

BRIEFING

RIGHT TO BUY 2.0

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BOLD IDEAS
for CHANGE

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FOREWORD

Today, Britain is facing a housing crisis. A combination of high prices and low supply, strict lending criteria and unbridled private rent rises has created a vicious circle, with plummeting home ownership an inevitable result.

But while the headlines focus on declining home ownership, there is a growing crisis in the social housing sector too. Since 1997, the number of families on social housing waiting lists has almost doubled. Around 50,000 households live in temporary accommodation, including thousands of families with children.

Despite this, the number of new homes built by councils and housing associations has slumped in the last decade. As the price of property rises, it is more difficult for people to make the step up from social tenant to owner-occupier. That means fewer local authority and housing association homes become vacant and available to the newly vulnerable.

In 1980, Margaret Thatcher's government gave council tenants the right to buy their homes. This policy transformed the lives of some of the least affluent in society, helping two million Britons become homeowners for the first time. It was a policy for the many, not the few.

However, the current rules mean many housing association tenants who are willing and able to buy their home are not allowed to do so. A million housing association tenants do not have the right to buy, while the last government's restriction of right to buy discounts also made it more difficult for council tenants to buy their home this way.

Preventing social tenants from owning their home ties up billions of pounds of public funds that could be better used to help people onto the housing ladder. Reinvigorating and extending the right to buy would not only increase home ownership: by using all the funds raised to build new homes, the policy would lift the most vulnerable households in Britain off waiting lists, out of temporary accommodation and into a place they can call home.

EXECUTIVE SUMMARY

- Britain is not just facing a crisis in home ownership; it has a growing crisis in social housing too. Some 1.8 million households are on waiting lists for social housing, and 50,000 are in temporary accommodation.¹
- We need a radical new policy which will both ease the pressure on social housing and lend a helping hand to those who aspire to become homeowners.
- People who are allocated a council or housing association home have the right to occupy it in perpetuity at a discounted rent, even if their circumstances change so they are better off.² They can even pass it on to their children, who may not even qualify for state help in their own right.³
- As house prices and private sector rents have risen, fewer people in social housing can afford to get a foot on the housing ladder, so there is no incentive for them to move into the private sector.
- Currently billions of pounds are tied up in social housing stock.
 - If we could recycle some of that public investment in providing new social housing, we could shorten housing waiting lists.
 - If social tenants who are willing and able to buy their homes were allowed to, this would release capital which could be invested in increasing and improving the social housing stock.
- Some housing association tenants are excluded from the right to buy scheme. Around one million tenants fall into this category – the right to buy should be extended to them. Housing associations and local authorities should receive all the receipts from right-to-buy sales, and should use them to build or buy new social housing.
- Extending the right to buy to all housing association tenants will provide a mechanism through which they can move from renting into owner occupation, rather than receive a subsidy for life. Other, more vulnerable people will then not only spend less time on housing waiting lists or in temporary accommodation, but will also be able to become owner-occupiers if and when their circumstances improve.
- The impact of this policy would depend, crucially, on the discount rate for right to buy. The higher the discount is set, the more attractive it would be for tenants, but the amount of capital released to fund new house-building would be lower. A low discount rate would reduce the incentive to buy but increase the resources to build.
- The previous government reduced the discount rate for tenants in council properties to a maximum of between £16,000 and £38,000, depending on location. The current government has pledged to increase these levels to make it more attractive for social tenants to take up the option of purchasing their home.
- As confirmed in the new *Housing Strategy*⁴, the government is about to consult on what the new, increased discount rate should be. As part of that process, the government should model the potential impact of extending right to buy – at various discount rates – to all tenants in housing association properties. This modelling should take into account the likely take-up and the impact on financing new housing supply.

1 Although council waiting lists are not always a reliable gauge of levels of housing need.

2 The policy option of flexible tenure included in the Localism Act 2011 will change this for some new tenancies, which will be granted instead for a standard minimum period of five years.

3 Usually after one automatic succession, any subsequent successions are discretionary.

4 Available at <http://www.communities.gov.uk/publications/housing/housingstrategy2011>.

- Crucial to this policy's success – both in increasing home ownership and increasing the supply of new homes – is that all the funds generated from sales are spent on the building of new social housing.
- This radical injection of funds into new social house building at this stage in the economic cycle will also increase employment.

1. THE RISE AND FALL OF HOME OWNERSHIP

Home ownership levels

Ten years ago, home ownership in Britain reached 71.5 per cent. Sadly, that has proved to be a peak rather than the latest phase in an upward trend. By 2010, this figure had fallen to 1991 levels (67.5 per cent) and a recent report for the Housing Federation predicts that, by 2020, homeownership will have returned to mid-1980s levels – just 63.8 per cent (Oxford Economics 2011).

If this prediction is accurate, by the end of the decade there will in effect have been no net growth in home ownership in Britain over the previous 35 years.

Desire for home ownership

Despite the downward trend, home ownership remains the objective of most people in Britain. A recent report from the Department for Communities and Local Government (DCLG) showed that 86 per cent of people would buy their home if they had the chance (Taylor 2011). Just 14 per cent said they would prefer to rent. Among couples with children, 92 per cent would rather buy than rent. This has changed very little over the last 25 years. Almost two-thirds of renters say they aim to buy their own property within the next five years. Among all three groups of renters – private, local authority and housing association – the majority would prefer to buy rather than continue renting.

There are several explanations for this. First, there are cost considerations: 78 per cent of Britons believe that owning your own home is cheaper than renting. Second, there is the greater freedom that being an owner-occupier brings: 78 per cent of people like the prospect of owning their home because it gives them the freedom to do what they want with it. Third, just under three-quarters of Britons want to become owner-occupiers because their home is something they can leave to their family. Just 13 per cent argue that owning a home is too much responsibility.

The desire for home ownership has also been demonstrated by the success of the right to buy scheme introduced by the Conservative government in 1980. So far, over two million homes have been sold under this scheme (DCLG 2010).

So why do two-in-three 20- to 45-year-olds now believe they have no prospect of ever owning their own home?⁵

The decline in house-building

Part of the reason home ownership is falling is that supply has not kept up with demand.

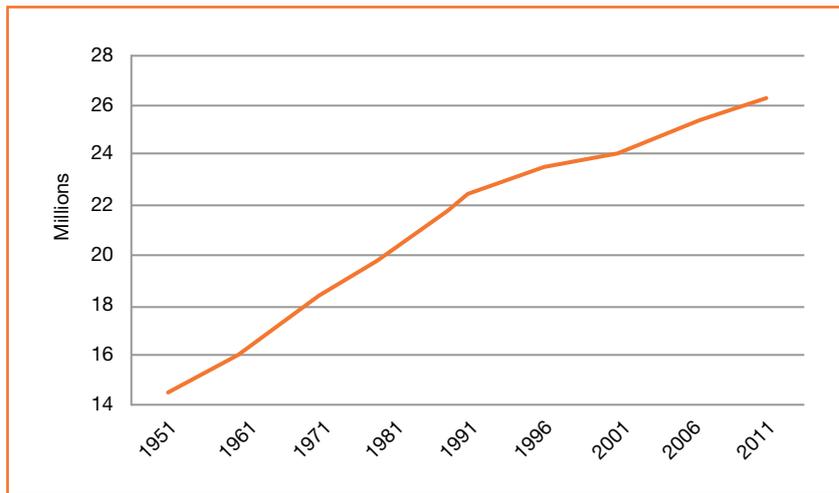
There are six million more households in Britain now than there were in 1981. Yet in the 30 years since then the number of new houses being built every year has halved.

That housing shortage will only become more acute if we fail to build more homes. The UK population is around 62 million: according to the Office for National Statistics, it will exceed 71 million by 2033, by which time there will be an extra 5.8 million households requiring a home of their own.

The reasons for the growing number of households range from immigration patterns to demographic shifts, like changes in family formation, an increase in single-person households and the fact that more people are living alone for longer. The conclusion, however, is clear: we need to build more affordable housing, and fast.

5 Halifax and National Centre for Social Research 2011

Figure 1
Number of households in
Britain, 1951–2011



Source: ONS

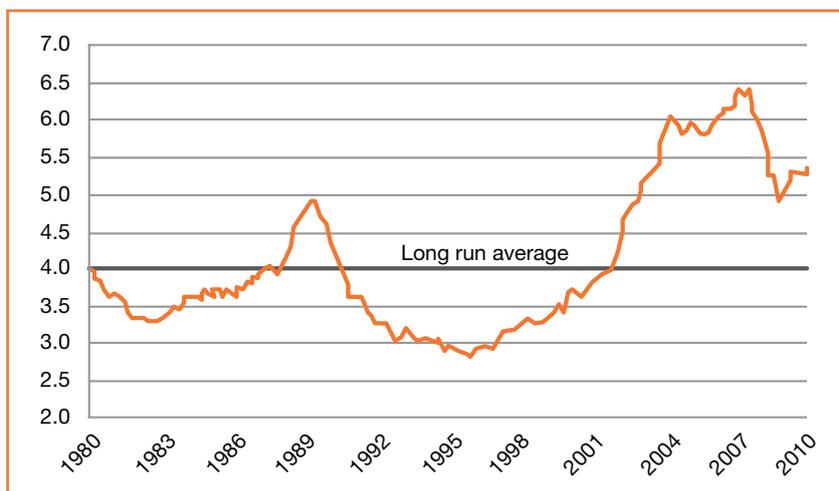
Rising house prices

The shortage of housing has driven up prices to the point where millions of Britons now find they are priced out of the market.

For decades, the average house price in Britain was around three times the average annual wage. This was still the case in 1995, but since then the UK average house price-to-earnings ratio has risen from 3:1 to 5.5:1. Almost half of the people surveyed for a recent government report now believe house prices in their area are too high. Even among owner-occupiers, who generally stand to gain most from rising house prices, 44 per cent believe prices are excessive (Taylor 2011).

While house prices fell in 2009 as the financial crisis took hold, they are expected to rise sharply in the next few years. It is difficult to predict future prices with any certainty. However, the Housing Federation expects house prices to rise by 20 per cent in the next five years (Oxford Economics 2011).

Figure 2
Ratio of house prices to
earnings, 1980–2010



First-time buyers

As housing has become less affordable, many people are having to wait longer and longer to get a foot on the first rung of the housing ladder.

As well as the problem of higher prices, first-time buyers face difficulties getting approval for mortgage loans, as some banks have adopted a more risk-averse approach to lending since the financial crisis. Since first-time buyers are viewed as a greater risk by lenders, they often have to find larger deposits and pay higher interest rates to get a mortgage. In 2001, the average first-time buyer needed a deposit equal to just under 17 per cent of the value of the property they were buying. By 2009, that figure was almost 28 per cent. The result: first-time buyers, who made up almost half of all homebuyers as recently as May 2009, now make up only a fifth.

It therefore comes as no surprise to learn that it is taking people longer to afford their first home. In 2008, the average age of the first-time buyer was 29. Now it is almost 33, and that includes first-time buyers who borrow from relatives. For those who cannot rely on financial help from their family, the situation is even more gloomy. According to the Housing Federation, a 21-year-old today who does not receive financial help from their family to buy their first home will not be able to do so until they are 43 (ibid).

As a result, more than two-and-a-half million Britons aged between 20 and 34 are still living with their parents. More seriously, at a time when youth unemployment is high, a quarter of 18- to 34-year-olds say they are unable to move home to seek or take up work because of high housing costs.

Rising rents

Since millions cannot now afford to get on the housing ladder until later in life, more and more people are now staying in the private rented sector for longer, either because they need to save more for a deposit or because they simply cannot afford to own their own home.

In the private rented sector, supply has not been able to keep up with the rapidly rising demand. Inevitably, many landlords, realising they could rent their property several times over, are charging tenants ever higher rent.

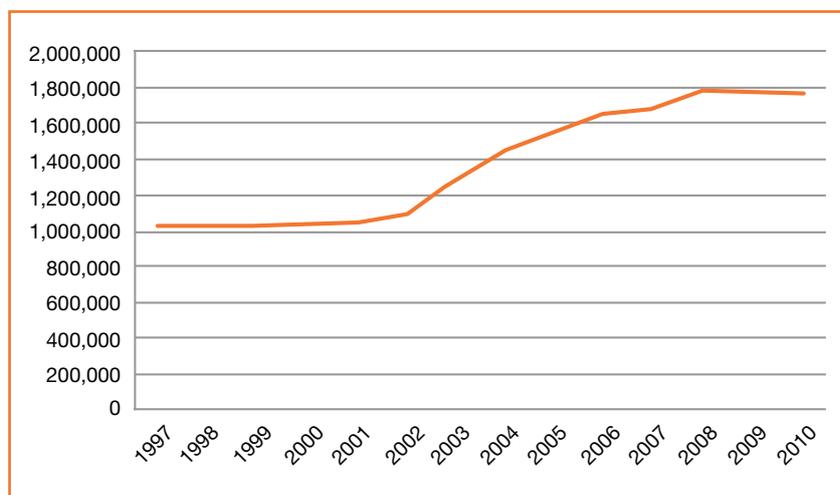
The effect has been particularly marked in London, where the housing shortage is most acute and prices highest. Average London rents are 50 per cent higher than for the rest of England. In the 12 months to August 2011, average rents in Greater London rose by almost 12 per cent. The highest rent increase outside of London in this period was just 4 per cent, in East Anglia.⁶

6 HomeLet Rental Index, July 2011. See <http://homelet.co.uk/rentalindex>

2. THE CRISIS IN SOCIAL HOUSING

Social housing is a sector under strain. Even before the property boom, social housing was oversubscribed. Now, with house prices and private rents reaching record levels, millions more have been priced out of the market and need state help with housing. House prices tripled between 1997 and 2007, and over the same period the waiting lists for local authority housing almost doubled to 1.8 million.

Figure 3
Households on local
authority housing
waiting lists



Source: DCLG: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics>

Statutory homelessness and longer waiting lists

The brunt of this crisis falls upon the most vulnerable in society, who are being denied access to social housing. The evidence suggests the problem is becoming increasingly acute.

Around 50,000 households in England are currently in temporary accommodation while they wait for social housing – this is known as statutory homelessness. The problem is particularly acute in London, which accounts for three-quarters of all English households in temporary accommodation, including 28,500 households with children. Four in 10 ‘homeless’ households comprise single mothers with children.

Behind the growing waiting lists is a chronic shortage of social housing being made available to new tenants. One explanation for this is the low turnover of tenancies in social housing.

Low turnover of social housing

Social housing is an important source of stability – a safety net for those who would face homelessness or hardship if left to fend for themselves in the private property market.

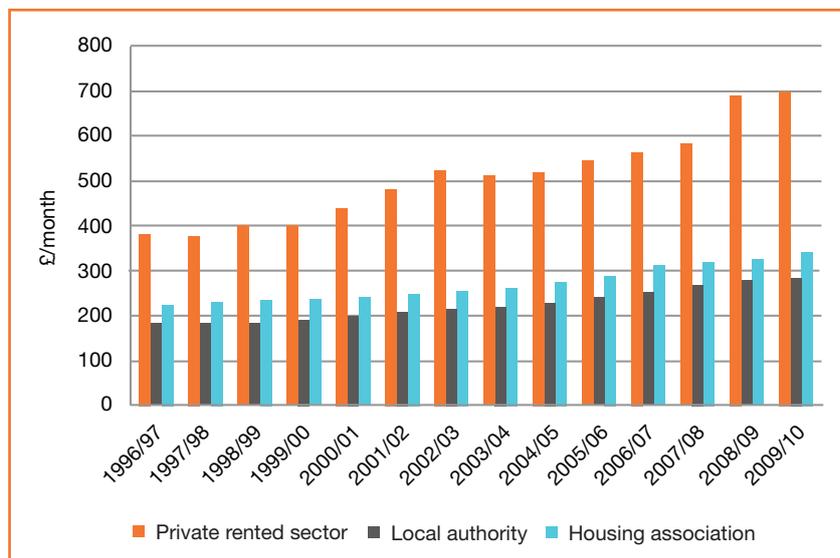
However, while some social tenants need state support for life, others see their fortunes improve – but some of these people remain in social housing long after they need it.

In fact, most people are likely to experience a period of low income at some point in their lives. Throughout the 1990s, 60 per cent of the population spent at least one year in the bottom 30 per cent by income. Economic circumstances vary through life, as the unemployed find work and the poorly paid earn promotions or get better jobs.

In 2009/10, almost a quarter of social renters were in full-time work. In the same period, 38 per cent did not receive housing benefit to help pay their rent, an indication of improving circumstances. Among social renters who were employed, only 20 per cent received housing benefit (DCLG 2011).

However, with house prices becoming less affordable, even relatively well-off social tenants have little financial incentive to give up their subsidised rent and become owner-occupiers. The subsidy for social housing rent varies by region but is substantial. Social rents are well below market rents, ranging from around 60 per cent of private rents in the North to less than 40 per cent in London.⁷

Figure 4
Comparison of mean monthly rents for properties in England



Source: DCLG 2011

Note: Excludes regulated tenancies (lettings which began before 15 January 1989).

In 2009/10, average local authority rents in England were £66 per week; average housing association rents were £78 per week. At the same time, the average private rent in England was £153 per week, meaning housing association tenants received an average rent subsidy of £75 per week (DCLG 2010) and local authority tenants £87 per week.

This subsidy, combined with high house prices, hinders turnover of social housing. In the absence of affordable ways to become owner-occupiers, social tenants are staying put for large parts of their lives. While only 10 per cent of private renters in 2009/10 had been in their home for 10 years or more, for social renters this figure was 43 per cent. The result: less than 5 per cent of England's social housing stock is made available for new lets every year.

This problem is particularly acute in London and the South East, aggravating the crisis in social housing in the region where demand is at its highest. In 2009/10, only 14,861 housing association properties were made available for reletting in London – this represents just 3.5 per cent of London's housing association stock, down from 5 per cent in 1998/99. The national average for 2009/10 was also around 5 per cent.

7 DCLG Housing Statistics Live Tables 701, 703 and 734: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/rentslettings/livetables/>

The problem of declining turnover is even worse than these figures suggest, as around one-third of housing association vacancies are relet to existing local authority or housing association tenants, not to the newly vulnerable.

Despite this problem, under current rules once someone has been allocated a housing association dwelling they can continue to occupy it for as long as they like. Allocating a subsidy in this way is equivalent to suggesting that because someone becomes unemployed they can claim jobseekers' allowance for the rest of their life, even if they subsequently go on to find a job. Clearly, requiring someone to give up their social housing tenancy whenever they get a job or their earned income rises would create significant disincentives to do either, and would break up communities – bringing about the opposite of the government's stated objective of fostering stable communities. However, the current situation does leave thousands of vulnerable people sitting on social housing waiting lists waiting for a home of their own.

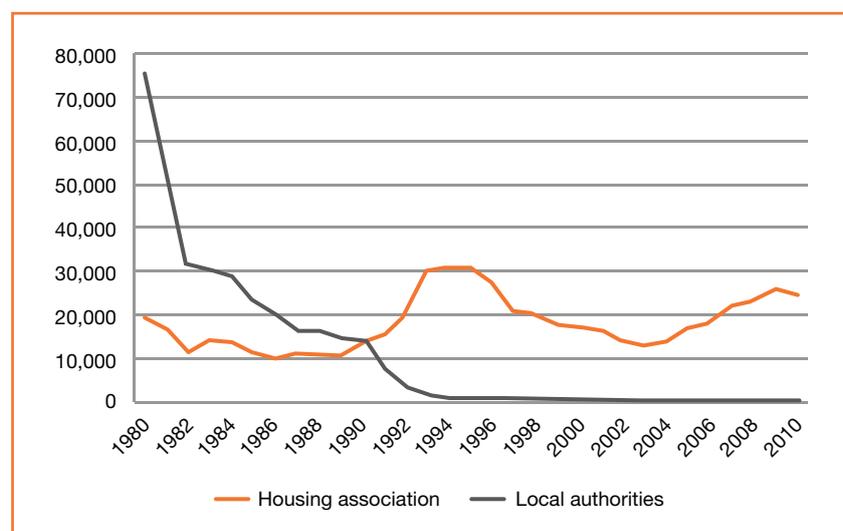
What is more, under existing rules social housing can sometimes stay in the family not just for life but for generations, with parents able to pass it on to their children, who may not even qualify for state help in their own right.⁸

The result: some affluent people now live in social housing and enjoy low, taxpayer-subsidised rent. These include highly paid union leaders, not to mention some well-known MPs. In Westminster alone, more than 2,000 social tenants earn over £50,000 a year, with around 200 on six-figure salaries. Some even have second homes abroad. In the same borough, 17,000 families languish on the waiting list for social housing. This is hardly the best use of a scarce and valuable resource designed to protect society's most vulnerable.

Failure to build new social housing

Low turnover of social housing is one reason for the crisis in this sector. The second reason is that we are simply not building enough of it.

Figure 5
New social housing completed by tenure (England only)



Source: DCLG 2010

⁸ Usually after one automatic succession, any subsequent successions are discretionary.

Levels of house-building in the social sector have plummeted since the early 1980s. Since the early 1990s, local authorities have effectively stopped building at all, and housing associations have failed to bridge the gap, providing only a small proportion of the new homes that were once provided by councils. In 1980, councils and housing associations built almost 100,000 new homes – last year that figure was just 25,000. With house prices, rents and population all expected to rise considerably over the next two decades, the shortage of social housing will only become more acute unless this trend is reversed.

Trapped in a vicious circle

The shortage of affordable housing is therefore creating two distinct problems. On the one hand, a growing number of those on low incomes languish on social housing waiting lists or in temporary accommodation. On the other hand, high house prices and rising rents are making it increasingly difficult for social tenants to become homeowners, so they continue to occupy their social homes long after their initial need for state help has passed.

However, the second problem is contributing to the first: less social housing is being made available to new tenants, making it more difficult to find permanent accommodation for those most in need.

The current system of allocating subsidy actually compounds this problem, resulting in a vicious circle of social housing support. Many tenants who aspire to home ownership are actually encouraged to stay in social housing by the rent subsidy they receive, while vulnerable people waiting for social housing receive no subsidy at all.

3. PREVIOUS SUCCESSES AND OBSTACLES TO CHANGE

Policy should be aimed at replacing this vicious circle with a virtuous one. Essentially this means increasing capacity within the social housing sector and making it more responsive to people's needs. Many social tenants would rather own their home than stay in social housing for the rest of their lives. Encouraging them to do this would free up funds that could be used to improve and increase the existing housing stock, and to help those most in need.

Right to buy: a boost to home ownership

By far the most successful scheme in helping social housing tenants to realise their dream of home ownership has been the right to buy. It has helped two million Britons become homeowners for the first time.

Between 1980 and 1997, when New Labour came to power, homeownership grew from 55 per cent to 67 per cent, with nearly half the increase directly attributable to right to buy sales.

Some critics of the right to buy say it makes the social housing shortage worse by diminishing the social housing stock (and not reusing the receipts from council house sales to finance new supply). However, it is not the case that tenants who exercise their right to buy would necessarily otherwise be leaving social housing – on the contrary, many would simply keep renting their home indefinitely. As a result, some of these homes would not have become available to others, and waiting lists would still have grown longer.

Although the right to buy does not release the property for new tenants, it can release much of the value of the property. Rather than collecting relatively small sums of rent, the right to buy scheme allows local authorities and housing associations to raise a lump sum which they can then use to build more social housing. As long as the proceeds of social home sales are reinvested in the housing stock, right to buy is a win-win policy for new and old tenants alike.

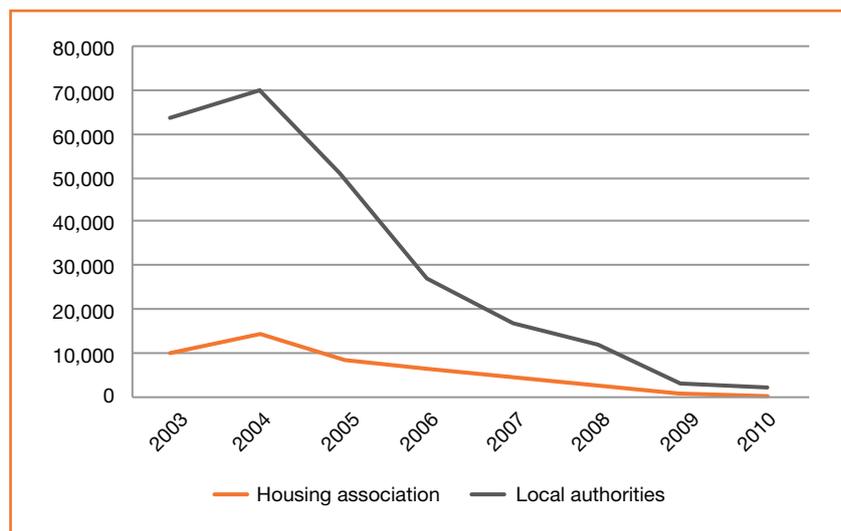
Labour's reforms to the right to buy

After they won power in 1997, New Labour changed the rules to make it harder for social tenants to buy their home. The average right to buy discount fell from 48 per cent of the value of the property in 1999/2000 to 26 per cent in 2009/10 – this raised the minimum sale price and thereby reduced the financial incentive for social tenants to buy their home. Furthermore, the transfer of huge amounts of social housing from local authorities to housing associations meant new tenants in these properties were 'assured tenants', who do not have the right to buy.⁹

As a result, right to buy sales have collapsed in recent years. In 2004, local authorities sold 70,000 homes to social tenants under the right to buy scheme, and housing associations another 10,500. Last year they sold just 3,000 between them, with housing associations selling just 800 of their 2.1 million dwellings in this way.

9 For current rules on right to buy, including discount rates, see http://www.direct.gov.uk/en/HomeAndCommunity/BuyingAndSellingYourHome/HomeBuyingSchemes/DG_186973

Figure 6
Social housing sales
by local authorities and
housing associations
through right to buy,
2003–2010



Source: DCLG 2010

Flexible tenancies: Coalition reforms

To its credit, the Coalition government has been quick to recognise the problems facing the social housing sector. The Localism Act 2011 aims to address them. Lifetime tenancies will still be permitted for social housing, but from April 2012 local authorities and housing associations will also be able to offer shorter ‘flexible’ tenancies, with a minimum five-year period as standard. The aim is laudable: to improve the turnover of social housing and reduce waiting lists.

However, flexible tenancies will not solve the problem – they will just shift it around. All the flexible tenancy will achieve is to remove the sense of stability that social housing is supposed to provide, and risk kicking social tenants out of their homes even while they still need state support.

If these vulnerable social tenants are stripped of their housing to make way for new tenants, it will not free up social housing or shorten the waiting list, as local authorities will simply have to re-house them (unless councils discharge this duty through the private rented sector). If we are not careful, thousands of social tenants will simply be ‘recycled’, alternating between social housing and temporary accommodation or even homelessness.

Right to buy receipts

Under current rules, just a quarter of right to buy receipts go to social landlords, with the remaining three-quarters going to the Treasury. The risk here is that social housing is sold but local authorities and housing associations are left with insufficient funds to replenish their social stock.

Right to buy for housing association tenants

The vast majority of council tenants are secure tenants who have the right to buy their council house at a discount, but around one million housing association tenants are excluded from this scheme.

Under the Housing Act 1985, secure tenants of non-charitable housing associations also have the right to buy their home. However, the Housing Act 1988 restricts secure tenant

status to housing association tenants who entered their tenancy agreements prior to 15 January 1989. Housing association tenants whose agreements began on or after this date are classed not as secure tenants but as 'assured tenants', and they do not have the right to buy.

An exception to this rule exists where, following a transfer of a local authority's stock to a housing association, the secure tenants of the local authority become assured tenants of the housing association – these tenants retain a preserved right to buy. However, if these tenants move on, the next tenants to move into the transferred property will not enjoy the preserved right to buy (it is attached to the tenant, not the property). Therefore, as secure tenants are replaced by assured tenants and tenants whose property was transferred to housing associations are replaced by new tenants, the proportion of social tenants who have the right to buy will diminish. Eventually, unless the rules are changed, the right to buy will not extend to any housing association tenants.

What is more, although most housing association tenants come from the same waiting lists as council tenants, the latter have the right to buy while the former do not. Therefore, whether or not someone in social housing has the right to buy often appears to be little more than a matter of chance.

Even on the same housing association estate, some tenants with secure tenancies have a statutory right to buy while their fellow tenants with assured tenancies do not. The current system has created a lottery whereby a few tenants can fulfil their dream of homeownership but a growing majority cannot.¹⁰ This is a fundamentally unjust state of affairs.

Right to acquire: the poor cousin

Some housing association tenants can buy their home under the right to acquire scheme introduced by the Housing Act 1996. However, it only applies to tenants in certain properties built or purchased with social housing grant funds (or transferred to a housing association) after 1 April 1997. Of the 2.2 million housing association properties in England, only 242,160 (11 per cent) have been built since 1997.

This is not the only reason why the right to acquire has had such a limited impact on home ownership. Other complex rules further complicate matters. First, when a housing association tenant wants to exercise their statutory right to acquire, the housing association is entitled to offer only to sell a different property to the one the tenant is living in and to which their tenancy relates. Second, the discount offered under the right to acquire is significantly lower than under the right to buy, and is a flat rate which does not take into account the number of years the tenant has been in residence. Third, the right to acquire does not extend to properties designated as 'rural' by the secretary of state.

This explains why sales of housing association stock to social tenants are so pitifully low. In 2010, just 0.3 per cent of housing association stock was sold under the various ownership schemes. By comparison, in the peak year of 1982, 196,430 local authority dwellings – 3.2 per cent of the total stock – were sold through the right to buy scheme alone.

Extending the right to buy could be achieved by amending the 1985 Housing Act to include all secure and assured tenants. This would end the 'lottery' which seems to determine whether or not a social tenant has the right to buy their home.

¹⁰ That said, and for a host of reasons, variation between similar, even neighbouring properties – in terms of their prices, rents and conditions of tenure – is commonplace across all sectors.

4. RIGHT TO BUY 2.0

Extending the right to buy to all housing association tenants

For housing association tenants denied the right to buy, making the leap from social housing to home ownership is proving to be increasingly difficult. Mortgage rates remain low, but the last 15 years have seen a massive rise in UK house prices relative to average earnings.

Although 61 per cent of housing association tenants want to own their own home, 90 per cent of them do not expect to be able to do so in the near future (Taylor 2011). Extending the right to buy is not only the best solution for housing association tenants who want to own their home. It is also a great and much-needed opportunity for those waiting for social housing.

To provide more homes for the most vulnerable, housing associations need to receive all the proceeds from properties sold through the right to buy scheme in order to provide additional social housing, whether through acquisition or construction. This would enable many more people to take advantage of social housing than would otherwise be the case. It would also mean the Treasury recouping less money from each sale under right to buy than is currently the case.

The right to buy would also encourage the development of mixed tenure housing areas containing privately owned, private rented and social housing. This is a far better outcome than huge, homogenous, monolithic council estates, which have come to be stigmatised as hotbeds of crime and social problems.

In 2009/10, UK public spending on social housing was £10.4 billion.¹¹ This included £5.7 billion on local authority housing and £4.7 billion on other social housing. This has clearly not been enough to make a real impact on the chronic shortage of affordable housing. Using the proceeds from right to buy sales to build or acquire new homes has the potential to increase dramatically the amount of money invested in new social housing.

Lifting the cap on right to buy discounts

Take-up of the extended right to buy will clearly depend on the discount that is offered. Set it too low and tenants would not have much incentive to buy their home, though the housing association would raise more capital per sale to reinvest in building new homes. Set the discount too high and take-up is likely to be much higher, but less capital will be released to build or buy enough new social housing.

At present, the discount ranges across various values beneath a maximum of £38,000, depending on location. These discounts are too low, and the current government has pledged to increase them so as to make it more attractive for social tenants to take up their right to buy. The challenge is to strike the right balance to encourage social tenants to buy their homes while still raising enough capital to improve and increase the social housing stock.

The government is about to consult on what the new discount rate should be. As part of that process, the government should model the potential impact of extending the right to buy – at various discount rates – to all tenants in housing association properties. This modelling process should take into account the likely take-up as well as the impact on financing new housing supply.

¹¹ This includes both current and capital expenditure across central and local government, devolved administrations and public corporations.

5. CONCLUSION

Despite falling levels of home ownership, most people in Britain want to own their home. That is true of social renters and private renters alike. Giving everyone the opportunity to get onto the property ladder is central to Conservative principles of increasing social mobility.

The right to buy enabled millions of people to achieve this ambition, but in recent years sales have fallen dramatically. This, combined with high house prices and rising rents, has contributed to the social housing crisis we face today.

At its best, the social housing sector acts as both as a safety net for the most vulnerable and as a springboard to help people get back on their feet. Right now, social housing is failing in both these aims. Millions of Britain's poorest households continue to languish on social housing waiting lists or in temporary accommodation. At the same time, many social renters who are willing and able to own their home are prevented from doing so simply because they are housing association tenants without a secure tenancy or a preserved right to buy, or because the right to buy discount has been drastically reduced.

By encouraging those who can afford it to buy their homes and by then using all the proceeds to increase and improve the social housing stock, we can take some of the most vulnerable households off the waiting lists, out of temporary accommodation, and give them stability and security. At the same time, we can bring home ownership back within reach.

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