



Department for  
Communities and  
Local Government

# Right to Buy Sales: October to December 2015, England

## Sales

- In 2015-16 October– December (Quarter 3), local authorities sold an estimated 3,250 dwellings under the Right to Buy scheme. This is a decrease of 1% from the 3,288 sold in the same quarter of 2014-15 (see [Table 1](#)).
- Local authorities in London accounted for 26% of sales in 2015-16 Quarter 3 (Q3); 7 percentage points lower than the 33% recorded in the same quarter of 2014-15 (see [Chart 1](#)).

## Receipts

- In 2015-16 Q3 local authorities received approximately £259.0 million from Right to Buy sales, 5% higher than the £247.5 million in the same quarter of 2014-15 (see [Table 2](#)).
- The average receipt per dwelling sold in 2015-16 Q3 was £80,000, this compares to £75,000 in the same quarter of 2014-15 (see [Table 3](#)).

## Housing

### Statistical Release

24 March 2016

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# 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 and starts on site and acquisitions as part of the one-for-one additions policy. 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 only to sales by local authorities under the Right to Buy scheme 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 Department for Communities and Local Government (DCLG).

## Right to Buy sales

There was a downward trend in Right to Buy sales in the late-2000s, and the number of sales decreased greatly between 2006-07 and 2009-10 (possibly caused by the financial crisis). Right to Buy sales were relatively stable between 2009-10 and 2011-12. The increase in Right to Buy sales since 2011-12 may, in part, be explained by the increased discounts available to tenants from 1<sup>st</sup> April 2012, the reducing of any effect of the financial crisis and increased marketing surrounding the changes. In addition to this, in March 2013 the Government further increased the maximum discount available for tenants living in London boroughs to £100,000 (see [History of the Right to Buy scheme](#) for further details).

**Table 1: Quarterly Right To Buy sales, England, 2006-07 Q1 to 2015-16 Q3**

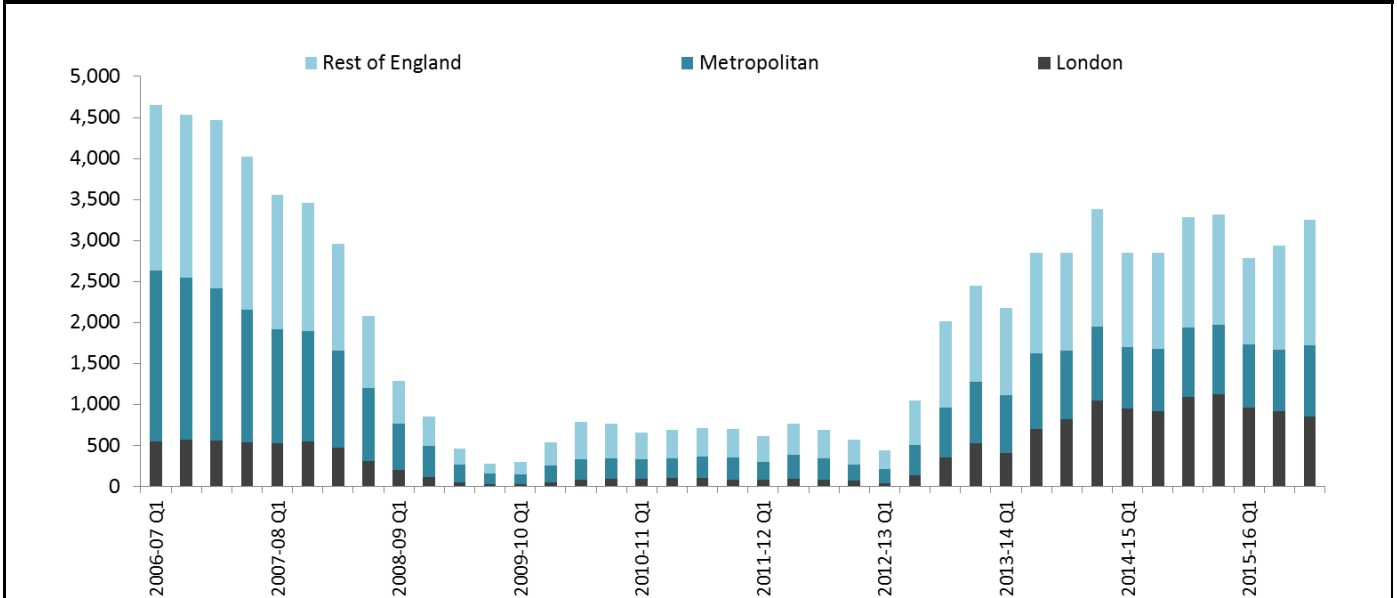
	Q1	Q2	Q3	Q4	Total
2006-07	4,655	4,538	4,470	4,021	<b>17,684</b>
2007-08	3,553	3,454	2,954	2,082	<b>12,043</b>
2008-09	1,286	851	455	277	<b>2,869</b>
2009-10	293	532	789	761	<b>2,375</b>
2010-11	657	689	714	698	<b>2,758</b>
2011-12	615	764	693	566	<b>2,638</b>
2012-13	442	1,041	2,011	2,450	<b>5,944</b>
2013-14	2,181	2,846	2,853	3,381	<b>11,261</b>
2014-15	2,849	2,847	3,288	3,321	<b>12,304</b>
2015-16	2,779	2,941	3,250		<b>8,970</b>

For annual data back to 1980-81, refer to Live Table 671 at this link: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

- In 2015-16 October– December (Quarter 3), local authorities sold an estimated 3,250 dwellings under the Right to Buy scheme. This is a decrease of 1% from the 3,288 sold in the same quarter of 2014-15.

- Local authorities in London accounted for 26% of sales in 2015-16 Quarter 3 (Q3); 7 percentage points lower than the 33% recorded in the same quarter of 2014-15.
- Right to Buy sales are yet to reach the levels before the financial crisis. Sales in 2015-16 Q3 were 73% of those in 2006-07 Q3.

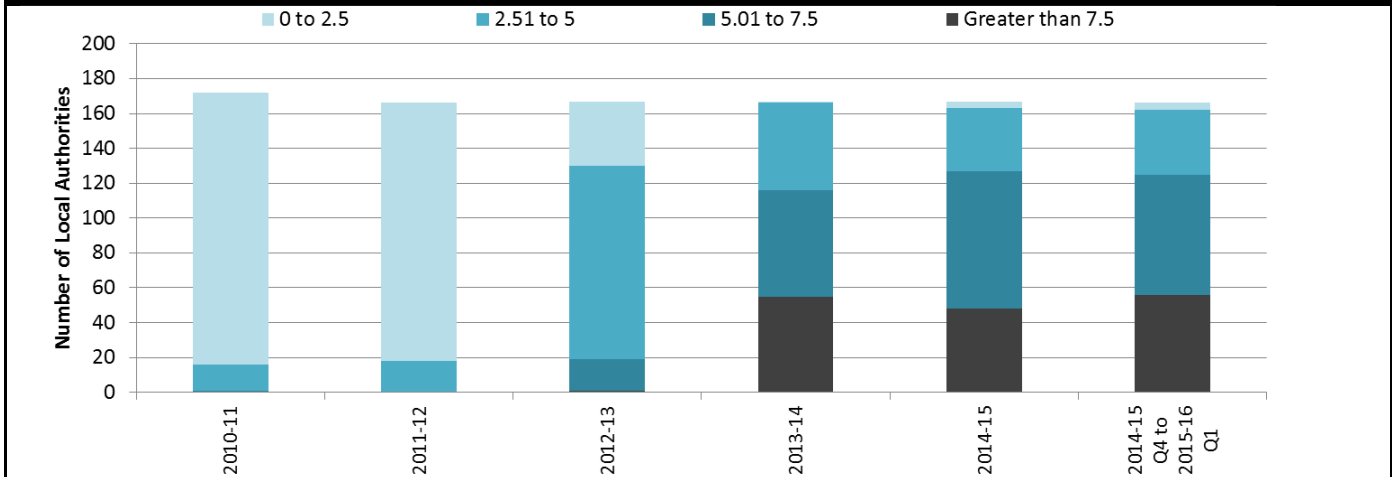
**Chart 1: Right to Buy sales by local authority type, England, 2006-07 Q1 to 2015-16 Q3**



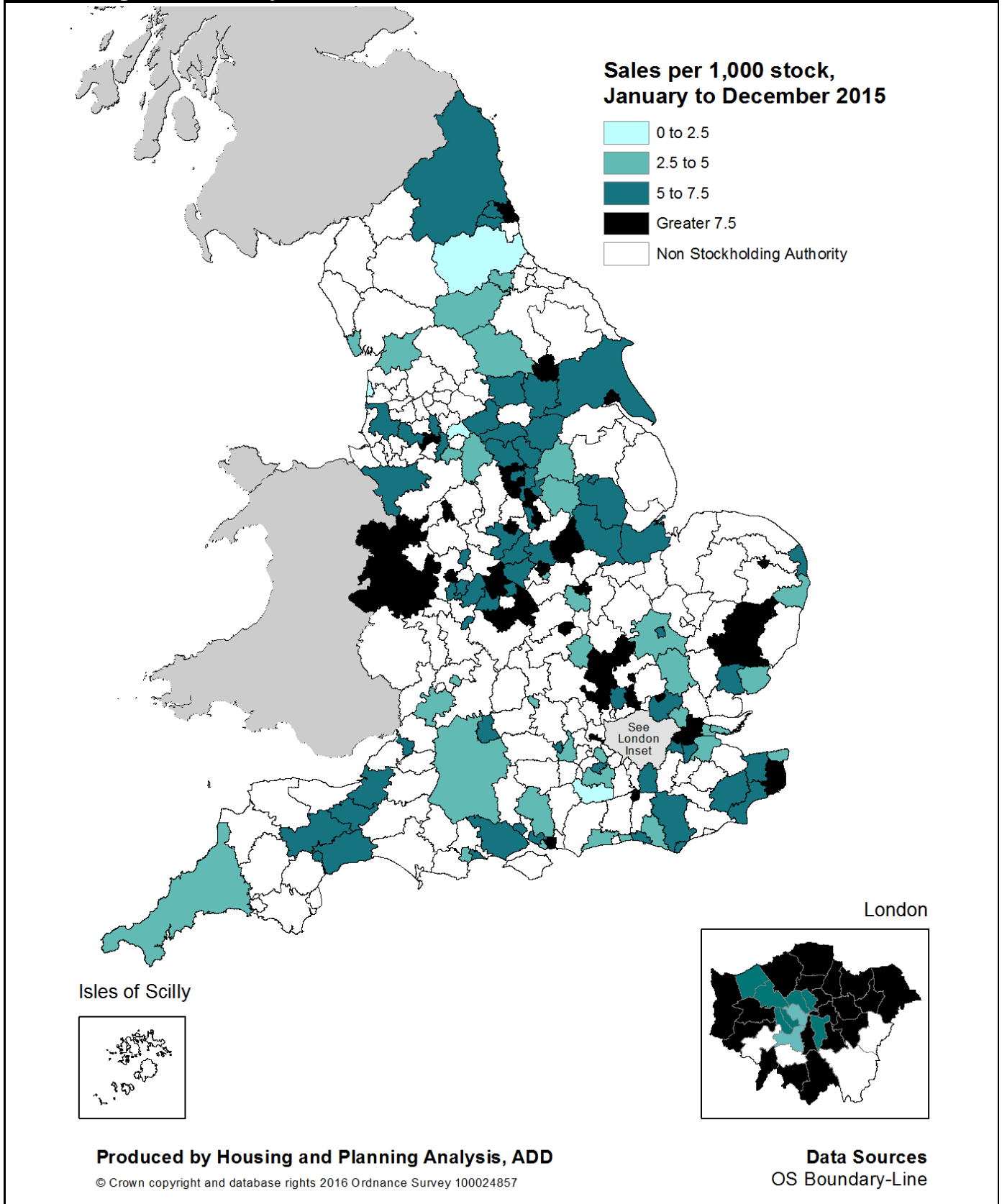
The chart and map below show the sales per 1,000 dwellings of existing stock in the past year (the year (January 2014 - December 2015) for local authorities in England. Please note that all stock figures are based on data from 1 April 2015. Many local authorities have transferred stock to Private Registered Providers, thus no longer hold stock themselves.

In the last 12 months there were 12,291 Right to Buy sales, but local authorities still owned 1.64 million dwellings. There has been an increase in the number of local authorities with greater than five sales per 1,000 dwellings, from 1 local authority in 2010-11 to 125 local authorities in the past 12 months to December 2015.

**Chart 2: Right to Buy sales per 1,000 dwellings, by number of local authorities, England, 2010-11 to 2014-15 Q4 to 2015-16 Q3**



**Map 1: Local Authority Right to Buy sales per 1,000 dwellings of existing local authority stock, England, for the year 2014-15 Q4 to 2015-16 Q3**



Further details on Right to Buy sales 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#right-to-buy-sales>. The tables covering this topic are 116 and 688.

# Right to Buy receipts and starts on site

Statistics for receipts and starts on site are only currently available back to 2012-13 Q1.

**Table 2: Quarterly Right To Buy receipts, England, 2012-13 Q1 to 2015-16 Q3, £ 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		

- In 2015-16 Q3 local authorities received approximately £259.0 million from Right to Buy sales, 5% higher than the £247.5 million in the same quarter of 2014-15. Increases in house prices and discounts may explain this increase.

**Table 3: Quarterly average receipts per dwelling, England, 2012-13 Q1 to 2015-16 Q3, £ thousands**

	Q1	Q2	Q3	Q4	Total
2012-13	54	59	62	64	62
2013-14	60	63	69	72	67
2014-15	75	74	75	78	76
2015-16	80	78	80		

- The average receipt per dwelling sold in 2015-16 Q3 was £80,000, this compares to £75,000 in the same quarter of 2014-15.

**Table 4: Quarterly starts on site and acquisitions, England, 2012-13 Q1 to 2015-16 Q3, dwellings**

	Q1	Q2	Q3	Q4	Total
2012-13	13	103	81	276	473
2013-14	95	264	308	294	961
2014-15	380	440	395	738	1,953
2015-16	307	504	396		

- There were 396 dwellings started on site or acquired in 2015-16 Q3, nearly the same as the number started or acquired in the same quarter in 2014-15.
- 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. There were 1,326 additional sales between 2012-13 Q1 and 2012-13 Q3. There have been 4,594 starts and acquisitions since 2012-13 Q1, exceeding the target for one-for-one additions (see [Additional Right to Buy sales](#) for further details).

- It is possible that interpretation of the LOGASNet return question among local authorities may not be uniform and further revisions may be necessary. We will continue to work with local authorities to improve the quality of the data and the way it is collected.

Further details on Right to Buy receipts and 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#right-to-buy-sales>. The tables covering this topic are 692 and 693.

# Accompanying Tables

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

- Table 691** Quarterly Right to Buy sales by local authority
- Table 692** Quarterly Right to Buy receipts by local authority
- 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>

These contain local authority level data on Right to Buy sales, receipts and starts on site.

Further information on other types of Social Housing Sales (such as sales by Private Registered Providers (PRPs), often known as Housing Associations) are also available on this page. The other statistics are annual rather than quarterly and collected from other sources, Local Authority Housing Statistics (LAHS), the Homes and Communities Agency's Statistical Data Return (SDR) and COntinuous REcording of Lettings and Sales in Social Housing in England (CORE) - rather than LOGASNet (see [Data Collection](#)).

Also useful may be tables on stock, for example the stock data used in the map in the [Right to Buy sales](#) section can be found in Live Table 116 here

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

## Definitions

### Right to Buy sale

The sales figures exclude Right to Buy (RTB) sales of dwellings which are not accounted for in a local authority's Housing Revenue Account, either because the authority, having disposed of nearly all its dwellings to a PRP, has closed down its Housing Revenue Account or because the dwelling was originally tied to a particular occupation (e.g. a school caretaker's cottage or a park keeper's cottage). The figures also may exclude any Right to Buy sales of dwellings which, although accounted for in the Housing Revenue Account, are the subject of an agreement made either under section 80B of the Local Government and Housing Act 1989 (as inserted by section 313 of the Housing and Regeneration Act 2008 and now repealed) or under section 11(6) of the Local Government Act 2003 (as inserted by section 174 of the Localism Act 2011). The figures may include sales at less than market value of dwellings accounted for in the Housing Revenue Account to secure tenants of a local authority, even when those sales are not strictly under Right to Buy.

## **Proportions of dwellings**

Some figures will include proportions of dwellings. This is because the figures also include sales of a shared ownership lease of a dwelling accounted for in the Housing Revenue Account where either the premium (i.e. a portion of the market value of the dwelling) paid by the purchaser exceeded 50% of the market value of the dwelling or the sum of the premium paid by the purchaser and all other premiums paid up to two years before the payment of the current premium. Where a shared ownership disposal has been included, the figure corresponds to the portion of the market value paid; for example the purchase of a 50% equity share will be represented by 0.5.

## **Right to Buy receipts**

The figures include receipts arising from all sales included in the sales figures. Figures for a particular quarter may include receipts arising from a sale in another quarter, but do not include receipts arising from sales before 1 April 2012. After a portion of these receipts are reserved for costs incurred by authorities in administering the RTB scheme, paying off additional local authority housing debt, an amount for authorities to use for general capital purposes, a share required by HM Treasury, and (in a small number of cases) for buying back former council properties, the remainder of the receipts are for the funding of additional homes for affordable or social rent.

A local authority may either return this portion of the receipts to the Homes and Communities Agency (HCA) or Greater London Authority (GLA) for redistribution for funding these additional homes, or, if it has signed an agreement with DCLG, retain part or all of this portion on the condition that it spends, or ensures that another body spends on its behalf, an agreed amount for this same purpose within three years.

## **Starts on site and acquisitions**

The figures include all starts on site and acquisitions of dwellings for the provision of social housing made by or on behalf of the authority, excluding those funded partially or wholly by grant from the HCA or the GLA.

These figures form a proxy for the number of additional homes delivered using RTB receipts. In some cases they may include some starts on site or acquisitions that are funded by other sources.

Provision was made for some local authorities to include HCA or GLA spending for starts on site or acquisitions, where business decisions had already been made in 2012-13, before the Department clarified that these should be excluded. These starts on site and acquisitions are currently not included in the statistics provided here so that the statistics are based on a consistent definition over time.

“Start on site” means the earlier of commencement of the following by a local authority or other body to which the authority has paid all or part of the retained amount for the purpose of providing homes for affordable or social rent:

- (a) excavation for strip or trench foundations or for pad footings;



- (b) digging out and preparation of ground for raft foundations;
- (c) vibrofloatation, piling, boring for piles or pile driving; or
- (d) drainage work specific to the buildings forming part of the scheme.

### **Market price**

Most landlords contract a surveyor to determine the property value but some may use a local estate agent, for example. If a tenant disagrees with the property value, they can appeal to the district valuer (the VOA) who will survey the property and provide a final, binding decision.

### **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 five 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 DCLG 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 DCLG changed the 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 £77,900 in England and £103,900 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 additions policy. Under the reinvigorated Right to Buy, local authorities are now able to keep the receipts from additional Right to Buy sales to pay off debt and fund additional affordable housing.

### **Additional Right to Buy sales**

In April 2012 and July 2014 the Government reinvigorated the Right to Buy, increasing the maximum discount caps to realistic levels. The expected sales without increases to the discount cap were calculated using projections from Her Majesty's Treasury's (HMT) self-financing model. Any Right to Buy sales above these projections are 'additional' and are subject to the one-for-one additions policy.

# Technical notes

## Data collection

Data are collected from a quarterly local authority return to the DCLG called LOGASNet. Local authorities with dwelling stock which receive poolable housing receipts supply these data to DCLG on a quarterly basis.

## Data quality

The LOGASNet figures are audited annually by local authorities and continuously quality assured by DCLG, both of which can result in revisions (see [Revisions Policy](#)). 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 in occasional instances estimates may be used. Care should be taken using data at a local authority level as the totals are low and therefore can be volatile.

### **Starts on site and acquisitions**

The starts on site and acquisitions data are particularly sensitive to reporting error as they are not audited in the way that sales and receipts figures are and there are no comparable statistics collected against which they can be assessed. Consultation has revealed that the question the Department asks in its LOGASnet Return about starts on site and acquisitions has been interpreted in different ways by different local authorities. For example, in the past some local authorities may have reported all starts on site and acquisitions rather than excluding those that were partially or fully funded by the HCA or GLA.

It is possible that interpretation of starts on site and acquisitions by local authorities may still not be uniform. Whilst most local authorities should now be (correctly) reporting all starts on site or acquisitions not funded by the HCA or GLA, there may be some others interpreting the question more narrowly as only referring to delivery directly funded by RTB receipts. We will continue to work with local authorities to improve the quality of the data and the way it is collected.

## Revisions policy

A revision has been made to Q2 2015-16 'Starts on site and acquisitions' to include 81 starts from Warwick. These starts were omitted in the previous release to allow additional quality assurance work to be undertaken. This affects the total 'Starts on site and acquisitions' for Q2 2015-16 in England, updating them from 423 to 504.

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-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 quarters of data within the current year are generally incorporated in the next release. Revisions to previous years are made once a year in the Social Housing Sales Statistical release. Figures are not published in these statistics with a provisional status (but imputed estimates may be used) and the component data are reported as final annual figures. Revised figures are highlighted in the live tables.

## Uses of the data

These statistics are used to monitor local authority 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: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

## Related statistics, England

### **Social Housing Sales**

DCLG publish annual statistics on Social Housing Sales. These statistics cover sales not only by local authorities but by PRPs under preserved Right to Buy and by all schemes not solely Right to Buy (for example Social Homebuy). The statistics are collected from DCLG's Local Authority Housing Statistics return.

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/social-housing-sales-including-right-to-buy-and-transfers>

### **Private Registered Provider stock**

The Homes and Communities Agency (HCA) publish annual statistics collected through its Statistical Data Return (SDR) on stock size, location, type, provider characteristics and rents relating to PRPs in England. Data from the SDR is the main source of PRP data used in the social housing sales statistics.

<https://www.gov.uk/government/collections/statistical-data-return-statistical-releases>

### **Dwelling stock estimates**

DCLG also publish statistics showing the total dwelling stock in England each year and estimates of stock by local authority district and tenure. They can be found at the following link:

[www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants](http://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants)

## Devolved administration statistics

### **Data for Wales**

The Welsh Government publish information on Social Housing sales, which does include information on Right to Buy sales. The latest release can be found at the following link:

<http://wales.gov.uk/statistics-and-research/social-housing-sales/?lang=en>

### **Data for Scotland**

The legislation in Scotland is different but the principals are similar. The Scottish Government publish information on Social Housing sales, which does include information on Right to Buy sales. 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:

<https://www.dsdni.gov.uk/topics/dsd-statistics-and-research-housing/housing-statistics#toc-0>

## Official Statistics

This Statistical Release is published at 9.30am on a date which has been pre-announced on the DCLG Statistics Release Calendar

(<https://www.gov.uk/government/statistics/announcements?utf8=%E2%9C%93&organisations%5B%5D=department-for-communities-and-local-government>).

A list of officials who have received pre-release access to this Statistical Release up to 24 hours in advance of publication is available on the Department's website

(<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics#pre-release-access-to-official-statistics>).

## Next Publication

The next release, Right to Buy sales in England 2015-16 Q4, will be released in June 2016. The precise date will be announced on the DCLG Statistics Release Calendar

(<https://www.gov.uk/government/statistics/announcements?utf8=%E2%9C%93&organisations%5B%5D=department-for-communities-and-local-government>).

We expect the next release to include data on dwellings delivered through the receipts which local authorities have chosen to recycle through the Homes and Communities Agency and the Greater London Authority.

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

<http://www.statisticsauthority.gov.uk/>

Information about statistics at DCLG is available via the Department's website:

[www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics)

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