

Statement on right to buy extension to housing association tenants (updated August 2016)

On 1 October 2015 the Association's Board of Management considered a proposition by the National Housing Federation relating to a voluntary right to buy (VRTB) agreement with the Government to extend right to buy discounts to housing association tenants. The Board resolved not to support the voluntary agreement, but actively to campaign for full statutory exemption from the extension of right to buy to housing associations specialising in rural areas, to safeguard the viability of smaller communities.

The Association has previously made commitments to landowners and communities over many years that properties built would remain in Lincs Rural's ownership and available for affordable rented housing in perpetuity. Although the government has committed to replace each property sold under the VRTB agreement, a key issue of objection by this Association is that replacement homes can be built in any location and can be of any type of affordable tenure. This can include but is not limited to: social rent; affordable rent; shared ownership and other part-rent, part-buy models; and starter homes etc. The supply of affordable land available for affordable rural homes (*particularly affordable rented homes*) is therefore likely to decline unless rural areas are fully exempt in legislation from the extension of Right to Buy. The voluntary rural exemptions in the agreement are unlikely to reassure private landowners and local authorities who have made land available for the development of affordable rented homes on the understanding that the status of such homes would remain unchanged.

The portable discount option being proposed for those cases in which a housing association feels it is unable to accede to a request to sell a rented property under right to buy is not realistic in the rural context owing to the likely unavailability of an alternative property in the same locality. Furthermore, affordable rented properties in rural areas are usually occupied by tenants who work in the area, and so offering an alternative property owned by another housing association is likely to be inappropriate by the tenant in question. The likely outcome of the inability to offer an alternative home could be to raise expectations that cannot be delivered.

Lincolnshire Rural Housing Association has concluded that the extension of right to buy and the discretion housing associations will have not to sell a home to the tenant are unlikely to reduce the negative impact on the availability of affordable housing in to rural areas. Indeed, the voluntary agreement will have serious implications for affordable housing in rural communities and is incompatible with the socially responsible ethics for which the Association was originally formed. Future generations will require affordable homes, which the extension of right to buy to housing association under the voluntary agreement will undermine.

Although this Association is not supporting the voluntary right to buy agreement (VRTB), the concept of such an agreement does have the support of the majority of housing associations. However, details of how the agreement would work are still being discussed, and it is not clear whether it will automatically apply to housing associations who voted against it and/or which are (like Lincs Rural) not members of the National Housing Federation, which is the organization advising the government on the voluntary agreement. For instance, tenant eligibility, the scheme start date and its affordability have yet to be finalised by the Government. Progress with the VRTB agreement can be found on the Government and National Housing Federation websites.

Enquiries can be sent using '*Contact Us*' on www.lrha.co.uk or by telephone on 01790 754219. The Association's Complaints Policy is also available on this website.

www.housing.org.uk

<https://righttobuy.gov.uk/am-i-eligible/housing-association-tenants/>