

Right to Buy: Shelter Scotland Factsheet

Shelter Scotland supports the abolition of Right to Buy in Scotland due to the way it has undermined progressive housing policy across Scotland.

Background

The Right to Buy (RTB) was initially established in 1980 to give public sector tenants the opportunity to purchase their houses at discounted rates.

It achieved its original objective of increasing home ownership, from 36% in 1981 to 64% in 2011 across Scotland¹. However the transfer of such a large stock of dwellings from public to private use has inevitably had major implications for the availability of housing in the social sector in Scotland. Almost half a million homes across the social sector stock have been lost since legislation came into force in 1980 and the issue has become increasingly contentious.

Relevant legislation

The [Housing \(Scotland\) Act 2001](#) made substantial changes to the RTB. The new scheme, as amended under this Act, is known as the 'Modernised RTB'. These changes came in 2002. The Act began to limit the RTB in the following ways:

- by introducing the power for local authorities to declare a pressured housing area where RTB could be suspended for new tenants for up to 5 years.
- by varying the terms of all new RTB sales by increasing the qualifying period for new tenants from 2 to 5 years and reducing the discount available on properties.

The 2001 Act also allowed tenants of Registered Social Landlords to buy their home from 2012.

The [Housing \(Scotland\) Act 2010](#) then brought in further reform. Whilst this did not end Right to Buy, it changed the entitlements by ending RTB for newly supplied social housing and new tenants. More flexibility was also introduced around the pressure control areas for local authorities.

¹ Scottish Household Survey 2011

<http://www.scotland.gov.uk/Publications/2012/08/5277/downloads>

Further information on who is currently eligible for a discount is available on our [webpages](#) or through [guidance](#) produced by the Scottish Government on who has the right to buy in Scotland.

Recent Developments

The Scottish Government put out a [consultation](#) in 2012 proposing two key changes:

1. Removing the preserved right to buy entitlement and moving all tenants to the modernised right to buy or;
2. Ending **all** right to buy entitlements

Shelter Scotland has supported the total abolition of RTB as the Scottish Government estimates indicate that this would retain 10,000 houses that might otherwise be sold in the period 2015 to 2020. If there was a move to preserved right to buy this would be only 5,000. Abolition would be cleaner and simpler and it would send out a clear signal that a policy designed for the 1970s has little place in the Scottish housing landscape now.

On 3rd July 2013, the Scottish Government announced that Right to Buy would end. In practical terms, this means that social housing tenants will have three years to exercise their RTB following royal assent of the coming Housing Bill, expected to be in Autumn 2014.

NOTE: This legislation in Scotland differs to that in England, where the rules and discounts are not the same and current proposals for the future of the scheme also differ.

The Impacts of Right to Buy

Shelter Scotland has [argued](#)² that RTB policy has undermined progressive housing policy in the following ways:

- Sale of social housing under RTB, combined with the lack of available land in high demand areas and the low level of investment in affordable housing, severely reduce the ability of housing providers to meet housing need. Evidence suggests that decreasing numbers of tenants are purchasing their home with the intention of staying in their properties in the long term. Many of the better council dwellings have now been sold and this limits the ability of tenants to move to a better property through transfer.

² Shelter Scotland (2006) The impact of the Right to Buy in Scotland
http://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/the_impact_of_the_right_to_buy_in_scotland

- There is also evidence of the original purpose of the legislation being abused with increasing numbers of tenants purchasing their home and not intending to stay long term. There are also potential problems that RTB legislation could be used by companies and relatives to exploit vulnerable tenants.
- The areas with the highest sales relative to the size of local housing stock are rural and the lowest are urban, and the majority of sales have been houses rather than flats. This means that the consequences of stock loss through the RTB are critical to overall supply in rural areas, whereas in urban areas the most desirable properties in the most desirable locations have been sold.
- The original benefits brought to communities through mixing tenure types through RTB sales are now being lost. The purchase and subsequent sale of RTB homes suggests that it is being used as a strategy to move away from low demand areas.
- Shelter Scotland has argued that the loss of housing for rent which results from the RTB has contributed to the growing homelessness problem in Scotland. The loss of good quality, affordable rented housing has been one of the fundamental reasons for homelessness increasing. Shelter Scotland's research has shown that local authorities that have sold more houses have seen the biggest increases in homelessness.

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