Right to Buy Team

Ministry of Housing, Communities and Local Government

2 Marsham Street

London

SW1P 4DF

14 January 2025

Dear Sir/Madam,

Right to Buy consultation

The National Housing Federation (NHF) is the voice of housing associations in England. Our members own 96% of all social homes in England, providing 2.7 million homes to around six million people.

We are writing to you in response to the Right to Buy consultation. The NHF welcomes the government's decision to reform the Right to Buy and the confirmation that it will not be extended to housing associations.

Previous Voluntary Right to Buy pilots demonstrated that the scheme led to a net loss of social housing. There is not enough money from sales to build new social homes to replace those sold: less than half of the homes sold through the pilot schemes were replaced. Those that were replaced were rarely replaced at social rent levels.

Right to Buy reform is a welcome step to tackle the housing crisis, which is affecting people in every part of the country. We support the government's ambition to build 1.5 million new homes, but we can only achieve this with the right support. We look forward to a new long-term housing strategy announced at the next spending review, including a significant boost in funding for social housing.

In our role representing housing associations, we have focussed our response on issues where housing associations have a strong view. We have therefore not answered every question.

Eligibility and discounts

• The NHF supports the review of Right to Buy discounts. The minimum percentage should be 0% and the maximum percentage should be 5%. This should apply to flats and houses equally.

NATIONAL HOUSING We welcome calls from the Chartered Institute of Housing and the Local Government Association to increase the secure tenancy eligibility requirement. This should be set to at least 10 years or more.

Exemptions and restrictions

- The NHF welcomes proposed exemptions to Right to Buy to protect the supply of sheltered housing and housing identified as suitable for older people.
- We also support the view of the Rural Housing Network that an exemption should apply in all parishes with populations of 3,000 or fewer, and in all parishes in National Parks and Areas of Outstanding Natural Beauty. This would mirror existing provisions for Right to Acquire.
- We agree with the general principle that the Right to Buy is not extended to those who already own a home or have previously benefitted from the scheme. However, there should be some exceptions or discretion, such as for applicants who have previously owned a home but since experienced relationship breakdown.

Replacement targets and receipts

- The NHF welcomes the confirmation in the Autumn Budget that councils will be able to retain 100% of the Right to Buy receipts.
- Given the importance of achieving the 1.5 million new homes this country needs, we welcome the ability of local authorities to pool receipts with Section 106 contributions.

The NHF would welcome the opportunity to discuss our submission and other policy proposals in more detail. <u>Please contact Adam Gravely</u>, Policy Officer (Supply & Finance) for more information.

Yours sincerely,

Alistair Smyth

Director of Policy and Research, National Housing Federation

