

# What you need to know about the abolition of the Right to Buy & Right to Acquire in Wales



## Background

Under the Right to Buy scheme tenants are able to buy their home at a price lower than the full market value. The longer a tenant has been at the property, the more the discount – although this is limited to a maximum of £8k.

At present, the scheme is available to tenants of local authorities, non-charitable housing associations and those who moved with their homes during a stock transfer process.

Between 1 April 1981 and 31 March 2016 around 136,000 local authority and 3,100 housing association homes were sold under the Right to Buy and Right to Acquire schemes. (This total is equivalent to 45% of the social housing stock in 1981).<sup>1</sup>

## What are the main points of the legislation?

Current tenants will still be able to exercise the Right to Buy and Right to Acquire in existing stock for a period of at least one year before abolition. For newly-let dwellings the provision will cease two months after the Bill receives Royal Assent.

The rationale being that new homes can continue to count towards, and boost the affordable housing supply. This does mean that new tenants, will need to be made aware on signing a tenancy that the Right to Buy does not apply to their home.

The Welsh Government will report on the impact of the legislation (if passed) by undertaking an ongoing post-implementation review.

## What has been the impact elsewhere?

In Scotland, the Government continued to restrict their Right to Buy scheme up until 2014, when it was abolished under the Housing (Scotland) Act 2014. Tenants were given the right to exercise the provision up until July 2016.

Immediately following this announcement the

number of applications and the number of sales between July and September 2013 both increased (by 39% and 44% respectively) compared to the previous quarter. The increases were higher than in the same quarter of 2012, where the number of applications and the number of sales increased by 5% and 7% respectively.

## CIH Cymru wish to highlight the following points to members:

- We welcome the intention of the Bill to abolish the Right to Buy and Right to Acquire in Wales
- A potential spike in applications arising during the 1year(+) period and the impact on front-line staff in terms of queries
- The bill states that qualifying landlords will need to communicate the information published by Ministers within two months of the bill coming into force, or within one month of the information being produced – whichever comes first.
- Strategy for communicating with tenants should be considered at the earliest opportunity given the 1 month deadline to disseminate the information

## Further information

For further information on the proposal to abolish the Right to Buy and Right to Acquire details are available [here](#).

CIH Cymru will provide further details to members as the bill progresses to Royal Assent.