



Northern Ireland
Assembly

Research and Information Service Briefing Paper

Paper 43/24

1 November 2024

NIAR 242-24

An overview of the ‘Right to Buy’ in other jurisdictions

Eleanor Murphy

This paper was requested by the Committee for Communities and explores developments in the ‘Right to Buy’ in Scotland, Wales, England and the Republic of Ireland.

This information is provided to Members of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

1 Introduction

As requested by the Committee, this Briefing Paper explores:

- The statutory entitlement to the Right to Buy in Scotland, Wales, England and the Republic of Ireland. A section of the paper also provides an overview of the impact of the Office for National Statistics (ONS) reclassification issue on the equivalent House Sales Schemes in Northern Ireland.
- The number of homes that are sold through right to buy schemes that have transferred into the Private Rented Sector (PRS).

In summary:

- The Right to Buy was abolished in **Scotland** from 31 July 2016. The decision by the Scottish Government to end the Right to Buy was made on the basis that it would “protect the housing stock that is available for social renting”¹.
- The Right to Buy was abolished in **Wales** on 26 January 2019. The decision was made by the Welsh Government to “protect the stock of social housing in Wales from further reduction”².
- Prior to the abolition of the Right to Buy in Scotland and Wales, consultations were carried out with the options of either (a) significantly **reducing the discounts** available for the Right to Buy schemes or (b) **abolishing the schemes entirely**.
- Before the Right to Buy was abolished in Scotland and Wales, a **transitional lead-in period** was included within the legislation to allow existing tenants to purchase their properties before it ended (this period was one year in Wales and two years in Scotland).
- A statutory Right to Buy for local authority housing tenants still exists in **England**. The previous Conservative Government was keen to promote

¹ [‘Right to Buy ends in Scotland’](#), Scottish Government news release, 30 July 2016.

² [‘Right to Buy to end in Wales this month’](#), Welsh Government, 9 January 2019.

a voluntary Right to Buy scheme for housing association tenants and ran a series of pilot exercises to encourage take up of the scheme.

- The Local Government Association (LGA) has recently, in a [position statement](#), called for reform of the Right to Buy for council housing in England. This includes, for example, increasing the tenancy eligibility requirement from three to 15 years, introducing measures to ensure that the purchase price of the property does not fall below what the council has spent on the property, an exemption from the scheme for some new build properties or retrofitted properties, and increased autonomy for councils on how the receipts from sales are spent.
- In December 2023, the then Labour Shadow Housing Minister indicated that if a Labour Government was formed it was likely that the Right to Buy discount would be “slashed”. In her Autumn Budget 2024, the Chancellor of the Exchequer confirmed that Right to Buy discounts in England would be reduced as part of a wider drive to increase social and affordable housing supply in England. The Deputy Prime Minister, Angela Raynor, MP has indicated that a review of the rules around discounts may be carried out³.
- The statutory House Sales Scheme in **Northern Ireland** continues to operate for Housing Executive tenants only. Due to the ONS reclassification issue, the compulsory scheme for Registered Housing Association (RHA) tenants has ended (August 2022). The legislation does allow for RHAs to operate a House Sales Scheme on a voluntary/discretionary basis if they feel it is viable to do so.
- In the **Republic of Ireland**, local authority tenants can purchase their homes through an ‘Incremental Tenant Purchase Scheme’. To be eligible they must have an annual income (of at least €11,000 per year) and either they, or their joint tenant if they have one, must have been in receipt of social housing support for at least 10 years. There is also an Incremental Purchase Scheme specifically for the purchase of newly built houses and a Tenant Purchase of Apartments Scheme (TPAS).

³ [‘Raynor wants ‘fairer’ Right to Buy scheme for taxpayer’](#), BBC News, 22 September 2024.

- There are likely to be methodological difficulties in accurately identifying how many of properties sold through House Sales Schemes in Northern Ireland have subsequently entered the Private Rented Sector. This issue is explored further in the final section of this RalSe Briefing Paper.

2 The Right to Buy in Scotland

The Scottish Government opted to abolish the Right to Buy in order to “protect the housing stock that is available for social renting” with the scheme coming to an end on 31 July 2016. Commenting on the end of the Right to Buy, the then Housing Minister Kevin Stewart MSP stated⁴:

“The end of Right to Buy marks a major milestone in the Scottish Government’s efforts to build a sustainable housing policy for the future.

It is absolutely vital that people can access social housing when they need it most. Since Right to Buy was introduced in 1980, nearly half a million council and housing association homes have been sold to their tenants.

By ending the Right to Buy we are protecting up to 15,500 social homes from sale over the next ten years and safeguarding this stock for future generations.

...with thousands of people on waiting lists for council and housing association houses, it was only right for us to scrap this scheme as we could no longer afford to see the social sector lose out on badly needed homes.”

The then CEO of the Scottish Federation of Housing Associations (SFHA) stated that the SFHA was “delighted that all forms of the right to buy policy in Scotland have now come to an end”. She emphasised that SFHA and its members had long campaigned for an end to the Right to Buy believing that it

⁴ [Right to Buy ends in Scotland](#), Scottish Government news release, 30 July 2016.

had “led to a considerable reduction in the availability of truly affordable social rented homes”⁵.

The Right to Buy in Scotland was established by the Tenants’ Rights, Etc. (Scotland) Act 1980. Following devolution, the Scottish Parliament made various amendments to the terms under which tenants could exercise their Right to Buy.

Between the years 1979-80 and 2014-15 a total of 494,580 council and housing association homes in Scotland were sold under the legislation⁶.

A few notable points regarding the process involved in the abolition of the Right to Buy in Scotland are as follows:

- The Right to Buy was abolished [Part 1 of the Housing \(Scotland\) Act 2014](#), which received Royal Assent on 1 August 2014. Any social housing tenant who still had the Right to Buy had until the 31 July 2016 to exercise their Right to Buy before it ended.
- Following a series of consultative seminars held during 2012 with a range of stakeholders including tenants and landlords, the Scottish Government published a consultation paper seeking views on proposals for reforming the Right to Buy. The consultation report outlined two options (i) end the discounts of up to 70% and give tenants a maximum discount of £15,000 or (ii) end the Right to Buy entitlements in Scotland.
- An analysis of the responses to the consultation is available to download [here](#).

The Scottish Government’s [final report on the consultation](#) (published in 2013) outlined the intention to end the Right to Buy and provided the following rationale for its abolition:

⁵ [Right to Buy ends in Scotland](#)’, Scottish Government news release, 30 July 2016.

⁶ [Right to Buy ends in Scotland](#)’, Scottish Government news release, 30 July 2016.

- ***A distinctive Scottish solution:*** ending RTB is a policy designed to meet the needs of, and reflect the values of, the people of Scotland. This demonstrates the importance of being able to make these decisions for ourselves.
- ***Fairness:*** ending RTB is transparent and fair, and puts all tenants of social housing in the same position. Discounts of up to 70% for some tenants are unfair on other tenants, and unfair on landlords, who lose an asset and do not get enough money from the sale to replace it. After RTB ends, social tenants will still be in a favourable position compared to others. They will continue to benefit from secure tenancies in well maintained and regulated homes and with rent levels that are significantly lower than those of tenants in the private rented sector.
- ***Helping people in need of social housing:*** over 450,000 houses have been lost to the social rented sector since RTB began. This cannot continue when demand for this kind of housing exceeds supply in many areas. Currently, a further 1,400 homes are being lost to the sector each year. At the time of the consultation, we estimated that ending RTB could save up to 20,000 houses over a 10-year period. Based on the most recent sales rates, this has been revised to up to 15,500 houses.
- ***Helping social tenants:*** large discounts under ‘preserved’ RTB erode the asset base and can cause pressure to increase rent levels for other tenants. Also, partly because of the stock lost through RTB, it can be difficult for existing tenants who want to move to a home more suited to their needs because of a lack of available homes of the right type.
- ***Helping social landlords:*** ending the sale of properties at a discount will benefit landlords. RTB discounts mean that landlords sell homes for less than it will cost them to build a replacement...ending RTB will also allow landlords more certainty to plan for the future and better manage their assets.
- ***Helping communities:*** Ministers do not want social housing to be marginalised. By keeping it available for rent, it will play a vital part in building sustainable communities with different housing tenures, that people want to live in.

- **The wider public purse:** *There is reasonable evidence emerging that RTB properties end up in the Private Rented Sector, costing much more in housing benefit than would be paid those houses were still in the social sector.*
- **Excessive discounts:** *The average discount is around £40,000 and, under preserved RTB, it is around £50,000. One third of tenants get a higher discount than this. In the last two years, 141 tenants got discounts of over £75,000. The highest discount was £119,000. This cannot be justified in a modern, progressive Scotland.*
- **Simplicity:** *RTB is extremely complex because of various changes that have been made over the years. Entitlements can depend on factors such as the date a tenancy began, the length of a person's tenancy, the size, age and location of the house and who the landlord is. There are many qualifications, caveats and exception, some relating to the tenant and some to the house. Many tenants and landlords find this confusing and difficult to operate.*
- **Home ownership:** *when RTB was introduced, there were no other schemes to help people into low-cost home ownership. That is not the case today. The Scottish Government supports people who aspire to become home owners. Ending RTB does not change that. A range of other initiatives is in place to help people towards home ownership. These are better and more cost effective than RTB and do not have a detrimental effect on the social rented sector.*

[Analysis of the responses](#) to the 'Future of Right to Buy in Scotland consultation' (published in 2012) reported that a majority of responses (83% of 161 respondents) supported the proposal to end the Right to Buy. However, the report also highlighted the views of those who were against ending or restricting the Right to Buy, who felt that⁷:

- It is unfair to take away the aspirations of those who have planned to buy their home in the future.

⁷ Scottish Government, [Analysis of responses to the Future of Right to Buy in Scotland Consultation](#), 2012.

- The Right to Buy should be available to all.
- The answer is not to restrict but to build more homes.
- People still want to buy their homes and should be allowed to do so.
- The receipts from Right to Buy have enabled investment in housing stock.
- Many tenants were informed that they would retain the Right to Buy in housing stock transfers⁸ and this should be honoured.

3 The Right to Buy in Wales

The Right to Buy was abolished in Wales on 26 January 2019 under the [Abolition of the Right to Buy and Associated Rights \(Wales\) Act 2018](#). The then Minister for Housing and Local Government stated that⁹:

“We passed the Abolition of the Right to Buy and Associated Rights Act to protect the stock of social housing in Wales from further reduction, so it is available to provide affordable housing for people who need it. This legislation is one of a range of actions we are taking to increase the supply of housing in Wales.

Between 1981 and 2016, over 139,000 local authority and housing association homes were sold under the Right to Buy. This has led to many people, many of whom are vulnerable, waiting longer to access a home they can afford. Abolishing the Right to Buy is also giving social landlords more confidence to invest in building new social housing by removing the risk of these homes being sold after only a few years.

We are committed to creating 20,000 more affordable homes by 2021 and we are supporting social landlords to help us to achieve this”.

⁸ Stock transfer could, for example, involve transferring local authority housing stock to housing association ownership.

⁹ [‘Right to Buy to end in Wales this month’](#), Welsh Government, 9 January 2019.

There are a number of notable points regarding the process involved in the abolition of the Right to Buy in Wales:

- The Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 [allowed one year for those eligible](#) to the Right to Buy to purchase their local authority or housing association properties before the schemes came to an end.
- The Welsh Government published a [White Paper](#) on the Right to Buy (for local authority tenants) and Right to Acquire (for housing association tenants) in January 2015. Proposals included reducing the maximum sales discount price from what was then £16,000 to just £8,000 or to end the Right to Buy and Right to Acquire entirely.
- Prior to the 2018 Act, the Right to Buy had already been suspended in Anglesey, Carmarthenshire, Denbighshire, Flintshire, Powys, Swansea and Cardiff under powers contained in the Housing (Wales) Measure (introduced in 2011). The Measure allowed a Local Authority to apply to the Welsh Government to suspend the Right to Buy and the Right to Acquire in its area. The suspension, which could be for a period of up to five years, extendable to ten years, could be applied to all social housing in the area or parts of the area. It could also be applied to certain types of social housing, for example, houses with a particular number of bedrooms.
- The then Welsh Assembly Equality, Local Government and Communities Committee's report on the abolition of the Right to Buy including recommendations is available [here](#) (published July 2017). It outlines a range of views on the issue of Right to Buy including the Committees recommendations and conclusions.
- For further information on the abolition of the Right to Buy is available in a [2019 Research Paper](#) by Senedd Research (The Welsh Parliament's research service).

4 The Right to Buy in England

A statutory Right to Buy entitlement exists in England for eligible local authority tenants¹⁰. The maximum discount, in the 2024/25 financial year, is £102,400 (or £136,400 in London). The longer a person has been a tenant, the more discount they will receive. Further detailed information on the Right to Buy scheme in England is available [here](#)¹¹.

Conservative Governments have tended to be very supportive of the 'Right to Buy' social housing. The Conservative Party [2015 Manifesto](#) made a commitment to extend the Right to Buy (which had applied only to local authority tenants) to tenants of Housing Associations (which operate a Right to Buy on a voluntary basis). The subsequent [Housing and Planning Act 2016](#) (Sections 54 and 55) contained provisions to support voluntary Housing Association right to buy schemes (Housing Associations could not be compelled to introduce such schemes if they did not wish to do so). The extension of the Right to Buy to housing association tenants was [piloted](#) by five housing associations which later included a [larger pilot](#) in the Midlands.

An [article](#) by the House of Lords Library noted¹²:

“Two pilots between 2016 and 2018 trialled an expansion of right to buy to housing association tenants. A [review of the first pilot](#) found that there was significant “pent-up demand” for purchase. This was largely among “middle aged” tenants. A [Department for Levelling Up, Housing and Communities data release](#) in February 2022 stated that 1,839 housing association properties had been sold under the larger, second pilot. Construction of 437 replacement homes had started by 30 September 2021. The government had spent £118.8mn on grants and

¹⁰ Note also the [Right to Acquire](#) for housing association tenants with more restrictive eligibility requirements and discounts than Right to Buy. It applied to homes built or bought by a housing association after 31 March 1997 or transferred from a local council to a housing association after 31 March 1997.

¹¹ Department for Levelling Up, Housing & Communities, [Guidance: Your right to buy your home](#), Updated 6 April 2024.

¹² F. Eardley. [Right to buy: past, present and future](#), House of Lords Library, 17 June 2022.

housing associations had received £192.2mn in sales receipts to be spent on replacement homes.

The second pilot identified lack of land availability and insufficient sales receipts as barriers to replacing properties sold.”

In June 2022, the then Prime Minister, Boris Johnson, announced that two and a half million tenants renting their homes from housing associations would be given the opportunity to buy them outright. The Government pledged to build a new social home for every one sold¹³. RalSe would need to carry out further research in order to ascertain to what extent this has been achieved (bearing in mind that a new Labour Government was in place by September 2024).

4.1 Recent developments in England – a reform of the Right to Buy?

An [article](#) in the Guardian in September 2024 reported that a coalition of 100 local authority councils in England has called for the UK Government to take action to stabilise local authority housing accounts and to prevent investment in new homes being delayed or cancelled. The need for reforms to the Right to Buy, including reducing discount levels and restricting eligibility, is one of a range of measures said to be supported¹⁴.

The Local Government Association (LGA) article '[Right to Buy needs reform to avoid social housing stock losses](#)' and associated [position statement](#) acknowledges that the Right to Buy scheme has provided tenants with the opportunity to buy their council home. However, it maintains that the system in its current form does not work for local authorities and those in housing need in England. It is calling for the UK Government to give local authorities:

- Control over how and when monies raised through the scheme should be used on development, delivery or acquisitions of new homes.

¹³ '[Right to buy extension to make home ownership possible for millions more people](#)', Prime Minister's Office, 9 June 2022.

¹⁴ '[Coalition of English councils calls for emergency £644 to fund housing](#)', Guardian, 3 September 2024.

- Power to protect a council's financial investment in both existing and new social housing stock from a 'loss making transaction'. For example, placing restrictions on the sale of new build homes and homes that have been retrofitted.
- Flexibility for councils to shape the scheme locally so it works best for their local area, housing market and people.

Recent [research](#) published by the New Economics Foundation '[Reforming Right to Buy: Options for Preserving and delivering new council homes for the Twenty-First Century](#)' (May 2024) also contains a wide range of recommendations for reforming the Right to Buy in England including, for example¹⁵:

- Suspending the Right to Buy where it can be demonstrated that the policy is contributing to affordable housing shortages.
- Preventing homes from being let in the Private Rented Sector.
- Ending Right to Buy in respect of newly built or acquired homes.
- Allowing councils greater autonomy over the receipts from Right to Buy and how these are spent (for example, allowing councils more power to use the receipts to acquire homes on the open market).

4.2 Right to Buy reform and the Autumn Statement 2024

In December 2023, the Financial Times [reported](#) that the then Labour Shadow housing minister, had stated that if Labour were to win the election, it was likely that the Right to Buy discount could be "slashed"¹⁶. In her [Autumn Budget 2024](#), the Chancellor or the Exchequer announced a range of measures to increase housing supply in England which included a reduction on the discounts offered through the Right to Buy scheme. Additionally, local authorities would be permitted to retain 100% of their receipts from Right to Buy properties to

¹⁵ A. Diner. & H. Wright., 'Reforming Right to Buy: options for preserving and delivering new council homes for the Twenty-First Century', New Economics Foundation, May 2024.

¹⁶ '[Labour pledges to tighten right-to-buy as part of UK housing overhaul](#)', Financial Times, 27 December 2023.

replace affordable housing supply (this had been previously capped at 50%). The Autumn Statement did not specify what the reduction in discounts would be¹⁷. However, in September 2024, the Deputy Prime Minister is reported to have told the BBC that whilst she wanted the Government's Right to Buy scheme to continue, it needed to be "fairer" to the taxpayer and that the scheme would be reviewed¹⁸.

5 The House Sales Scheme in Northern Ireland – the reclassification issue

A brief overview of the history of the House Sales Scheme in Northern Ireland¹⁹

- The initial House Sales Scheme was first introduced for Northern Ireland Housing Executive tenants on a voluntary basis in 1979 and the scheme became statutory in 1993²⁰.
- The legislation providing a statutory House Sales Scheme for Registered Housing Association tenants was introduced in 2003 and ended in August 2022 as a result of the ONS reclassification issue.
- Further information on the House Sales Scheme for tenants of the Housing Executive is available on nidirect [here](#) and from the Housing Executive's website [here](#). See also the Housing Executive's publication '[House Sales Scheme:](#)

¹⁷ Department for Levelling Up, Housing & Communities, [Guidance: Retained Right to Buy receipts and their use for replacement supply](#), updated 30 July 2024.

¹⁸ '[Raynor wants 'fairer' Right to Buy scheme for taxpayer](#)', BBC News, 22 September 2024.

¹⁹ Department for Communities, [Proposal to see reversal of the reclassification of registered Social Housing Providers in Northern Ireland](#), December 2016.

²⁰ Northern Ireland Housing Executive, [House Sales Scheme: Outcome and Experiences 1979-2019](#), September 2020.

[Outcomes and Experiences: 1979-2019](#) (published September 2020).

5.1 The ONS reclassification issue

On 30 October 2015, the Office of National Statistics (ONS) announced that the classification for Private Registered Providers (PRPs) of social housing in England (which included Registered Housing Associations²¹) would change from Private Non-Financial Corporations to Public Non-Financial Corporations for the purposes of the UK National Accounts and other economic statistics. This reclassification would mean that the debt of PRPs would be counted as public sector net debt. The reclassification would impact on the devolved administrations in Scotland, Wales and Northern Ireland.

On 29 September 2016, the ONS announced that Registered Housing Providers in Northern Ireland (i.e. Registered Housing Associations) would be reclassified to the public sector and designated as Public Non-Financial Corporations. The Department for Communities stated that the²²:

“...decision means that borrowing drawn down by Registered Social Housing Providers to finance new social housing developments would constitute public expenditure and would therefore have to be taken out of the money available to pay for other public services”.

Put simply, ONS had based on its decision to reclassify an organisation from a Private to a Public Non-Financial Corporation based on the level of control that government had over an organisation. The ONS had identified a number of areas that it indicated were examples of ‘control’. These included, for example, the Northern Ireland Executive’s powers over the management of a Registered

²¹ Non-Financial Corporations produce goods and services for the market and do not, as a primary activity, deal in financial assets and liabilities. The Bank of England defines a Private Non-Financial Corporation as a company that produce goods and/or provide non-financial services. They are mainly public limited companies, private companies and partnerships which are not owned by Government.

²² Department for Communities, [Proposal to see reversal of the reclassification of registered Social Housing Providers in Northern Ireland](#), December 2016.

Housing Association (i.e. the power to remove, suspend or appoint a person to the committee of a housing association if an inquiry had found there to be mismanagement)²³. Article 3(a) of the Housing (Northern Ireland) Order 1983, which introduced a compulsory House Sales Scheme (Right to Buy) for Registered Housing Associations was seen as an additional area of potential 'control'. In December 2016, the Department published a [consultation](#) on the issue of reclassification.

For a fuller explanation of the reclassification issue see:

- The Department for Communities consultation on [‘Proposals to seek reversal of the reclassification’](#) (December 2016)
- E. Murphy., [‘The reclassification of Housing Associations in England – implications for Northern Ireland’](#), September 2016.

5.2 Future of the House Sales Schemes - DfC consultation

The Department for Communities proposed that in order to seek a reversal of the reclassification, that Article 3(a) of the 1983 Order should be repealed, or at a minimum, amended to make the scheme House Sales Scheme voluntary/discretionary for Registered Housing Associations in Northern Ireland²⁴. DfC subsequently launched a consultation on [‘Future of the House Sales Schemes’](#) in July 2018.

DfC set out the potential significant implications if no steps were taken to address the reclassification issue:

²³ Department for Communities, [Proposal to see reversal of the reclassification of registered Social Housing Providers in Northern Ireland](#), December 2016.

²⁴ Department for Communities, [Proposal to see reversal of the reclassification of registered Social Housing Providers in Northern Ireland](#), December 2016.

“The decision of the Office for National Statistics has the potential significantly to increase the amount of money that has to be found from the Northern Ireland Executive’s Budget to maintain current and planned levels of new social home provision here. This would mean that the amount of public money available for other capital projects in Northern Ireland would be reduced by a similar amount. If this did not happen, then the new social home building programme would be significantly cut back. The Registered Housing Associations’ ability to access Financial Transactions Capital is also adversely affected by the Office for National Statistics’ decision and this would have an impact on the delivery of affordable homes in Northern Ireland”²⁵.

In order to address the reclassification issue, the consultation set out three options:

- **Option 1** – Do nothing and allow the compulsory House Sales Schemes for Housing Executive and Registered Housing Association tenants to remain in force. The consultation paper stated that this option would mean that the ONS reclassification decision would be enforced.
- **Option 2** – End the House Sales Scheme for Registered Housing Association Tenants only. The consultation paper noted that option may not be equitable and that the option would “mean that having the opportunity to avail of the Right to Buy will become an unintended and arbitrary function of the common waiting list”.
- **Option 3** – End the House Sales Schemes for both Registered Housing Association and Housing Executive tenants with the provision of transitional arrangements to allow a period of time for tenants to be informed of the changes and to exercise their rights. The consultation paper maintained this option would avoid the potential for inequality and the arbitrary nature of Option 2.

²⁵ Department for Communities, [Proposal to see reversal of the reclassification of registered Social Housing Providers in Northern Ireland](#), December 2016.

Option 2 was subsequently chosen as the means to deal with the reclassification issue as it related to the House Sales Scheme. Subsequently, Article 7 of the [Housing \(Amendment\) Act \(Northern Ireland\) 2020](#) repealed the compulsory House Sales Schemes for Registered Housing Association tenants in Northern Ireland. The repeal was subject to a transitional period of two years to allow time for eligible tenants to exercise their rights (which ended in August 2022).

On 30 October 2020, ONS [announced](#), that following the passage of the Housing (Amendment) Act (Northern Ireland) 2020, it had concluded that Registered Housing Associations in Northern Ireland would be reclassified as Private Non-Financial Corporations for the purposes of national accounts and other economic statistics²⁶.

5.3 Impact of the ONS reclassification issue on the 'Right to Buy' in England, Scotland and Wales

The ONS reclassification issue was comparatively easier to address in both Scotland and Wales, at least in relation to the Right to Buy, as the schemes had been abolished in both jurisdictions in 2016 and 2019 respectively. In England, the Right to Buy for local authority tenants remained in place and was unaffected by the reclassification issue. Given that registered housing associations in England already operated a right to buy on a voluntary/discretionary basis (rather than compulsory as was then the case in Northern Ireland), the voluntary scheme in England could continue without impacting on the reclassification decision. Legislation was passed in all three devolved jurisdictions to facilitate the reclassification of housing associations as private entities.

²⁶ ['Statement on classification of registered housing associations in Northern Ireland'](#), Office for National Statistics, 30 October 2020.

4.3 Current position

The House Sales Scheme for Housing Executive tenants remains in place. Registered Housing Associations may, if they wish to do so, have their own discretionary Right to Buy schemes. Please note that RalSe has contacted the Northern Ireland Federation of Housing Association (NIFHA) in order to ascertain if any of the RHAs in NI operate a discretionary house sales scheme. NIFHA are kindly looking into this issue and collating information. The response will be forwarded to the Committee once received.

The Minister for Communities, Gordon Lyons MLA, has recently indicated that he has no plans to consider a moratorium on the Housing Executive's House Sales Scheme²⁷. The Minister felt the "real issue is making sure we actually build more homes, social and others" although he did state that factors such as eligibility could perhaps be looked at²⁸.

The Chartered Institute for Housing in its report '[An agenda for change: tackling the housing and homelessness crisis](#)' (published August 2024) has called for a cessation of the House Sales scheme to ensure "that the social housing stock is preserved and expanded to meet the growing demand". Housing Rights has [called](#) for an end to the House Sales Scheme for all social landlords in Northern Ireland²⁹.

6 Republic of Ireland – incremental purchase schemes

There are a number of schemes in the Republic of Ireland to assist local authority tenants to buy their home from the local authority at a discounted rate. These include:

- The Incremental Tenant Purchase Scheme for existing local authority houses.
- The Incremental Purchase Scheme for newly built houses.

²⁷ Northern Ireland Assembly Written Question [[AQW 16024/22-27](#)], answered on 1 October 2024.

²⁸ Northern Ireland Assembly Committee for Communities meeting 24 October 2024.

²⁹ '[Legislation ending HA Right to Buy passes final stage in Assembly](#)', Housing Rights, 1 July 2020.

- The Tenant Purchase of Apartments Scheme (TPAS).

6.1 The Incremental Tenant Purchase Schemes

To qualify for the [Incremental Tenant Purchase Scheme](#) (for existing local authority houses), a person must have been receiving social housing support for at least 10 years (in the case of a joint tenancy, only one tenant is required to meet this condition). A person must also have an annual income of at least €11,000 per year (which can include a combination of income from wages and some social welfare payments). The qualifying amount was reduced from €12,500 per year to €11,000 per year in January 2024 to make it easier for older tenants to buy their homes³⁰.

Eligible tenants will pay the market value of the house less discount. Depending on income, the discounts can vary between 40% and 60%. The local authority will place a charge on the house called an 'incremental purchase charge'. The charge will remain in place for 20, 25 or 30 years depending on the discount given. Each year, the charge will be reduced by 2% and at the end of the 20, 25 or 30 years the charge will be zero (if the purchaser has adhered to the terms and conditions of the scheme).

The purchaser must live in the house as their normal place of residence and seek agreement from the local authority if they wish to sell, let or sub-let the property. The purchaser can sell the house at any time, providing the local authority agrees. If they sell before the end of the 20, 25 or 30 year period, they will have to pay back the value of the outstanding charge on the house to the local authority.

Some types of social housing are excluded from the scheme, for example, a home that has been designed for an older person or person with disability to live in. Other forms of housing that can be excluded from the scheme include homes under Part V arrangements, that is, where private housing developers

³⁰ Department of Housing, Local Government and Heritage, '[Changes to purchase scheme to enable more tenants to buy local authority home](#)', 13 April 2024.

have allocated a percentage of land for social housing. Notably, local authorities can also decide not to sell their homes if they believe it is the best way to manage their social housing stock in that area³¹.

Further detailed information on the scheme is available from the gov.ie website [here](#)³².

There is also an [Incremental Purchase Scheme for newly built houses](#) (it does not apply to apartments). The houses must be identified for sale by the local authority. To be eligible a person must have a minimum gross annual income of €15,000 and be in receipt of social housing support. The eligible person will pay the market value of the house less a discount, which will vary between 40% and 60% depending on their income. Similar to the incremental purchase scheme for existing local authority houses, the scheme operates by the placing of an incremental charge on the property by the local authority, permission must be sought to sell, let or sub-let the property and agreement must be sought from the local authority to sell the property³³.

Further detailed information on the scheme is available [here](#).

6.2 Tenant Purchase of Apartments Scheme (TPAS)

This scheme allows a person(s) to purchase their local authority apartment if the apartment complex has been set aside for sale to tenants by the local authority. The scheme has been in place since January 2012. The apartment complex must meet certain criteria, for example, it must have at least five apartments and at least 65% of the tenants must support the proposal that the complex is made available for tenant purchase. There are discounts of 40% to 60% off the purchase price, depending on household income. Similar to the

³¹ Information extracted from the Citizens Information website, '[buying or inheriting a local authority home](#)'. [Accessed 28 October 2024]

³² Department of Housing, Local Government and Heritage, [Incremental Tenant Purchase Scheme for existing local authority houses](#), last updated 7 June 2023.

³³ Department of Housing, Local Government and Heritage, [Incremental Tenant Purchase Scheme for newly built houses](#), last updated 7 June 2023.

other schemes, the purchaser must obtain agreement from the local authority if they wish to sell, let or sub-let the apartment.

When an apartment complex is designated for the Tenant Purchase of Apartments Scheme, a management company will be established to manage the apartment complex.

The local authority transfers ownership of the entire complex to an apartment owners' management company. The management company immediately leases all the apartments back to the authority for continued letting to tenants, who will then have the option of buying them from the authority ³⁴.

Further detailed information on the scheme is available [here](#).

7 Transfer of Right to Buy/House Sales Scheme properties into the Private Rented Sector

The Committee requested information on number of homes that are sold through Right to Buy schemes that have transferred into the Private Rented Sector (PRS). This section focuses upon Northern Ireland only. RalSe as been unable to locate data on transfers from the Right to Buy schemes into the PRS in other jurisdictions.

Detailed information on the number of homes sold through the House Sales Scheme by year of sale and by local authority council area has been provided by the Housing Executive in response to a question [[AQW 14883/22-27](#)] submitted by Ciara Ferguson, MLA (and answered on 22 October 2024). The data has been deposited in the Assembly Library and is available to view [here](#) (for both the Housing Executive and Housing Association House Sales Schemes data).

It is difficult to estimate how many homes sold through the House Sales Schemes have transferred into the private rented sector in Northern Ireland particularly given that a significant number of homes have been sold over the

³⁴ Department of Housing, Local Government and Heritage, [Tenant Purchase of Apartments Scheme](#), last updated 7 June 2023.

past 25 years. It potentially may be possible to take a small sample, for example, houses sold through the Housing Executive scheme over a two-year period, and cross-reference those with the properties in the [Landlord Registration Scheme](#) Register. However, this is likely to be a resource intensive exercise. Its accuracy would depend on whether property owners/landlords have complied with the statutory landlord registration requirements and would only provide a snapshot of the situation³⁵. It also would require the Housing Executive to release a list of the properties sold under the House Sales Scheme to RaISe and we would have to ascertain if this would be compliant with data protection requirements.

³⁵ Homes may also move in and out of the Private Rented Sector over a period of time.