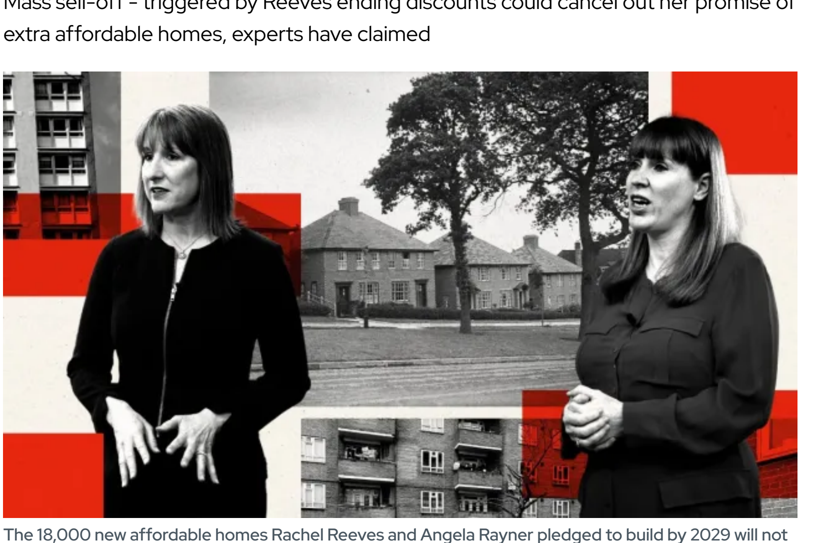
EXCLUSIVE

# Surge in right-to-buy purchases could cancel out plans to build 18,000 homes

Mass sell-off – triggered by Reeves ending discounts could cancel out her promise of extra affordable homes, experts have claimed



The 18,000 new affordable homes Rachel Reeves and Angela Rayner pledged to build by 2029 will not be enough to make up for the huge glut of right-to-buy sales expected in a single year

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A surge in applications to buy council homes under the Right to Buy scheme is threatening Angela Rayner's promise to boost the number of affordable homes available in Britain, the Government has been warned.

Housing experts claim the increase in applications is because of Chancellor Rachel Reeves's decision to cut the discounts tenants receive if they want to buy the council home they live in.

The Government said the move would mean that "thousands more homes" would be kept for affordable rental rather than being lost to the private market, and the Local Government Association has said the policy should have a positive effect in the "longer term."

However, local authority statistics show that right-to-buy (RTB) applications increased dramatically last autumn, with numbers rising by as much as 100 times their usual rate as buyers rushed to beat the deadline and gain the maximum possible discount.

Councils warn that the number of homes that will now likely be sold could cancel out the Government's pledge to build more than 18,000 more "social and affordable" homes.

This would undermine Housing Secretary Angela Rayner's commitment to "the biggest increase in social and affordable housing in a generation",

One expert is describing the situation as "chaos" and comes as concerns grow over levels of homelessness and long waits for council houses.

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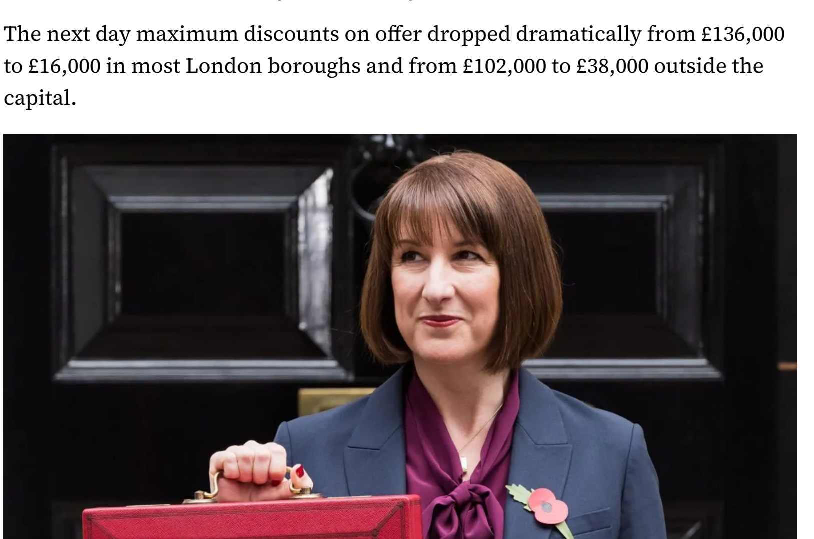
## The dash for discounts

The trigger for the sales was Reeves' October Budget decision to cut discounts that had been offered to tenants wanting to buy their council home.

They were given just three weeks to secure the maximum RTB saving before the 21 November deadline set by the Treasury.

The next day maximum discounts on offer dropped dramatically from £136,000 to £16,000 in most London boroughs and from £102,000 to £38,000 outside the capital.



Rachel Reeves on the day of her October Budget when she announced a huge reduction in right-to-buy discounts (Photo: Wiktor Szymanowicz/Getty)

Analysis of councils' predicted RTB sales figures by *The i Paper*, taking into account the autumn surge in applications, suggests that Labour will now see more than 18,500 council homes sold off in 2025/26.

This would amount to more RTB homes being sold in a single year than at any other time in the last two decades – and a 162 per cent increase on the 7,065 RTB sales in 2023/24 (the last year that figures are available for).

The sales would also mean more homes being taken out of social rent in a year than all the "up to 18,000 new social and affordable homes" that Reeves and Rayner pledged last month to build by 2029.

## 'Selling social homes faster than they can build them'

The Government says Reeves's decision will eventually reduce RTB sales. But a housing expert is warning that it will undermine ministers' plans.

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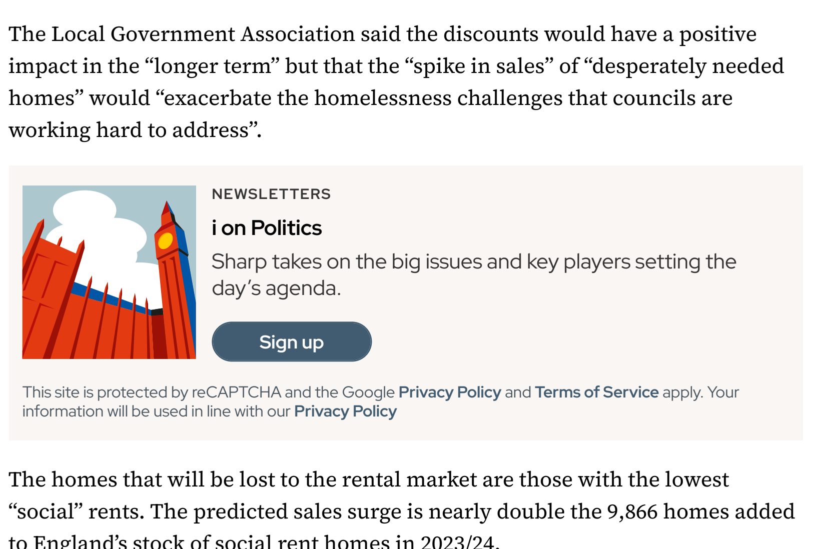
Alistair McIntosh, chief executive of HQN, a housing consultancy which advises councils, said the Government will be "getting rid of social housing faster than they can build it".

"This is a classic one step forward ten steps backs policy," he said. "It will leave a legacy of chaos."



Angela Rayner with Mayor of London Sadiq Khan and Sir Keir Starmer in June as Labour announced their housing policies (Photo: Carl Court/Getty)

The Local Government Association said the discounts would have a positive impact in the "longer term" but that the "spike in sales" of "desperately needed homes" would "exacerbate the homelessness challenges that councils are working hard to address".

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The homes that will be lost to the rental market are those with the lowest "social" rents. The predicted sales surge is nearly double the 9,866 homes added to England's stock of social rent homes in 2023/24.

Rayner has previously said that RTB "made that meant people could buy [homes] after a very short time on a high discount, it meant that taxpayers were not getting good value for money, and we weren't able to replace the social stock".

Now the sudden end of the discount has given her the same problem.

## Families waiting decades for social housing

The news comes as ministers are under increasing pressure to do more to address social housing shortages. In some areas, families face waits of more than 100 years to get a three-bedroom home, according to an analysis of official figures produced by the National Housing Federation (NHF), Crisis and Shelter, in March.

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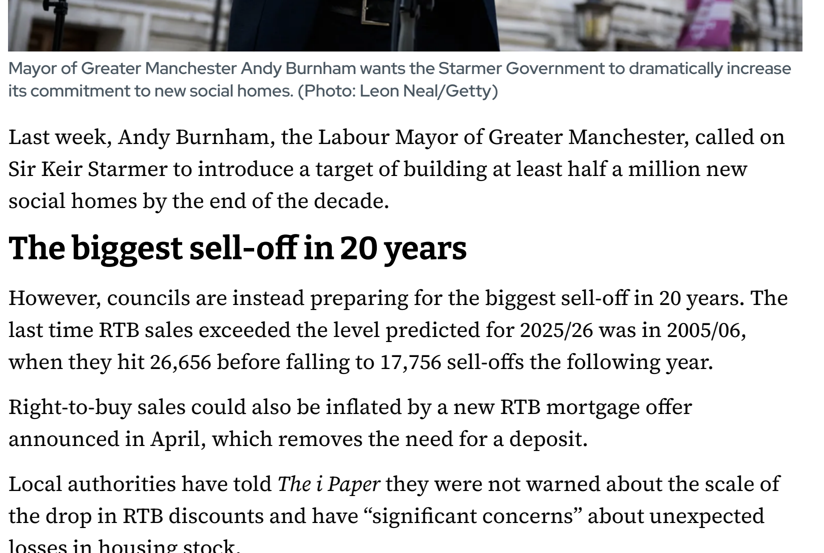
In August, *The i Paper* revealed how thousands of brand new affordable homes were sitting empty and unused because of a "colossal" hidden national housing crisis, with housing associations unable to afford to take them on.



Mayor of Greater Manchester Andy Burnham wants the Starmer Government to dramatically increase its commitment to new social homes. (Photo: Leon Neal/Getty)

Last week, Andy Burnham, the Labour Mayor of Greater Manchester, called on Sir Keir Starmer to introduce a target of building at least half a million new social homes by the end of the decade.

## The biggest sell-off in 20 years

However, councils are instead preparing for the biggest sell-off in 20 years. The last time RTB sales exceeded the level predicted for 2025/26 was in 2005/06, when they hit 26,656 before falling to 17,756 sell-offs the following year.

Right-to-buy sales could also be inflated by a new RTB mortgage offer announced in April, which removes the need for a deposit.

Local authorities have told *The i Paper* they were not warned about the scale of the drop in RTB discounts and have "significant concerns" about unexpected losses in housing stock.

The sales surge would "add further pressure" on housing demand, which they were "already struggling to meet" and strip housing budgets of rent income, leaving less in the pot to fix their remaining homes and rid them of damp and mould, they said. Some have been forced to take on more staff to deal with the deluge of applications.

While councils can now keep all the "capital receipts" from sales, they say these will not cover the cost of replacements or come quickly enough.

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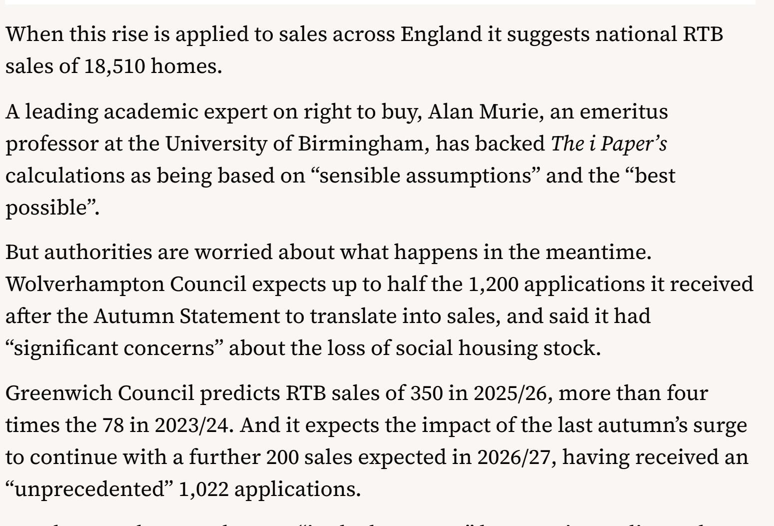
The Chartered Institute of Housing, a professional body for council housing officers, said it had heard of "extraordinary" numbers of applications. "It will boost capital receipts but reduce rental income," said Rachael Williamson, the institute's director of policy.

"The latter is a concern given the parlous state of some [councils'] housing revenue account [budgets]. In the longer term, HRAs will benefit as rental income stabilises."

## 'Unprecedented' rise in right-to-buy applications

Figures from a sample of 20 councils – both urban and rural – and spread across England – were used by *The i Paper* to work out the expected national increase in RTB sales.

After taking the autumn surge in applications into account the authorities predict a combined 3,374 RTB sales in 2025/26 compared to 1,288 in 2023/24 (the last year for which figures are available), representing a 162% increase.



Semi-detached former council houses in Chorleywood, Hertfordshire (Photo: Peter Fleming/Getty)

When this rise is applied to sales across England it suggests national RTB sales of 18,510 homes.

A leading academic expert on right to buy, Alan Murie, an emeritus professor at the University of Birmingham, has backed *The i Paper's* calculations as being based on "sensible assumptions" and the "best possible".

But authorities are worried about what happens in the meantime. Wolverhampton Council expects up to half the 1,200 applications it received after the Autumn Statement to translate into sales, and said it had "significant concerns" about the loss of social housing stock.

Greenwich Council predicts RTB sales of 350 in 2025/26, more than four times the 78 in 2023/24. And it expects the impact of the last autumn's surge to continue with a further 200 sales expected in 2026/27, having received an "unprecedented" 1,022 applications.

It welcomes the RTB changes "in the long term" but says immediate sales surge "will add further pressure to the demand for affordable housing, which we are already struggling to meet".

Other councils in the sample were Wiltshire, Luton, Crawley, Hounslow, Nottingham, Manchester, Doncaster, Croydon, Dudley, Enfield, Bury, Harlow, Cambridge, Stevenage, Ealing, New Forest, Hammermith & Fulham and Welwyn Hatfield.

A Ministry of Housing, Communities and Local Government spokesperson said: "Too many social homes have been sold off before they can be replaced, which has directly contributed to the worst housing crisis in living memory.

"This Government has delivered on its manifesto commitment to reviewing the increased discounts introduced in 2012 and our reforms will reverse this decline and deliver a fairer scheme by supporting councils to retain the receipts to rebuild their housing stock, while retaining a route for longstanding tenants to own their own homes.

"We're delivering the biggest boost to social and affordable housing, with a £800m in year top up to the existing Affordable Homes Programme and a £2bn down payment on further funding announced at the spending review."

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