



WALES, 2011

From publication: The Housing (Wales) Measure 2011

(<http://wales.gov.uk/docs/desh/publications/110613housingmeasureen.pdf>)

3.2 Right to Buy (RTB) has resulted in a significant reduction in the amount of social housing available for rent in Wales by people in housing need. Since 1981 over 46% of all local housing authority stock has been sold through RTB sales.

Between 1997 and 2009 the number of homes rented from local authorities or RSLs reduced by 31,884.

Dwellings rented from either local authorities or RSLs have fallen from 20% to 16% as a percentage of total dwellings in little over a decade.

3.3 Estimates of housing demand in Wales show that an additional 14,200 units per year are required in Wales up to 2026, over a third of which are expected to be needed in the non market sector (i.e. social housing). These estimates show that without a large increase in new housing supply housing pressures are likely to remain throughout Wales.

3.6 There is a risk that Right to Buy sales may impact on local authorities' efforts to deliver affordable housing in partnership with the Welsh Assembly Government. In areas of housing pressure, it is especially important to preserve a stock of social housing stock in order to meet the demands of people on modest incomes who are in housing need.

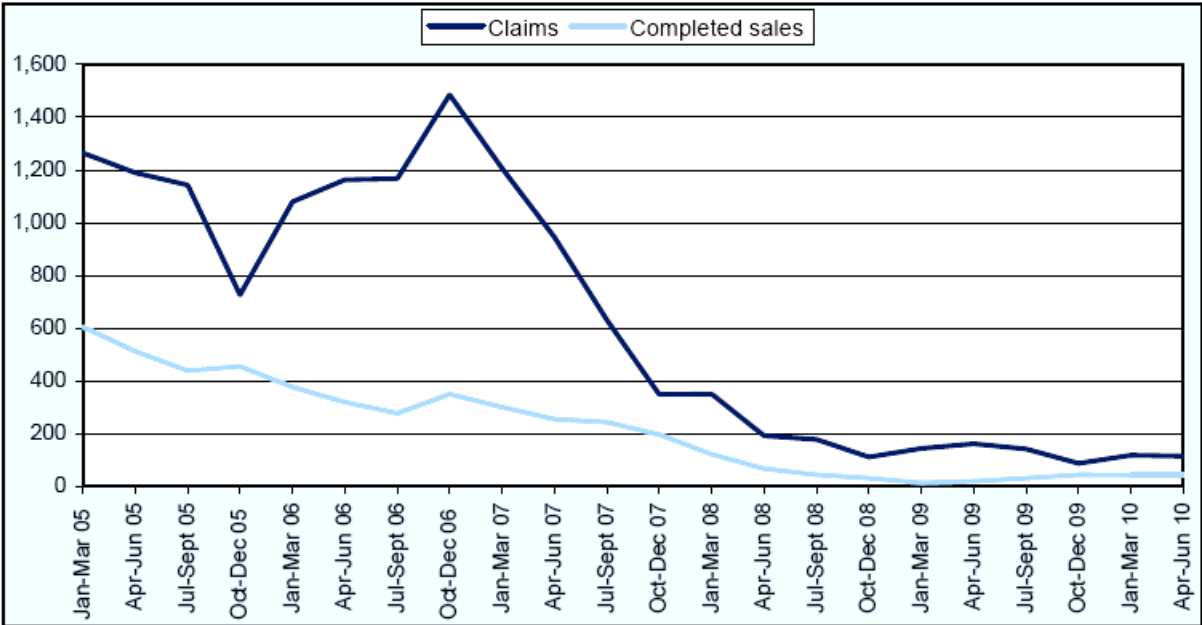
To maintain the level of the social housing stock, while other actions are taken, the Measure would enable local authorities to designate areas in an application to the Welsh Ministers for approval to where the Right to Buy may be suspended for a limited period (of up to 5 years).

6.8 Dwelling stock estimates show a steady fall in local housing authority and RSL dwellings. The split between local housing authority and RSL dwellings is complicated following the large scale voluntary stock transfers of local housing authority housing stock to newly formed RSLs (table A in Annex 1 provides more details). Dwellings rented from either local housing authorities or RSLs have fallen from 20% to 16% as a percentage of total dwellings in little over a decade¹⁴ (see table B in Annex 1). Since 1981 over 46% of all local housing authority housing stock has been sold through RTB sales. As one would expect there is a large degree of variation across local housing authority areas in Wales. As table A in Annex 1 shows Torfaen has the lowest percentage of owner-occupied dwellings. Figure A in Annex 1 shows there is a correlation between the proportion of social housing in a local housing authority area and deprivation. This suggests that any change in RTB/RTA legislation will not only have a differential impact across areas but may also have distributional implications. This will be discussed later in the review of options.

ref. 14. In 1971 dwellings rented from local authorities was some 28% with owner occupation representing 55% of the total number of dwellings. Private sector represented the remaining 16% of all dwelling in Wales.

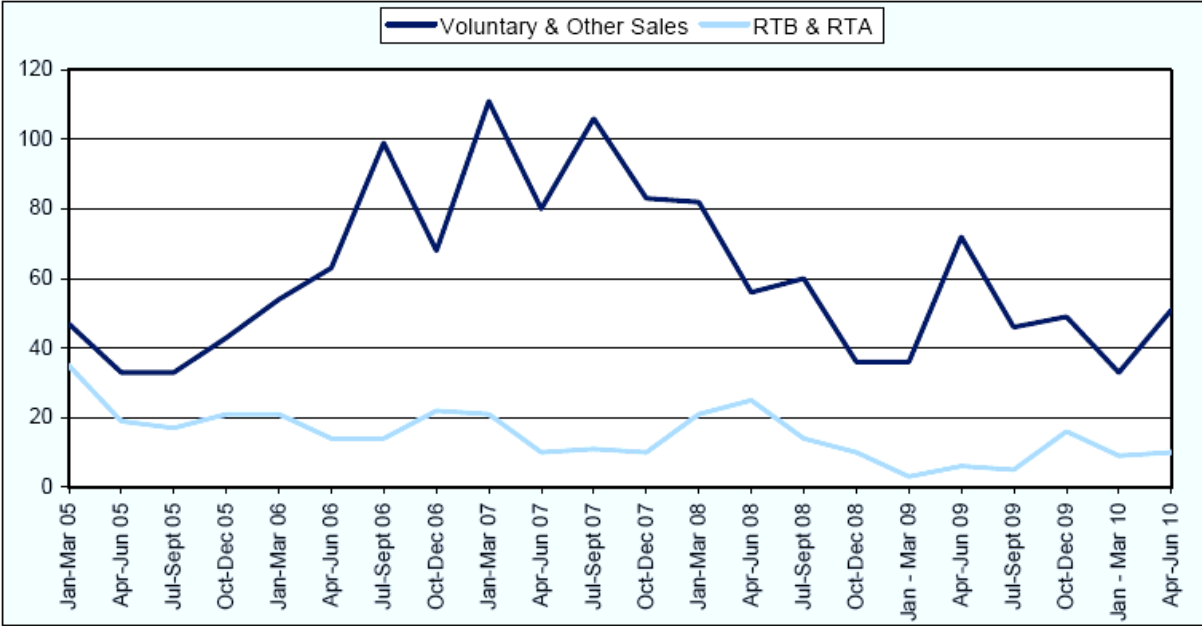
6.9 One of the main reasons for the fall in the number of local housing authority and RSL dwellings has been the increase in the number of sales, predominately under the RTB/RTA. While the volume of RTB and RTA sales have fallen in recent years as a result of the UK recession (see Figures 1 and 2), since 1999 over 33,500 social housing units were sold, 92% of which were through RTB or RTA, this represents 13.5% of the total local housing authority and RSL housing stock in 1999.

Figure 1: Number of local housing authority RTB claims and sales



Source: Welsh Assembly Government

Figure 2: Sales of Registered Social Landlord dwellings



6.10 There is some evidence that Right to Buy can affect the mix of social housing property, with Right to Buy exercised more frequently for larger family homes than flats. For instance in 2007/08, 88.8% of Right to Buy sales in Wales were houses. This may mean certain households will not have access to social housing that is suitable for their needs in some areas. However, although the overall stock of social housing has declined, the stock of social housing by property size has been fairly stable in Wales overall, as **Table C** in Annex 1 shows. This impact may therefore be fairly small. There has however, been a slight decline in unitary authorities stock of 3 bedroom homes. Registered social landlord stock is distributed fairly evenly between 1, 2 and 3 bedroom properties. There is however, considerable variation in the stock of property type by local housing authority.

7.43 The average sale price of a property sold by local housing authorities under the Right to Buy during the period April to June 2010 is £71,935 (including discount of almost £16,000). However, as discussed above, for local housing authorities only 25% of the sales income can be used as part of total housing expenditure.

Table B: Dwelling stock estimates, by tenure at 31 March. (a)(b)(c)

	Rented from local authorities (d)		Rented from registered social landlords (e)		Owner-occupier and other tenures (f)		Privately rented		Total
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number
1996-97	204,158	16	47,612	4	891,144	72	100,461	8	1,243,376
1997-98	201,057	16	50,382	4	887,748	71	112,341	9	1,251,528
1998-99	197,423	16	51,908	4	915,387	73	94,231	7	1,258,949
1999-2000	193,006	15	53,877	4	903,259	71	116,853	9	1,266,994
2000-01	187,720	15	54,999	4	904,514	71	127,267	10	1,274,500
2001-02	182,916	14	56,687	4	931,882	73	110,254	9	1,281,739
2002-03	177,081	14	57,483	4	924,787	72	129,924	10	1,289,275
2003-04	162,276	13	64,723	5	945,403	73	124,556	10	1,296,957
2004-05	157,516	12	65,009	5	950,235	73	132,647	10	1,305,407
2005-06	155,768	12	65,770	5	954,971	73	136,974	10	1,313,483
2006-07	154,412	12	66,652	5	967,106	73	134,618	10	1,322,788
2007-08	131,524	10	89,299	7	974,321	73	136,234	10	1,331,379
2008-09	112,996	8	106,891	8	954,710	71	163,893	12	1,338,490

Source: Welsh Assembly Government

(a) At 31 March 2009. Data are not National Statistics

(b) Data has been affected by the large scale voluntary stock transfers of local authority stock. For further details see Quality Information section.

(c) Due to rounding, the percentages may not equal 100% and the total column may not equal the sum of the different tenures

(d) Prior to 2008-09 data are from the Housing Revenue Account Subsidy (HRAS) second advance form. For 2008-09 data are from the annual Social Housing Stock return from local authorities.

(e) Prior to 2008-09 data are from the annual RSL1 to 4 forms from registered social landlords. For 2008-09 data are from the annual Social Housing Stock return from registered social landlords.

(f) Includes, owner-occupied, intermediate and other tenures.

Table A: Dwelling stock estimates by tenure and local housing authority, at 31 March 2009 (a)

	Rented from local authorities (a)	Rented from registered social landlords (b) (c)	Owner-occupied, privately rented, intermediate and other tenures
Isle of Anglesey	12	2	86
Gwynedd	11	4	85
Conwy	-	11	89
Denbighshire	8	5	87
Flintshire	12	4	85
Wrexham	20	3	78
Powys	9	4	87
Ceredigion	6	3	91
Pembrokeshire	10	4	86
Carmarthenshire	11	3	85
Swansea	13	6	81
Neath Port Talbot	14	5	81
Bridgend	-	14	86
The Vale of Glamorgan	7	4	89
Cardiff	10	8	83
Rhondda, Cynon, Taff	-	15	85
Merthyr Tydfil	-	23	77
Caerphilly	15	4	81
Blaenau Gwent	20	5	76
Torfaen	-	25	75
Monmouthshire	-	13	87
Newport	0	20	80
Wales	8	8	84

Source: Welsh Assembly Government

Table C: Percentage of Social Housing Stock in Wales by Property Size

Local housing authority Stock

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
2003/04	19.7	32.6	45.7	1.9
2004/05	20.1	33.4	44.6	1.9
2005/06	20.4	33.6	44.0	1.9
2006/07	20.5	33.7	43.9	1.9
2007/08	20.6	3.8	43.7	1.9
2008/09	20.0	34.3	43.7	1.9

Source: Welsh Assembly Government

Registered Social Landlord Stock

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
2006	33.1	33.5	30.8	2.5
2007	33.0	33.6	30.7	2.6
2008	30.7	32.9	33.8	2.6

Source: Welsh Assembly Government