

Right to Buy Update July 2014

Government Initiatives

Further to the March update to this Committee, the Governments planned increases to Right to Buy discounts had been delayed, however DCLG have now given notice that the implementation date for the increases will be July 21st 2014. The new discounts will apply to all current and new applications.

The changes will see

1. An increase maximum percentage discount available for those purchasing a house, from 60% to 70% (this maximum applies to applicants with tenancies of 40 years or more). This change brings the percentage rate for maximum discount for houses to the same level as for flats and maisonettes)
2. An increase maximum cash discount available from £75,000 of £77,000. (this is the maximum cash discount an applicant can receive irrespective of the number of years of tenancy they have). Government now uplift the maximum cash discount annually in line with the Consumer prices Indexes (C.P.I)

Changes still to come

As part of the Deregulation Bill it is still the government's intention to cut the qualifying years for Right to Buy from five to three. This is likely to be implemented in January 2015.

Statistics and Future Projections

2013 / 2014

The total number of Right to Buy sales for last year (2013/14) was 255. The average selling price after discount was £39,350. The average discount tenants received was £38,200. The split of sales was 204 houses and 51 flats and maisonettes.

2014 / 2015

The forecast for sales in 201/15 is 288 with a predicted average selling price of £40,500.

Actual sales in quarter one was 61 which is slightly down on the forecasted figure of 72 at this stage of the years. The average sale price however was slightly up at £40,187.

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