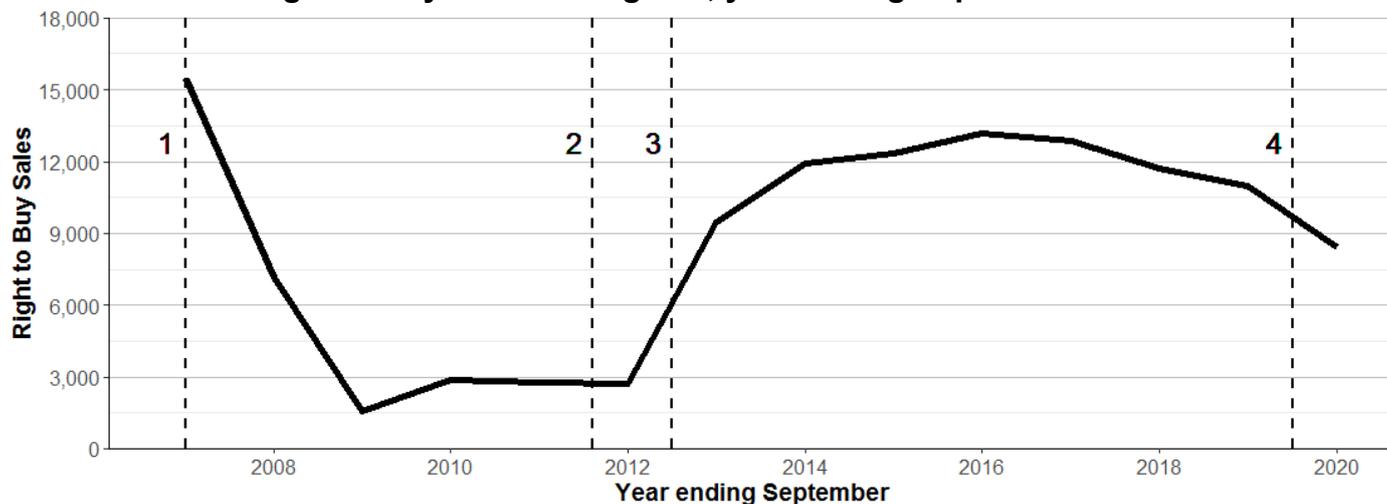
P – Provisional

R - Revised

In the latest quarter, sales were 67 per cent below those in Q1 2006-07. However, the number of sales was over double that in Q4 2011-12, the last quarter before the reinvigoration.

To highlight the general trend, **Chart 1** below shows total Right to Buy sales for the rolling year ending in September 2020. During the 12-month period to the end of September 2020 there were 8,424 Right to Buy sales. This represents 0.5 per cent of the total number of dwellings owned by local authorities, which was around 1.58 million¹ on 31st March 2020.

Chart 1: Annual Right to Buy Sales in England, year ending September 2007 to 2020



¹Financial Crisis ²Right to Buy maximum discount increased to £75,000 ³Discount increased to £100,000 in London

⁴Lockdown introduced in response to the CoVID-19 pandemic

Right to Buy sales decreased between the years ending September 2007 and September 2009, coinciding with the beginning of the global financial crisis. Sales began to rise again after reinvigoration in April 2012 (when discounts to tenants increased) and continued to do so when in March 2013 there were further increases to the discounts in London. Since the year ending September 2016, there has been a downward trend in the number of local authority owned dwellings sold to social tenants, with sales in the year ending September 2020 reaching the lowest annual figure since the year ending September 2012 (reinvigoration started in April 2012).

¹ This figure comes from Live Table 116, which is updated annually and can be found at:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>.

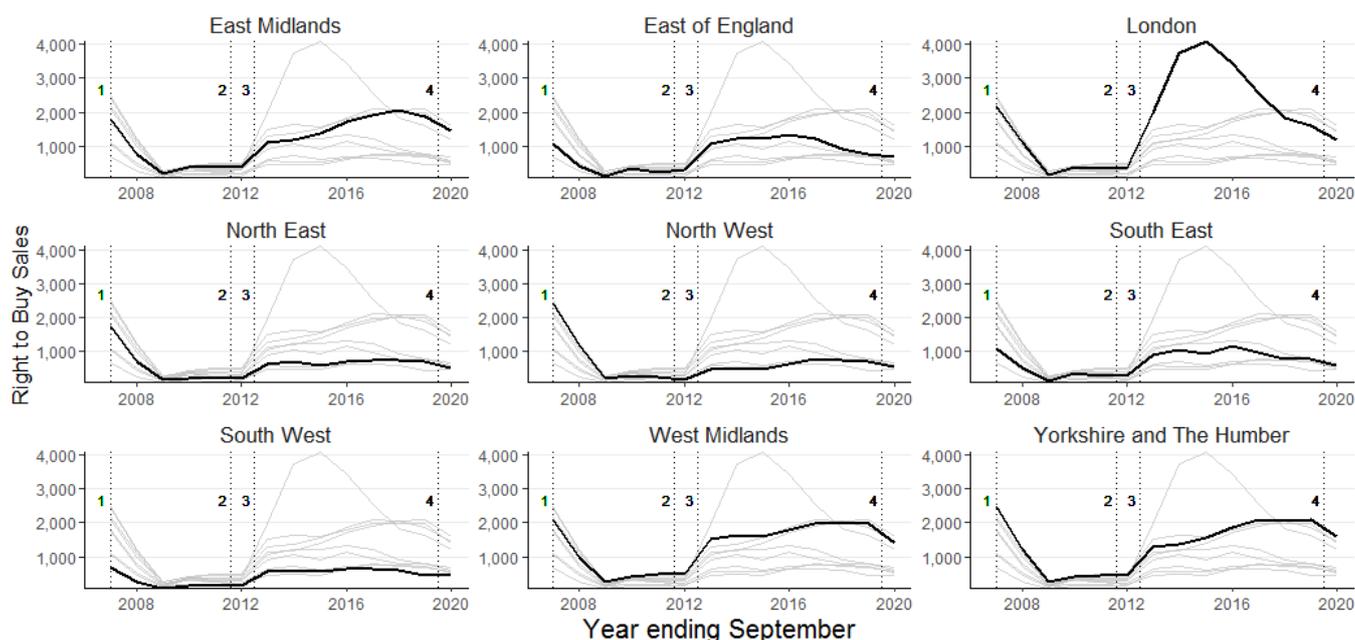
Right to Buy Sales: Regional

Chart 2 summarises annual Right to Buy sales figures by region in England, from year ending September 2007 to September 2020.

The pattern of sales varies between regions, partly due to the difference in size of local authority owned housing stock. Across all regions, sales followed an upward trend immediately after the reinvigoration, with the sharpest increase in London. Following this period of growth, the number of Right to Buy sales in London started to decline after the year to September 2015 reaching a post-reinvigoration low point in the latest year. Despite this decrease, the number of sales in London is still significantly higher than the sales recorded before reinvigoration in 2009 to 2012.

For the remaining regions, between the years ending September 2013 and September 2018, there was either a continued increase in sales or a relative steady state in sales. Since September 2018, all regions have seen a decline in Right to Buy sales.

Chart 2: Annual Right to Buy Sales by Region in England, year ending September 2007 to September 2020



¹Financial Crisis ²Right to Buy maximum discount increased to £75,000 ³Discount increased to £100,000 in London ⁴Lockdown introduced in response to CoVID-19 pandemic.

Note: As the values in **Chart 2** are annual sales for year ending in September, the effects on sales of the national restrictions in response to the COVID-19 pandemic cannot be seen.

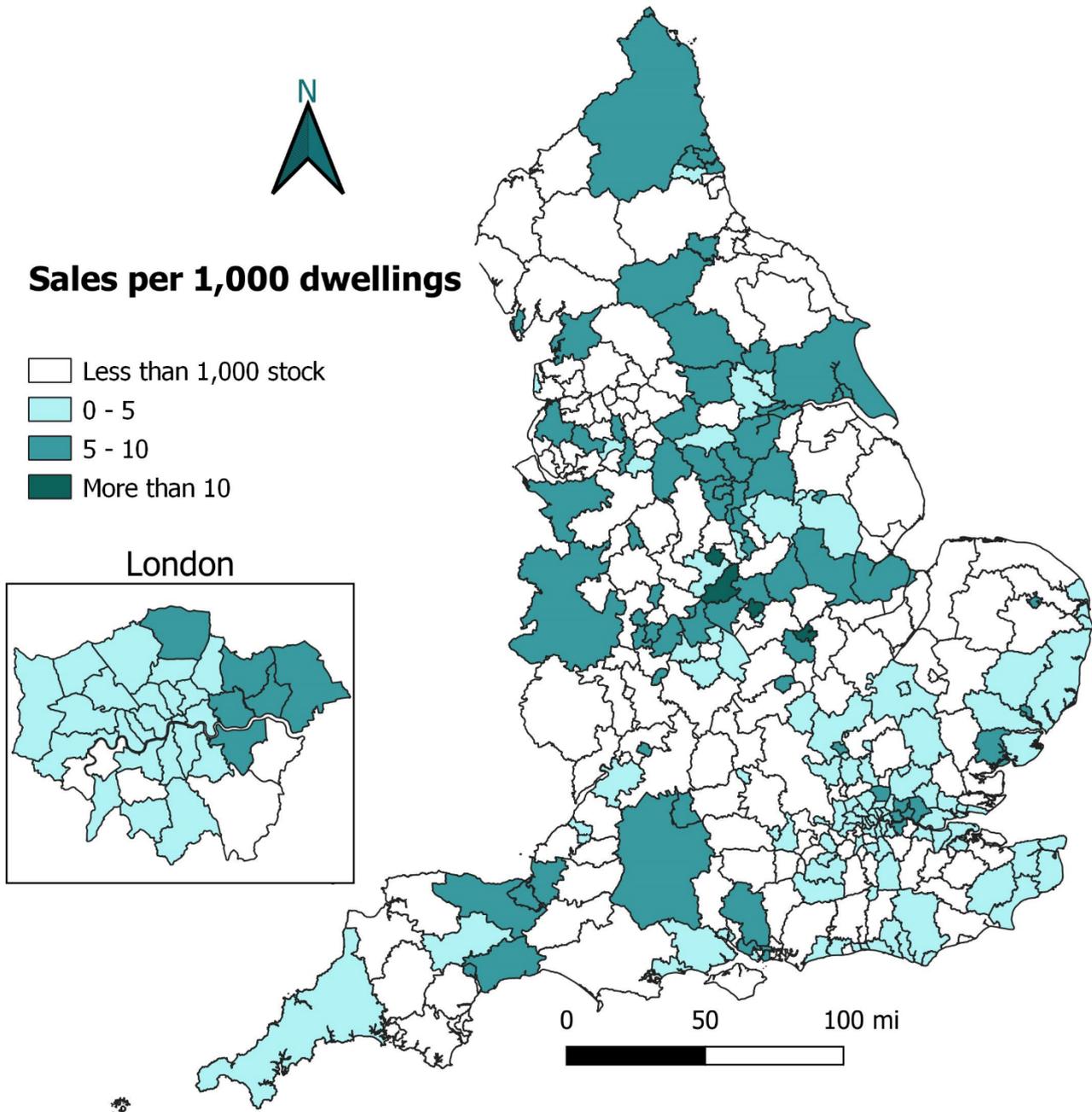
These graphs are not adjusted to the size of the local authority stock holdings in each region, or any transfers of stock that happened during the period. For example, in March 2006 the North West had over 240,000 Local Authority owned social housing stock, but due to large scale voluntary transfers to Private Registered Providers (PRPs) between 2007 and 2015 the stock in March 2020 was 66% less than in 2006. This, in part, explains why the North West did not see the same growth in Local Authority Right to Buy sales following reinvigoration that some other regions saw.

By contrast, **Map 1** shows the sales per 1,000 dwellings of existing local authority stock in England in the 12 months to September 2020², i.e. adjusted to the stock they held on 31 March 2020. The non-stock holding authorities have transferred all their stock to Private Registered Providers and are shown as white on the map below.

The map shows that the East Midlands and West Midlands have had the highest number of sales per 1,000 dwellings of existing local authority stock.

² Figures on existing local authority stock are taken from Local Authority Stock dataset, which can be found at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

Map 1: Local Authority Right to Buy Sales per 1,000 dwellings of existing local authority stock, England, year ending September 2020.



Right to Buy Receipts

Table 2 and **Table 3** below show the quarterly Right to Buy receipts³ resulting from social housing sales and the quarterly average receipts per dwelling in England since Q1 2012-13.

In Q2 2020-21, local authorities in England received £137.2 million from Right to Buy sales, 40 per cent lower than the £228.0 million received in the same quarter of 2019-20. This reflects the general pattern in the number of sales.

Table 2: Quarterly Right to Buy receipts, England, Q1 2012-13 to Q2 2020-21, £ millions.

	Q1	Q2	Q3	Q4	Total
2012-13	24.0	61.2	125.0	157.6	367.9
2013-14	130.8	180.2	196.8	243.0	750.7
2014-15	212.4	210.5	247.5	260.6	930.9
2015-16	223.2	230.0	259.0	273.2	985.4
2016-17	285.0	279.4	292.3	271.9	1,128.7
2017-18	257.7	258.4	276.1	267.7	1,059.8
2018-19	215.2	214.9	251.6	238.2	919.9
2019-20^P	208.7	228.0	223.2	234.6	894.6
2020-21^P	137.9	137.2			275.1

P - Provisional

The average receipt per dwelling sold in Q2 2020-21 was £88,657, the second highest value recorded (see **Table 3**). Receipts are sensitive to the type, size and location of the properties sold, as well as their discount percentage; and therefore, the average receipt per dwelling is likely to fluctuate.

³ Further details on Right to Buy receipts statistics including data at a local authority level are available in Live Table 692 at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

Table 3: Quarterly average receipts per dwelling, England, Q1 2012-13 to Q2 2020-21, £ thousands.

	Q1	Q2	Q3	Q4	Year
2012-13	54.4	58.8	62.2	64.3	61.9
2013-14	60.0	63.3	69.0	71.8	66.7
2014-15	74.5	73.9	75.3	78.5	75.7
2015-16	80.3	78.2	79.7	83.4	80.5
2016-17	84.0	87.2	85.5	83.5	85.0
2017-18^R	85.4	84.6	84.4	81.8	84.0
2018-19	82.6	83.4	87.1	83.8	84.3
2019-20^P	83.2	83.6	88.0	84.1	84.7
2020-21^P	89.0	88.7			88.8

P - Provisional

Starts on site and acquisitions

The Government made changes to the Right to Buy scheme, increasing the maximum discounts available to public sector tenants in April 2012 (to £75,000 across England without regional differentials), in March 2013 (to £100,000 in London) and in July 2014 (with maximum discounts increasing annually, in line with the Consumer Price Index). An estimate of the expected sales without these increases to the discount cap was calculated using projections from Her Majesty's Treasury's (HMT) self-financing model. Any Right to Buy sales above these projections are considered 'additional' and are subject to the one-for-one additions policy, which is a commitment to provide an affordable dwelling for each additional Right to Buy dwelling sold.

Under the Right to Buy one-for-one additions policy, local authorities have three years from the date of the sale of each additional home to provide an additional affordable property. If a local authority does not provide an additional affordable property, a proportion of the receipt is transferred to Homes England (HE) or the Greater London authority (GLA), who use these recycled Right to Buy receipts to deliver starts and acquisitions. Additional starts include acquisitions. The actual replacements are calculated from additional starts and acquisitions from Q1 2012-13 to Q2 2020-21. This is measured against the replacement target which is calculated from the cumulative additional sales from Q1 2012-13 to Q2 2017-18.

In Q2 2020-21, there were 714 starts on site and acquisitions. This was the lowest figure recorded in any Q2 since 2015-16 (see **Table 4a**). A similar pattern holds for local authorities only (see **Table 4b**). The decrease in the number of starts on site and acquisitions in Q2 2020-21 is likely due to the impact of CoVID-19 and the associated lockdown in the Spring of 2020.

Table 4a: Total Quarterly Right to Buy Starts on Site and Acquisitions, by local authorities, HE and the GLA, England, Q1 2012-13 to Q2 2020-21, dwellings⁴.

	Q1	Q2	Q3	Q4	Total
2012-13	24	130	80	340	574
2013-14	120	372	406	830	1,728
2014-15	797	733	658	1,302	3,490
2015-16	376	599	495	1,059	2,529
2016-17	840	1,319	1,140	1,661	4,960
2017-18	1,149	1,019	1,557	1,768	5,493
2018-19	979	1,244	1,128	2,041	5,392
2019-20^P	1,504	1,404	1,496	1,683	6,087
2020-21^P	694	714			1,408
Total					31,661

P - Provisional

Between Q1 2012-13 and Q2 2020-21 there were 31,661 additional affordable properties started or acquired, falling short of the three years' replacement commitment. This is measured against the replacement target 41,541 (i.e. the number of additional sales between Q1 2012-13 and Q2 2017-18).

Out of the 31,661 new starts and acquisitions, 29,232 were delivered by local authorities and 2,429 by HE and the GLA (see Table 4b). Details of starts on site and completions (including acquisitions) using recycled Right to Buy receipts since 2014-15 can be found in live tables, 1011S and 1011C, respectively.

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

⁴ Table 4a includes Starts on Site and Acquisitions by HE and the GLA using recycled receipts and therefore does not match Live Table 693.

Table 4b: Total Quarterly Right to Buy Starts on Site and Acquisitions by local authorities only, England, Q1 2012-13 to Q2 2020-21, dwellings.

	Q1	Q2	Q3	Q4	Total
2012-13	24	130	80	340	574
2013-14	120	372	406	499	1,397
2014-15	530	542	547	840	2,459
2015-16	376	599	495	1,037	2,507
2016-17	840	1,306	1,075	1,550	4,771
2017-18	1,069	966	1,545	1,613	5,193
2018-19	969	1,209	1,102	1,817	5,097
2019-20 ^P	1,504	1,404	1,496	1,454	5,858
2020-21 ^P	694	682			1,376
Total					29,232

P - Provisional

Chart 3: Annual Right to Buy Starts on Site and Acquisitions by local authorities, England, year ending September 2012 to year ending September 2020.

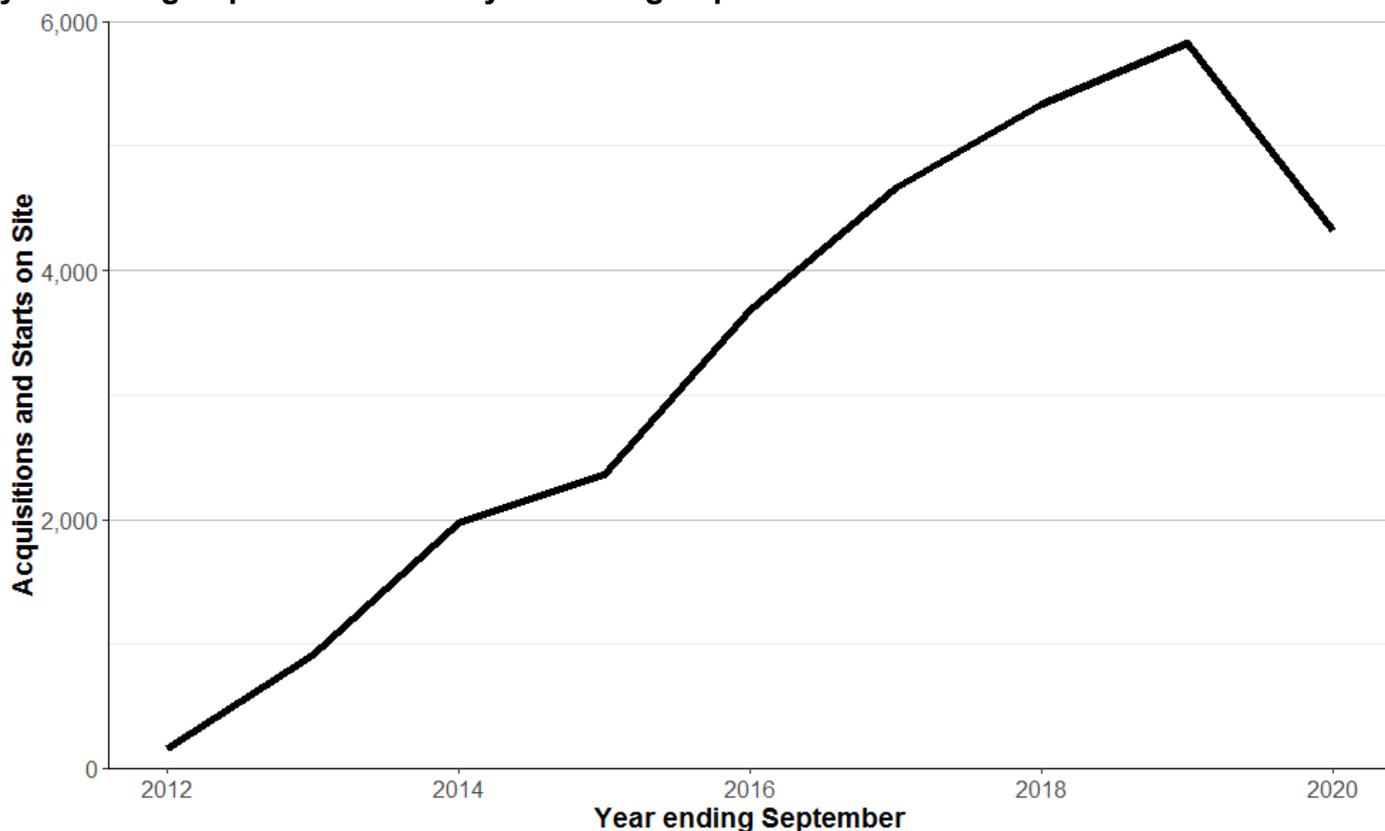
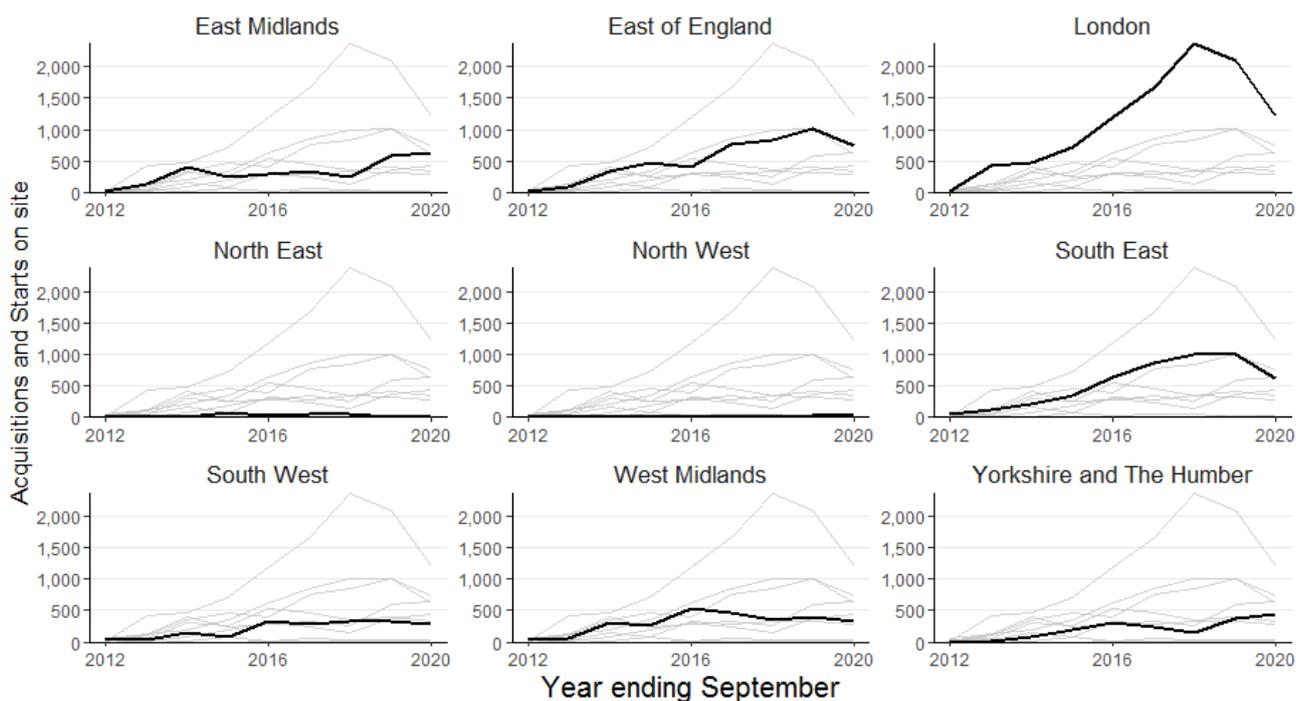


Chart 3 shows a general trend of increasing numbers of starts on site and acquisitions using 1-4-1 Right to Buy receipts since the year ending September 2012. The growth began to slow down in 2017 and the year to September 2020 was the first time there had not been an increase in starts on site, although there is a likely impact of CoVID-19.

In England, there is a large variation across regions on the number of acquisitions and starts on site. **Chart 4** shows that London, the South East and the East of England have had comparatively more starts on sites and acquisitions than the rest of England.

Chart 4: Annual Starts on Site and Acquisitions by local authorities, by Region in England, year ending September 2012 to year ending September 2020



Acquisitions

Beginning with Q1 2017-18, local authorities were asked to split the numbers provided between new build starts and acquisitions⁵.

Since Q1 2017-18 a total of 17,524 dwellings⁶ have been started on site or acquired by local authorities, from recycled Right to Buy receipts. Of these, 8,693 (52 per cent) were identified as starts on site for new builds and 7,929 (48 per cent) as acquisitions.

⁵ Further details on Right to Buy starts and acquisitions statistics including data at a local authority level and footnotes are available in the Department's Live Tables. They can be found here- <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>. The table covering this topic is Live Table 693.

⁶ For the remaining 902 units it was not specified if the unit was a start on site or an acquisition.

Accompanying tables and open data

Tables

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

Live Table 691	Quarterly Right to Buy sales by local authority
Live Table 692	Quarterly Right to Buy receipts by local authority
Live Table 693	Quarterly starts on site and acquisitions by local authority

These tables can be accessed at:

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

Technical Notes

Please see the accompanying technical notes document for further details.

This can be found at:

www.gov.uk/government/statistics/right-to-buy-sales-in-england-july-to-september-2020

Enquiries

Media enquiries:

Office hours: 0303 444 1209

Email: NewsDesk@communities.gov.uk

Public enquiries and Responsible Statistician:

Niall McSharry

Email: housing.statistics@communities.gov.uk

Information on Official Statistics is available via the UK Statistics Authority website:

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Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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