



Right to Buy Sales in England: January to June 2020

Housing Statistical Release

24 September 2020

Sales

- In the 2019-20 financial year, local authorities sold an estimated 10,574 dwellings under the Right to Buy scheme (see **Table 1**).
- In Q1 2020-21 (April to June 2020), local authorities sold an estimated 1,545 dwellings under the Right to Buy scheme. This is a decrease of 39 per cent compared to the same quarter of 2019-20.



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

Receipts

- The £896.1 million received by local authorities from Right to Buy sales in the 2019-20 financial year was 3 per cent lower than 2018-19
- In Q1 2020-21, local authorities received £139.0 million from Right to Buy sales, 34 per cent lower than the same quarter of 2019-20 (see **Table 2**).
- The average receipt per dwelling sold in Q1 2020-21 was £89,900. This is the highest average receipt since recording started in 2012-13 and 8% greater than Q1 2019-20 (see **Table 3**).

Starts on Site and Acquisitions

- In the 2019-20 financial year there were 5,688 dwellings started on site or acquired (as part of Right to Buy replacement policy), the highest yearly total since the policy was started in 2012-13 (see **Table 4a**).
- There were 694 dwellings started on site or acquired in Q1 2020-21, 50 per cent lower than the number of dwellings started or acquired in the same quarter of 2019-20. This large reduction in starts is reflective of the housebuilding industry due to the lockdown restrictions imposed following the CoVID-19 pandemic.

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Date of next publication:

January 2021

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 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 Ministry of Housing, Communities and Local Government (MHCLG).

Taking account of the challenges and additional pressures local authorities have been facing due to the coronavirus outbreak (COVID-19), the department changed its data gathering and release practices for Right to Buy statistics for the first half of 2020. This involved extending the period for submission of Pooling of Housing Capital Receipts returns for the January to March 2020 quarter; and the cancellation of the statistical release and live tables that had been scheduled for that quarter and the publication of this expanded release, covering data for both the January to March 2020 and April to June 2020 quarters.

The main analysis within this release – starting on the front page - focuses on data for the April to June 2020 quarter and associated trends with a summary of the statistics for January to March 2020 given below, and some additional observations relating to the earlier quarter or relevant annual figures and trends added to the text of the rest of the release where of interest.

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 Q4 2019-20 there were 2,783 Right to Buy sales by Local Authorities, a decrease of 2 per cent against Q4 2018-19. This sales figure represents the lowest number of sales since the Q4 after reinvigoration in 2012-13. This generally followed the same downward trend in sales since the post-reinvigoration peak in 2016-17.

In Q1 2020-21, local authorities sold 1,545 dwellings under the Right to Buy scheme. This represents a decrease of 39 per cent from the 2,513 sold in the same quarter of 2019-20. This large decline will be due in large part to the lockdown restrictions imposed due to the CoVID-19 pandemic.

Table 1: Quarterly Right to Buy sales, England 2006-07 to Q1 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	3,062	3,100	3,317	3,317	12,796
2018-19	2,607	2,575	2,887	2,842	10,910
2019-20^P	2,513	2,732	2,546	2,783	10,574
2020-21^P	1,545				1,545

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>

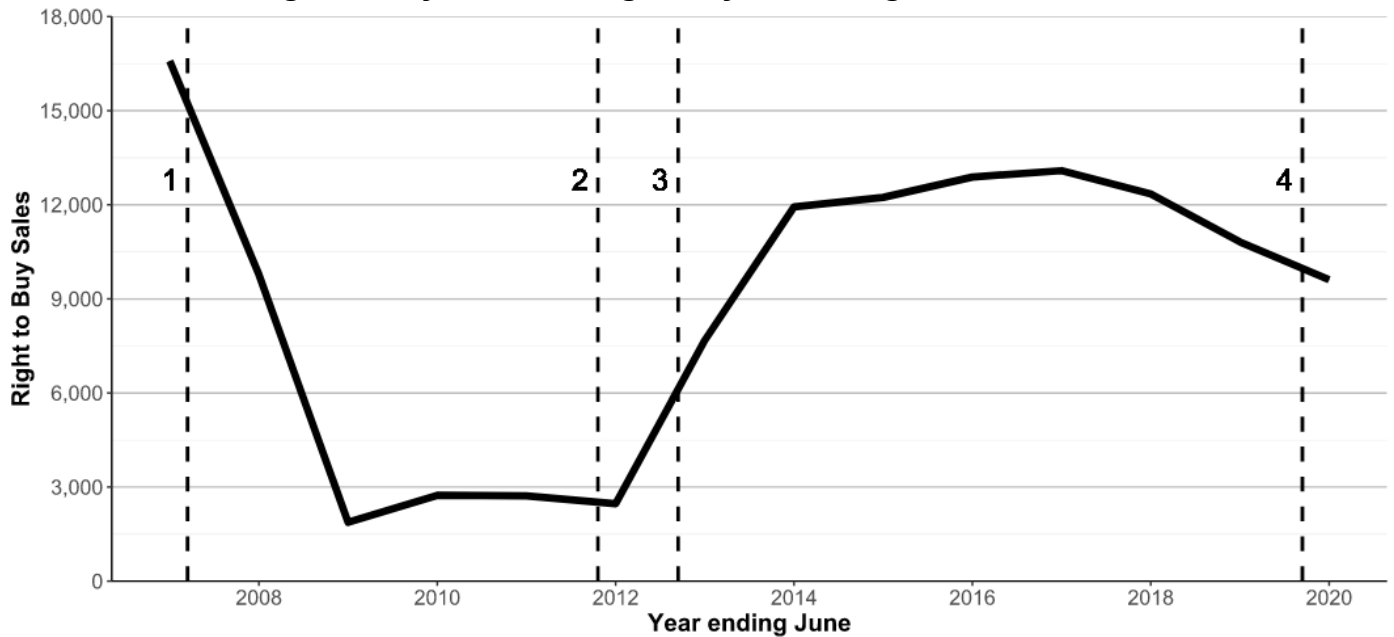
Sales figures are rounded and therefore there are minor discrepancies between the totals

P – Provisional

Quarterly Right to Buy sales are yet to reach pre-financial crisis level. In the latest quarter, sales were 67 per cent below those in Q1 2006-07. However, the number of sales was over three times higher than in Q1 2012-13, the first quarter following the reinvigoration.

To highlight the general trend, Chart 1 below shows total Right to Buy sales for the rolling year ending in June 2020. During the 12-month period to the end of June 2020 there were 9,606 Right to Buy sales. This represents 0.6 per cent of the total number of dwellings owned by local authorities, which was around 1.59 million¹ on 31st March 2019.

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



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

Right to Buy sales decreased between the years ending June 2007 and June 2009, coinciding with the beginning of the financial crisis.

Sales began to increase again after reinvigoration in April 2012 (when discounts increased) and continued to increase when in March 2013 there were further increases to the discounts in London. Since year end June 2017, there has been a downward trend in the number of local authority owned dwellings sold to social tenants, with sales in the year ending June 2020 reaching the lowest annual figure since the year ending June 2012 (the year before the reinvigoration was introduced).

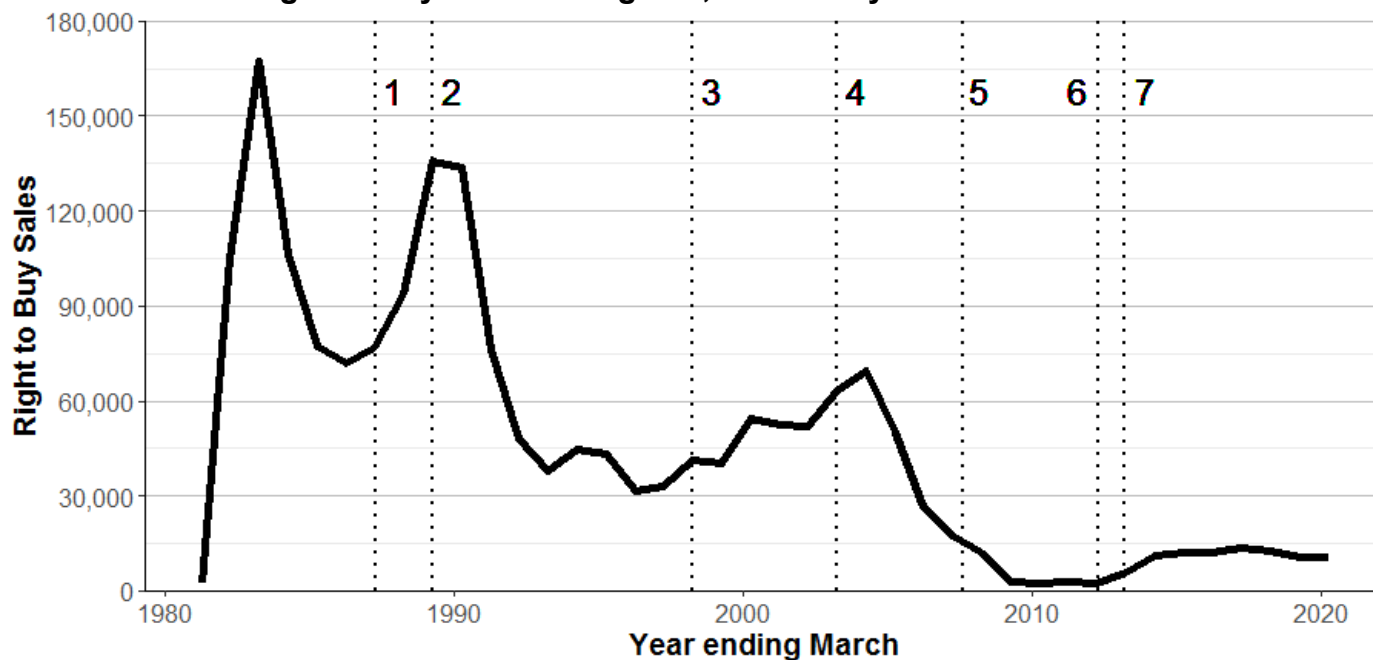
¹ This figure comes from Live Table 116, which is updated annually and can be found at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>.

Sales by financial year

The 10,574 sales in the 2019-20 financial year were three per cent below 2018-19 and the lowest total sales recorded since 2012-13. Following the post-reinvigoration peak in 2016-17, Right to Buy sales have been slowly declining year-on-year. The total number of Right to Buy sales is still significantly below those of the mid-1980s, Chart 2 shows the sales for each financial year from 1980-81 to 2019-20.

Immediately after the introduction of Right to Buy, sales increased to a peak in 1982-83 (year ending March 1983). There were other peaks in sales in 1988-89 and the following year coinciding with the maximum discount being raised from £25,000 to £35,000 in 1987 and to £50,000 in 1989. Sales decreased throughout the 1990's and increased again in the early 2000s, possibly due to tenants responding to the news of the reduction in discounts and processing times of applications. Partly because of policy changes in 2003 and the financial crisis, sales declined dramatically from 2003-04 to 2009-10. The reinvigoration in 2012-13 increased the number of sales from the 2009-10 nadir but remained at less than 20 per cent of the 2003-04 peak.

Chart 2: Annual Right to Buy Sales in England, Financial year 1980-81 to 2019-20



¹Discounts increased to £35,000 ²Discounts increased to £50,000 ³Discounts reduced and regionalised
⁴Announcement of discount reduction to £16,000 ⁵Financial Crisis ⁶Discounts increased to £75,000
⁷Discount increased to £100,000 in London

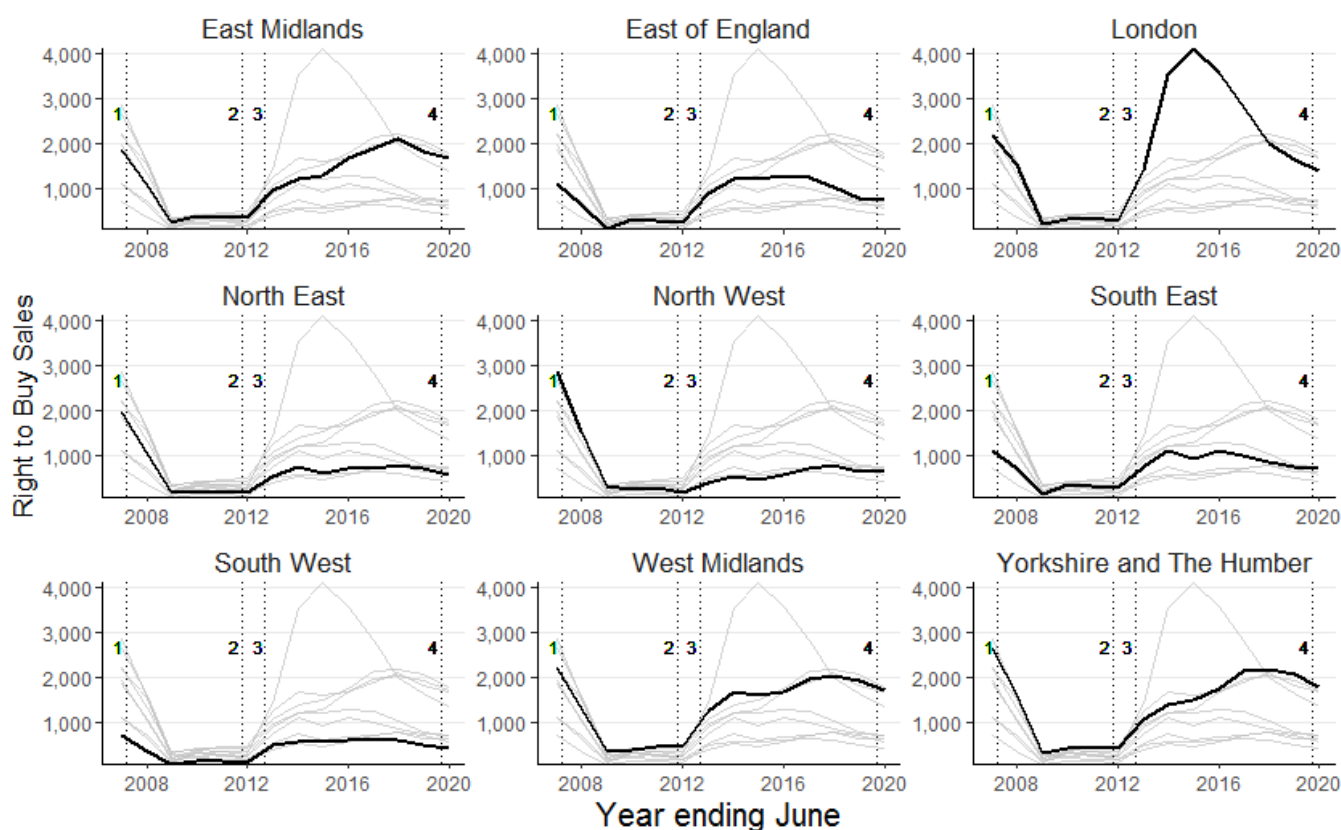
Right to Buy regional sales

Chart 3 summarises annual Right to Buy sales figures by region in England, from year ending June 2007 to June 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 June 2015 reaching a post-reinvigoration low point in the year to June 2020. Despite this decrease, the number of sales in London is still significantly higher than the sales recorded before invigoration in 2009 to 2012.

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

Chart 3: Annual Right to Buy Sales by Region in England, year ending June 2007 to June 2020



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

Note: As the values in **Chart 3** are annual sales for year ending in June, the effects on sales of the lockdown restrictions imposed due to the CoVID-19 pandemic cannot be seen explicitly.

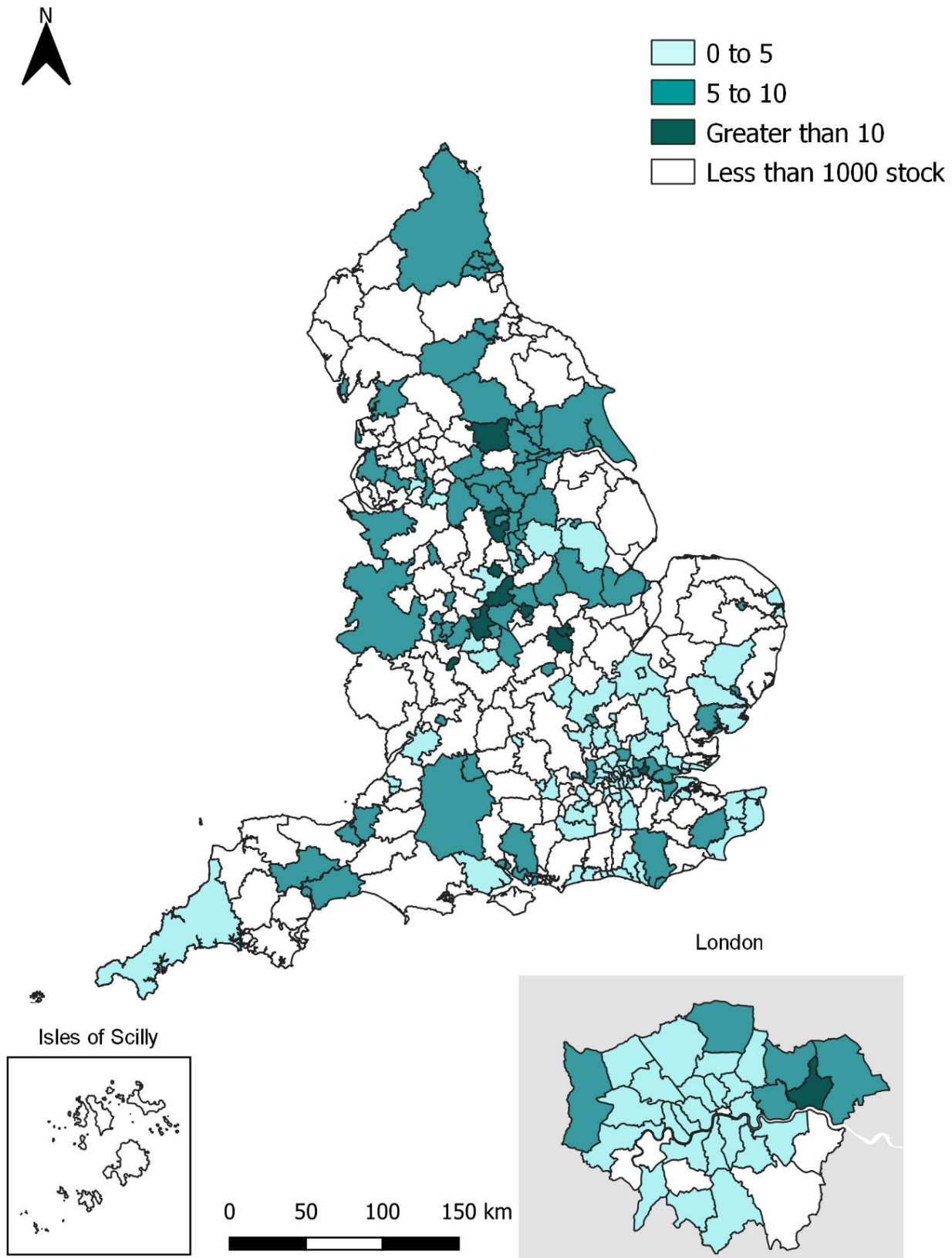
These graphs are not adjusted to the size of the local authority stock holdings in each region, or any transfers of stock that happened during the period. For example, in March 2006 the North West had over 240,000 Local Authority owned social housing stock, but due to large scale voluntary transfers to Private Registered Providers (PRPs) between 2007 and 2015 the stock in March 2019 was 65% less than in 2006. This, in part, explains why the North West did not see the same growth in 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 June 2020², i.e. adjusted to the stock they held on 31 March 2019. 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 June 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 Q1 2020-21, local authorities in England received £139.0 million from Right to Buy sales, 34 per cent lower than the £209.3 million received in the same quarter of 2019-20. This reflects the general pattern in the number of sales.

The total received in the 2019-20 financial year was 3 per cent lower than 2018-19 and the second lowest yearly total since the information was first recorded after re-invigoration in 2012-13. This continued the trend of declining receipts from a peak in 2016-17. It is expected that the receipts from 2020-21 will be significantly lower, partially due to the lockdown restrictions imposed by the coronavirus as well as the reduction in household incomes and national GDP⁴.

Table 2: Quarterly Right to Buy receipts, England, Q1 2012-13 to Q1 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	209.3	228.5	224.6	233.7	896.1
2020-21^P	139.0				139.0

P - Provisional

The average receipt per dwelling sold in Q1 2020-21 was £89,900, the 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. In Q1 2020-21, the increase in receipts may be due to sales in London making up a larger proportion of sales compared to Q1 2019-20 (16 per cent and 14 per cent respectively).

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>

⁴ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/july2020>

Table 3: Quarterly average receipts per dwelling, England, Q1 2012-13 to Q1 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	84.1	85.8	84.2	82.1	85.0
2017-18	86.1	85.8	85.6	82.8	82.8
2018-19	82.6	83.4	87.1	83.8	84.3
2019-20^P	83.3	83.6	88.2	84.0	84.8
2020-21^P	89.9				89.9

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 Q1 2020-21. This is measured against the replacement target which is calculated from the cumulative additional sales from Q1 2012-13 to Q1 2017-18.

There were 5,688 starts on site and acquisitions in the 2019-20 financial year, the highest number recorded for a financial year and 10 per cent higher than the previous high in 2018-19. This is despite the number of starts and acquisitions in Q4 2019-20 being 22 per cent below those of the same quarter in 2018-19.

In Q1 2020-21, there were 694 starts on site and acquisitions. This was the lowest figure recorded in any Q1 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 Q1 2020-21 is likely due to the impact of CoVID-19 and the associated lockdown.

Table 4a: Total Quarterly Right to Buy Starts on Site and Acquisitions, by local authorities, HE and the GLA, England, Q1 2012-13 to Q1 2020-21, dwellings⁵.

	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	1392	1398	1479	1648	5,917
2020-21^P	694				694
Total					30,777

P - Provisional

Between Q1 2012-13 and Q1 2020-21 there were 30,777 additional affordable properties started or acquired, falling short of the three years' replacement commitment. This is measured against the replacement target 39,509 (i.e. the number of additional sales between Q1 2012-13 and Q1 2017-18).

Out of the 30,777 new starts and acquisitions, 28,380 were delivered by local authorities and 2,397 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>

⁵ 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 Q1 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	1,392	1,398	1,479	1,419	5,688
2020-21 ^P	694				694
Total					28,380

P - Provisional

Chart 4: Annual Right to Buy Starts on Site and Acquisitions by local authorities, England, year ending June 2012 to year ending June 2020.

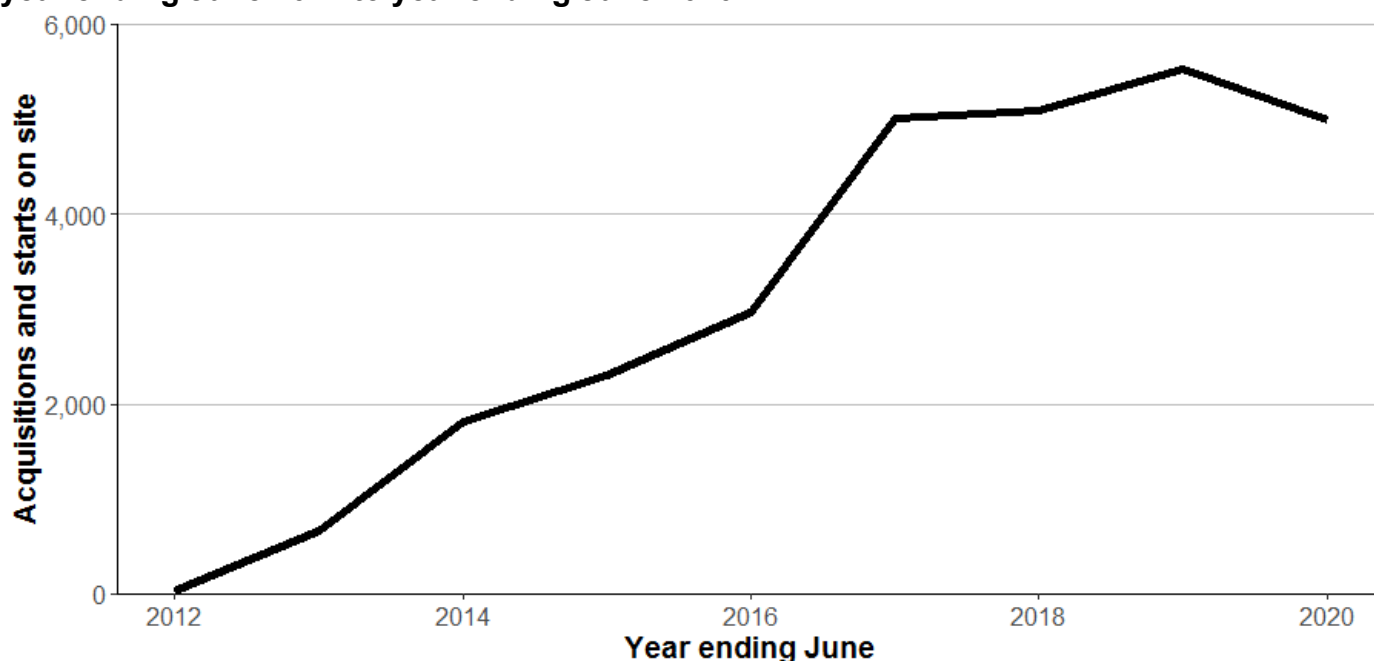
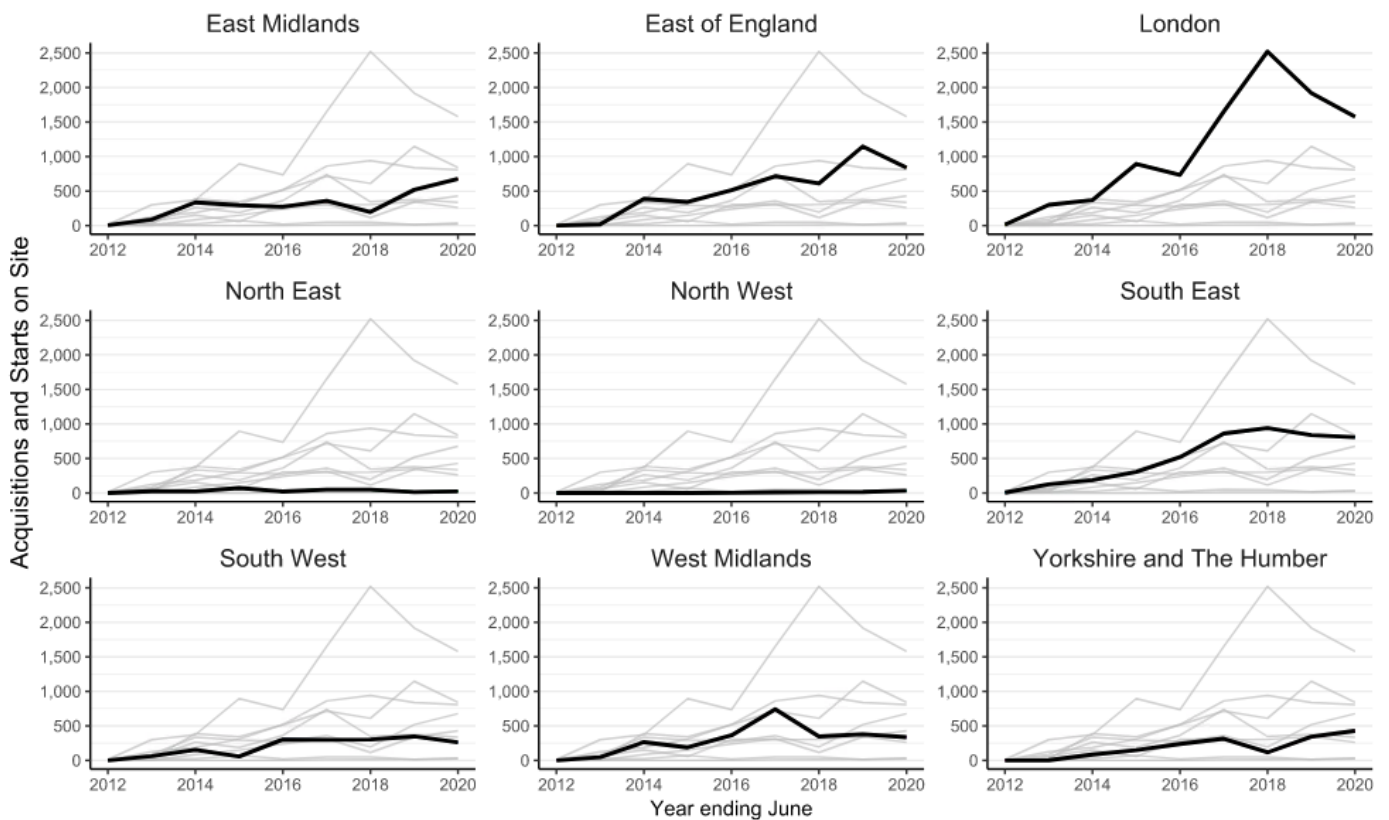


Chart 4 shows a general trend of increasing numbers of starts on site and acquisitions using 1-4-1 Right to Buy receipts since the year ending June 2012. The growth began to slow in 2017 and the year to June 2020 was the first time there had not been an increase in starts on site, although there is a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

In England, there is a large variation across regions on the number of acquisitions and starts on site. **Chart 5** 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 5: Annual Starts on Site and Acquisitions by local authorities, by Region in England, year ending June 2012 to year ending June 2020



Acquisitions

Beginning with Q1 of 2017-18, local authorities were asked to split the numbers provided between new build starts and acquisitions⁶.

Since Q1 2017-18 a total of 15,233⁷ dwellings have been started on site or acquired by local authorities, from recycled Right to Buy receipts. Of these, 8,264 (54 per cent) were identified as starts on site for new builds and 6,969 (46 per cent) as acquisitions.

⁶ 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.

⁷ For the remaining 1,439 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>

Revisions

In this release there have been revisions to the data from Q1 2016-17 to Q3 2019-20.

These revisions have been done to reflect more up to date information provided by Local Authorities. This information may not have been submitted in time for previous releases and was therefore not counted. A summary of the changes in the national totals from the previous release is below:

	2016/17	2017/18	2018/19	2019/20 (Q1-Q3)
Sales	+17	-80	+685	+429
Receipts (£k)	+14.66m	+43.68m	+41.49m	+30.97m
Starts/Acquisitions	+22	+59	+197	+93

Technical Notes

Please see the accompanying technical notes document for further details.

This can be found at {insert link}

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September 2020