



INTERACT  
INFORM  
INFLUENCE

January 2025

## Reforming the Right to Buy

Consultation response from The Housing Forum

### **Response submitted by:**

*Anna Clarke, Director of Policy and Public Affairs*

On behalf of [The Housing Forum](#), 1 Minster Court, Mincing Lane, London EC3R 7AA

[anna.clarke@housingforum.org.uk](mailto:anna.clarke@housingforum.org.uk) or [info@housingforum.org.uk](mailto:info@housingforum.org.uk). 07442 405513.

info@  
housingforum.org.uk

### **About The Housing Forum**

The Housing Forum is the UK's cross-sector, industry-wide organisation that represents the entire housing supply chain. Our growing membership drawn from over 150 organisations across the public and private sectors and includes local authorities, housing associations, housebuilders, architects and manufacturers. All share our determination to drive quality in the design, construction and decarbonisation of UK homes. They have a commitment to partnership working and share in our vision of 'A Quality Home for All'.

In order to achieve this, we have advocate for policy change needed for everyone to live in a good quality, sustainable and affordable home. Our key [Housing Solutions](#) set out how we think this can be achieved.

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

## Introduction

Our members at The Housing Forum come from across the housing sector. Improving the quality and supply of affordable housing is one of our key missions.

The Right to Buy policy reduces the supply of affordable housing:

- When a home is sold it will never again become available for a new household in need of social housing. It will never be possible to replace the homes that are sold on a one for one, like for like basis, meaning that the Right to Buy causes a gradual erosion of the housing that is most directly available to relieve homelessness and housing need.
- The presence of the Right to Buy deters councils from building new homes. Many of our members are keen to build new council homes, but are forced to set up complex legal structures in order to avoid risking losing them – in some cases within months of the first let.

The Housing Forum's view is therefore that the Right to Buy should be abolished. That said, we are generally supportive of the reforms proposed because they will slow the loss of social housing stock. We set out our proposals for reform in our paper [Reforming the Right to Buy](#) last year, and are pleased to see that some of our suggestions have been picked up in the consultation document.

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

# Response to questions

## 2. Eligibility

### 1. Question 1: How long do you think someone should be required to be a secure tenant before qualifying for the Right to Buy?

10 years

We would like to see an eligibility period of at least five years, and ten would be preferable. There may also be value in requiring applicants to have had to live in the specific house they are purchasing for at least 5 years, reducing the incentive for housing association tenants to swap homes via mutual exchange into a council home purely in order to access the Right to Buy.

### 2. Question 2: Should someone be prevented from exercising the Right to Buy if they have already benefitted from the Right or Buy or if they own another property?

- Yes

This would help prevent abuse of the scheme.

### 3. Question 3: Do you have any other views on criteria to determine eligibility for the Right to Buy? [free text box]

Eligibility criteria should be set so as to include the intended beneficiaries of the scheme – which are:

- Long-term tenants
- Capable of sustaining homeownership and caring for a property
- For whom this represents their only route into homeownership.

They should seek to exclude people who:

- Have other routes into homeownership but who access social housing instead with the intention of making use of the Right to Buy because of the discount available.
- No longer need to live in the property (for instance because they are moving in with a partner or family member)
- Are likely to struggle with the financial or practical resources needed to sustain homeownership successfully.

The Housing Forum is aware of some apparent abuse of the system, cases where the discounts appear poorly targeted or where the real beneficiaries are not the tenant, as intended.

House prices in London are very high, and the level of housing need usually required to access social housing is also very high. We might therefore expect to see very few sales, as tenants in high enough need to access social housing are unlikely to be

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

able to afford to buy, even with the discounts (generally capped at the £127,900). [Data from 2022-23](#) show that the average sales price, after the discount was £214,613 in London, which would usually require a deposit of around £21,000 and an income of around £54,000 if purchasing with a mortgage. However, we do in fact see quite high rates of sales in some boroughs. There were 1,988 sales in Barking and Dagenham over the last 10 years, and 1,801 in Newham – with both of these boroughs selling more than 10% of their stock.

Whilst it is likely that some tenants' incomes or assets were sufficient to purchase, Housing Forum members report:

- A large proportion of purchases made with the help of gifts or loans from wider family members.
- Many mortgages being based on the incomes of new family members who have been added to the tenancy very recently.
- Applicants who until shortly before the purchase, were in receipt of benefits, in rent arrears and/or being signposted to emergency welfare support.

One council officer reported:

*"We are also seeing property firms actively targeting vulnerable tenants to buy their homes at scale. The discounts at 60% to 70% is very attractive to these firms."*

Another reported:

*"We have one current case of a 93-year-old applying to buy her home. Her daughter has power of attorney over her financial affairs, giving rise to concerns over whether the purchase is truly in the interests of the tenant. The property concerned is a bungalow, which is in short supply locally, and particularly needed to accommodate tenants with disabilities."*

We would like to see the ability to set eligibility criteria devolved to local councils. If councils could set the discounts, eligibility criteria and exemptions from the scheme they would be able to tailor it to what works best in their local area, control the numbers, types or locations of homes that they sell each year and ensure that they retain the housing they need most.

Eligibility criteria could include:

- Tenants who are solely dependent on state benefits or have had significant rent arrears within the last year.
- People other than the tenant and tenant's partner unless they have been living in the household for the full eligibility period.
- An upper age limit, to prevent abuse of the scheme by the children of vulnerable elderly tenants. Frail elderly people who have been social tenants all their lives are not necessarily getting much benefit from becoming a homeowner for their last few years of life, and may find the experience of no longer having anyone to call to maintain the property stressful.

These exclusions would help prevent fraud and abuse of the scheme's intentions, and as well as helping to ensure that the buyer has the financial resources to sustain homeownership.

### 3. Discounts as a percentage of the property value

#### 4. Question 4: What level should the percentage discount for an eligible tenant start at and what level should the maximum percentage discount be?

Minimum percentage

- 5%

The RTB has administrative costs associated with it, so there is little value in offering it if the tenants purchasing could (by definition) afford a similar home on the open market.

Maximum percentage

- 20%

It is clear that the levels on offer prior to 2012 led to significantly fewer sales, and the homes that were sold generated less of a loss. A 20% discount would be on a par with that offered to buyers using the Help to Buy scheme (albeit via a cash discount rather than a loan).

#### 5. Do you agree that the same rules governing percentage discounts should apply to flats and houses, and that the discount should increase by 1% for every extra year that an individual has been a public sector tenant, up to the maximum?

- Yes

The sale of flats within a block has been particularly problematic for councils, who retain the freehold of the block but cannot manage it as efficiently once some of the flats are sold and would therefore recommend that flats are removed from the scheme. However, if they are to remain in the RTB, then having a common approach to flats and houses would seem sensible. A 1% increase in the discount per year of ownership would also be a reasonable way of ensuring that only the longest-standing tenants can benefit in full.

#### 6. Do you agree that cash caps should be retained alongside discounts capped at a percentage of the market value of the home?

Yes

These would become most relevant in high priced areas (where the maximum percentage discount set is higher than the cap), and so would help prevent the loss of social housing stock in the locations where it is most badly needed.

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

## 4. Exemptions

### 7. Do you agree that the current exemptions to the Right to Buy scheme should be retained? If yes, please outline any changes that should be made to the exemptions.

Yes

The exemption criteria should be modernised. Councils already have the right to exempt small numbers of dwellings from the Right to Buy, but the criteria are outdated (such as sheltered housing with resident wardens, which are not commonly used today). Councils should be given discretion to exempt a proportion of their stock. The following should be exempted:

- Properties with four or more bedrooms (because there is particularly acute need for them)
- Adapted accommodation to meet the needs of those with mobility difficulties (for the same reason)
- Flats, especially flats where the landlord anticipates significant expenditure on the block in coming years, for instance to get it to EPC C standard.
- Properties let at market rent.

The rules around exemptions for properties scheduled for demolition also need to be reviewed, as they do not adequately prevent sales in larger estate regeneration schemes which operate over long timescales. The unknown level of RTB applications (and hence the costs of compulsory purchase back of these properties) causes difficulties with the business plans for regeneration projects.

### 8. Should newly built social housing be exempt from the Right to Buy? If yes, please explain why the existing cost-floor provisions are insufficient.

- Yes [please explain]

The cost floor provisions are not sufficient because they still force councils to sell at a loss (see answer to Q10). However, even if the cost-floor provisions were reformed, we would prefer to see newbuild excluded entirely for the following reasons:

- If the cost-floor provisions were reformed, most newbuild homes would end up excluded anyway. It's administratively easier and more transparent for tenants to be aware that they will be automatically excluded.
- Even if selling new homes does not cause a financial loss, it causes political damage to the support that councils build up for newbuild council housing. Staff are demotivated if they see the homes they fought for sold off quickly, and residents may support new social housing, but feel that they have been misinformed if properties are quickly sold (especially if they are subsequently on the market).
- Removing the RTB from newbuild does not affect any existing tenants who might be hoping to use the RTB someday. Tenants moving into newbuild

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

council homes would do so in the knowledge that the RTB is not available on that property, just as they might do so in a housing association property.

Some councils are already finding ways round having to offer the Right to Buy on their new housing, such as delivering it with a partner, or letting it on other types of tenancy. Simply exempting newbuild council housing from the Right to Buy would give them a simpler solution. It would give councils confidence to invest in new housing directly, while leaving existing tenants unaffected.

**INTERACT  
INFORM  
INFLUENCE**

**9. If yes, how long after construction should newly built social housing be exempt from the Right to Buy?**

Permanently

We see no reason for properties built in the future to become eligible. Social tenants already know if they accept a housing association tenancy that they will not be eligible for the Right to Buy and accepting a tenancy on a newer council property would be no different. A permanent exclusion would be easier to administer and to ensure that this information is clearly explained to tenants and when properties are being advertised to let.

info@housingforum.org.uk

**10. How can council investment in retrofitting or improving homes to a high standard be protected under the Right to Buy scheme?**

- Amendments to the cost floor

The cost floor rules should be reformed to ensure that councils are never forced to sell homes for less than it cost them to build, acquire or invest in them. The rules need to be reviewed to ensure that they cover all costs relating to the repair and maintenance of a home, including work undertaken on building safety and on decarbonisation.

The table below shows some data on sales in 2023-2024 from one of our Housing Forum members:

Property	Cost Floor	Valuation	Discount	Purchase Price	Loss
A	£ 109,845.00	£ 118,000.00	£ 51,920.00	£ 66,080.00	-£ 43,765.00
C	£ 134,221.00	£ 142,000.00	62,480.00	£ 79,520.00	-£ 54,701.00
E	£ 98,751.66	£ 152,000.00	83,600.00	£ 68,400.00	-£ 30,351.66
F	£ 91,395.00	£ 110,000.00	55,000.00	£ 55,000.00	-£ 36,395.00
G	£ 63,430.00	£ 140,000.00	£ 49,000.00	£ 91,000.00	£ 27,570.00
H	£ 139,878.00	£ 132,000.00	55,440.00	£ 76,560.00	-£ 63,318.00

This is not confined to weaker housing markets – there were also examples in London where the cost floor can be more than the market value.

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA



The cost floor rules should also apply to housing associations where tenants have the Preserved RTB or Right to Acquire.

- Exemption for homes that have been retrofitted or improved to a high standard [please explain including length of any exemption]

Properties could be exempted if they have benefited from significant retrofitting expenditure, just as newbuild housing could be. However, we would have reservations about this, because it could increase tenant resistance to having their home improved. This is already a significant issue for many retrofitting schemes, and even if the parameters were drawn narrowly, tenants may become aware of this possibility and so resist new works out of concern that it would bar them from the RTB.

- Other

Exempting flats from the RTB would help councils to invest in retrofitting, building safety works and improving homes to a high standard.

**11. If answering on behalf of a council, would exemptions to market rent homes have a significant impact in allowing more cross-subsidy for the building of affordable housing?**

n/a

## 5. Restrictions on properties after sale

**12. Should the time period in which the council has the right to ask on the sale of the property for repayment of all or part of the discount received be increased from 5 years to 10 years?**

Yes

This would help reduce sales of homes to people who do not intend to live in them long-term. If the discounts are reduced (as is proposed), then repaying part of the discount anyway not be such a severe penalty for those who really did need to move. It would also help reduce abuse of vulnerable tenants by companies who encourage them to purchase via the provision of a loan that the tenant cannot afford long-term, with the intention of buying the home from the tenant after a period of time.

The proportion of the discount repayable if a property is sold within this 10 year period should be gradually reduced (so that, for example, if sold after five years, 50% of the discount is repayable).

**13. Do you have any other views on restrictions that might apply to a property following its sale under the Right to Buy? [Free text box]**

We would support the suggestion made in the consultation paper (and by the JRF) that the discount should be repaid at the point of resale. This would allow councils to recycle the full market value of the property (eventually) into new council housing to replace the homes that are sold. This would be simpler to administer than trying to restrict who can buy the home, which could be difficult to administer given that the

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174



council no longer retain any interest in the property. It would also remove most of the incentive to abuse the RTB scheme by people who do not need to live in the property anymore (for instance because they are moving in with a partner or family member), as there would be little financial gain. At the same time, people wanting to buy their home in order to remain living in it as homeowners would suffer no detriment.

We would also support a covenant being placed on homes sold via the RTB that they must be a main residence and cannot be used as a second home. These are commonly used already on newbuild market housing in areas with high rates of second home ownership and would be in line with the RTB's objective of facilitating homeownership.

We note that the Government is not proposing to introduce letting restrictions on properties purchased through the Right to Buy, but believe that this should be considered (for future sales). Covenants could be placed on sales to either prevent the property from being let out, or alternatively to require them to be offered to the council to let, if they are not being used for owner-occupation. This would help the Right to Buy meet its original aim of increasing homeownership and address concerns of unfairness when former tenants who have received a big discount then become landlords to tenants paying market rents. Councils could manage such properties and the owner would receive the (social level) rent, after the council deduct a small management fee. Such schemes are already in place for Empty Dwelling Management Orders or schemes that landlords enter in voluntarily to offer their properties to councils.

This would reduce any incentive to abuse the scheme by purchasing with the intention of subletting, create more housing for councils to let and would reduce housing benefit costs to the DWP.

## 6. Replacement targets

### **14. Should there be a target for all council homes sold under the Right to Buy to be replaced, as far as possible, with a home of the same size, tenure and/or location as the home sold? Please provide detail to support your answer and indicate which consideration is the most important (tenure, size or location).**

No

Targets for replacement homes require the RTB receipts to be ringfenced from other sources, which is unhelpful as it restricts councils' ability to use them in the way that is most effective. The evaluation of the pilot RTB scheme for housing associations has already demonstrated that it is not possible to replace homes sold on a like-for-like basis even if there was no discount (because newbuild homes typically cost more than the homes that are sold)<sup>1</sup>. Councils are therefore balancing competing priorities of tenure, size and location and they are best left to make this judgement based on

---

<sup>1</sup>

[https://assets.publishing.service.gov.uk/media/601d78878fa8f5146bc58b18/VRTB\\_Evaluation\\_v5\\_FINAL.pdf](https://assets.publishing.service.gov.uk/media/601d78878fa8f5146bc58b18/VRTB_Evaluation_v5_FINAL.pdf)

**INTERACT  
INFORM  
INFLUENCE**

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

local need and site availability. Introducing targets on these measures simply increases administrative costs, and would detract from using the receipts in the most effective way.

A council may also seek to use receipts to replace homes that are sold with homes in a different location where homes are more badly needed, or to build larger homes to meet identified local needs.

**INTERACT  
INFORM  
INFLUENCE**

## 7. Right to Buy receipts

**15. If answering on behalf of a council, do you have any evidence to demonstrate the impact of increased flexibilities around spending of Right to Buy receipts in accelerating and boosting replacement homes? [Free text box].**

n/a

info@  
housingforum.org.uk

**16. Do you have any evidence to demonstrate that combining receipts with grant would accelerate and boost delivery of affordable housing and how the risk of double subsidy would be mitigated? [Free text box].**

The Housing Forum's council members report that the restrictions on use of RTB receipts has led to some going unspent. They should be free to use the Right to Buy receipts in any way that improves housing in their area, such as regeneration, improving the existing stock condition or combining it with other funding pots. The five-year limit on spending them should be removed, to facilitate their use as part of more ambitious housing developments.

**17. How long should councils have to spend their one-for-one receipts?**

Indefinitely

We see no reason for the government to mandate a specific period. Councils want to get more homes built and can do that most efficiently when given the freedom to use their own money in order to achieve their ambitions. Some larger strategic housing developments and regeneration schemes can have long time horizons. Requiring money to be spent quickly incentivises councils to focus only on the smaller sites.

If a time limit is to be set, we would support one of at least eight years.

**18. Should unspent replacement receipts be returned to the relevant Mayoral Combined Authority as happens currently with London Boroughs and the GLA?**

As long as the funds remain ringfenced for use on housing, we see no reason for central government to dictate when they are spent, and therefore no reason to return any that are not spent within a specified timescale. As noted above, some of the most ambitious housing developments have long timescales attached, and councils should not be disincentivised from pursuing these.

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

**19. Should the local authority share and buy-back allowance be incorporated within replacement receipts?**

No response

**20. Do you agree that the total attributable debt should be calculated by multiplying the average attributable debt of each authority's housing stock?**

No response

**21. Should the requirement to return 75% of mortgage repayments that relate to pre-2012 sales be ended?**

Yes

**22. Should the Secretary of State be provided with a power to set the rules governing the use of Right to Buy receipts by general determination?**

No response

**23. Should Arm's Length Management Organisations (ALMOs) be permitted to use Right to Buy receipts to deliver new affordable housing?**

Yes, subject to the approval of the local authority.

**24. Do you have any other views on the rules governing Right to Buy receipts that have not been covered by the questions above? [Free text box]**

The cap on acquisitions should be removed or made more flexible. Councils are allowed to use a proportion of their Right to Buy receipts to purchase existing properties, rather than building new ones. It can be cheaper to buy existing homes than to build new ones. Councils sometimes reacquire flats (sold off via the Right to Buy) in blocks where they already own the freehold, which are easier to manage. The acquisitions cap creates inflexibility in terms of how councils use their Right to Buy receipts. For instance, if a newbuild scheme's timetable slips from one financial year to the next, a council may suddenly find that they have breached their acquisitions cap.

## 8. Public Sector Equality Duty

**25. Do you believe any of the proposals set out in this consultation document could negatively or positively impact individuals who have a**

INTERACT  
INFORM  
INFLUENCE

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

**protected characteristic. Please explain your rationale, and evidence your thinking where possible.**

**a. Age**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

Young people and young families (including children) are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**b. Disability**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

Disabled people are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**26. Please explain your rationale**

**a. Sex**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

Women are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**b. Gender reassignment**

Not known

**c. Marriage or civil partnership**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

Single parents and single people are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**d. Pregnancy and maternity**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

**INTERACT  
INFORM  
INFLUENCE**

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174

Pregnant women are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**e. Race**

Yes. The proposals set out in this consultation document will have the effect of reducing the loss of social housing via RTB sales. This will benefit people on social housing waiting lists and statutory homeless households.

Most non-white ethnic groups are over-represented on social housing waiting lists and amongst homeless households so would be positively impacted by the proposals.

**f. Religion or belief**

Not known

**g. Sexual Orientation**

Not known

**INTERACT  
INFORM  
INFLUENCE**

info@  
housingforum.org.uk

The Housing Forum Ltd  
6 Floor, 1 Minster Court  
Mincing Lane  
London EC3R 7AA

Registered Company  
Number 03785174