

Final stage impact assessment

Title: Social Housing Bill

Type of measure: Primary legislation

Department or agency: Ministry of Housing, Communities and Local Government

IA number: ...

RPC reference number: ...

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Declaration

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Minister: Matthew Pennycook, Minister of State for Housing and Planning

Signed:



Date: 12 June 2026

1. Policy context

- 1.1. The Social Housing Bill (“the Bill”, hereafter) aims to protect social housing stock,¹ strengthen tenancy protections for victims of domestic abuse, and support long-term planning for and investment in supply. The Bill was announced in the King’s Speech on 13 May 2026.
- 1.2. Everyone deserves to live in a decent, safe, secure and affordable home. Yet far too many families in need of a social rented home are languishing on local authority waiting lists, forced to remain in the private rented sector or in expensive temporary accommodation, driving up housing benefit costs in the process. At the same time, the ability and willingness of social housing providers, particularly local authorities, to invest in the building of new social rented homes is undermined by the steady and significant loss of existing stock through the Right to Buy.
- 1.3. Social and affordable housing is also an important component of overall housing delivery, and a resilient source of supply in a range of market conditions. However, delivery and stock of Social Rent homes have reduced significantly from historic peaks, with council delivery falling over time and much provision now delivered by private registered providers. The Bill will protect much needed social housing stock, give local authorities the clarity and confidence they need to build more social homes, and better protect tenants who are victims of domestic abuse by providing them with greater security and stability.
- 1.4. The Bill delivers on our manifesto commitments to prioritise the building of new social rented homes and better protect our existing stock. It builds on the funding and regulatory certainty that the government has provided to the social housing sector and supports the five-step plan we published in July 2025 to deliver a decade of renewal for social and affordable housing.²
- 1.5. The Bill directly supports and builds on the government’s wider strategy through three core objectives:
 - i. Protect existing social housing stock and improve incentives to build more social homes;
- 1.6. Protect social tenants who are victims of domestic abuse by providing greater security and stability; and
- 1.7. Clarify the statute book and reduce unnecessary bureaucracy, so local authorities can invest in new and existing homes with confidence.

¹ In this document, ‘social housing’ is used as a general term to refer to housing let at below-market rents, provided by local authorities and private registered providers (such as housing associations). It comprises both social housing (in the narrower sense) and affordable housing. The former refers specifically to homes provided at Social Rent (set using a national formula), whilst the latter refers more broadly to other below-market housing (e.g. Affordable Rent).

² Accessible [here](#).

2. Strategic case for proposed regulations

2.1. Problem under consideration

Council housing stock depletion

2.1. The Right to Buy was introduced in 1980 to provide a route to homeownership for social housing tenants, with eligible tenants able to exercise their Right to Buy after a relatively short qualifying tenancy period.³ Reforms in 2012 significantly increased the discounts offered to purchasing tenants and introduced an expectation that homes sold under the scheme would be replaced at a target rate of ‘one-for-one’.⁴

2.2. Between 2012-13 and 2024-25, around 133,000 homes were sold by local authorities to tenants, whilst around 51,000 replacement homes were delivered over the same period.⁵ Figure 1 shows sales consistently exceeding replacements.⁶

Figure 1: Historical Right to Buy sales and replacements (starts)



Source: Tables 691b and 693a, MHCLG

³ A minimum of three years' public sector tenancy, which may include qualifying time spent in a previous social housing tenancy.

⁴ Above a baseline of pre-2012 sales.

⁵ Tables 691b and 693a. Accessible [here](#).

⁶ A Right to Buy replacement is a new social or affordable rent home built or acquired by a local authority using the capital receipt generated from the sale of an existing home through the scheme.

- 2.3. The current structure of the scheme has led to a sustained net loss of council housing stock. Higher discounts are associated with a higher level of sales but also mean that receipts are often insufficient to support one-for-one replacement, with discounts ranging from 36% to 51% of the average regional market price of Right to Buy sales in 2024-25.⁷ Furthermore, the structure of the scheme exposes newly built or acquired stock to potential sale before the upfront capital costs have been recovered.
- 2.4. Over time, this has contributed to a declining share of total housing stock held by local authorities. With over 1.3 million households on housing registers,⁸ the continued loss of stock further reduces access to social housing for future tenants in need.

Domestic abuse protections in social housing

- 2.5. Under the current legal framework, where a social housing tenancy is held jointly, landlords cannot remove one party from a tenancy without ending it entirely. In cases involving domestic abuse, this limits the ability of landlords and courts to transfer the tenancy into the sole name of the victim.
- 2.6. As a result, victims may be required to leave their home to achieve safety, rather than the perpetrator being removed. This can cause disruption to employment, education and support networks and, for some could increase the risk of homelessness. In some cases, the lack of accessible routes to secure housing or amend tenancies can trap victims into remaining in abusive situations, where leaving is not a viable option financially or practically.
- 2.7. The prevalence of cases in which joint tenancy arrangements constrain victims by forcing them to flee or remain in an abusive situation cannot be directly observed in published data. Domestic abuse datasets do not capture tenancy structure or whether a victim is a social housing tenant. However, the constraint in the current legal framework is clear and has been consistently identified by housing providers and representative bodies.⁹

Sector efficiency and asset management

- 2.8. The current framework for managing social housing assets contains several administrative inefficiencies and coordination issues that can limit effective asset management.

⁷ Local Authority Housing Statistics 2024-25, Section B. Accessible [here](#).

⁸ Local Authority Housing Statistics 2024-25, Section C. Accessible [here](#).

⁹ Limitations in the current legal framework for joint tenancies have (amongst others) been identified by housing providers and representative bodies such as the National Housing Federation, [Consultation on the impacts of joint tenancies on victims of domestic abuse](#) (2022), and Standing Together Against Domestic Abuse and Women's Aid, [Joint Tenancies & Domestic Abuse Briefing](#) (2022).

- 2.9. Firstly, local authorities must obtain Secretary of State consent before undertaking routine housing and stock management transactions. These consent requirements originate from a previous regulatory framework, where government directly subsidised council housing. In practice, applications are now almost always approved, meaning that the process does not materially affect decision making but can be burdensome for local authorities.
- 2.10. Secondly, private registered providers (PRPs) can dispose of social housing assets as part of routine asset management, including through open market sales or portfolio rationalisation, without notifying other sector bodies in advance¹⁰. As a result, potential in-sector purchasers do not systematically have visibility of opportunities to acquire stock before disposal. This means that opportunities to retain homes within the social housing sector may not always be realised, even where in-sector purchasers would be willing to acquire them.
- 2.11. Thirdly, the statute book contains several uncommenced provisions relating to social housing, including requirements that government no longer intends to take forward. Their continued presence creates uncertainty for local authorities and providers when planning for the future, as it is not clear whether such powers may be commenced.

2.2. Why is government intervention necessary?

- 2.12. The problems set out above arise from structural features of the social housing system. The following section sets out the rationale for government intervention, identifying the specific mechanisms through which these problems arise and explaining why they cannot be effectively addressed by local authorities or providers acting independently.
- 2.13. The rationale is structured around the three groups of measures included in the Bill, each of which is covered in turn:
- 2.14. Reforms to the Right to Buy and the Right to Acquire;
- Tenancy reform for domestic abuse victims; and
 - Improvements to asset management processes.

Reforms to the Right to Buy and the Right to Acquire

The Right to Buy: scheme structure

- 2.15. Social housing can be provided at below-market rent levels because part of the capital cost of building or acquiring the homes is met through subsidy. When a home is sold under the Right

¹⁰ Published data on PRP disposals does not distinguish between homes transferred within the social housing sector and those leaving it, nor does it record whether in-sector purchasers had the opportunity to acquire disposed stock. As a result, the number of homes that could have been retained within the sector in the absence of a notification requirement cannot be directly observed.

to Buy but not replaced, there is a permanent loss of the capital subsidy embodied in the dwelling. This creates an **intergenerational equity problem**, whereby one cohort benefits from subsidised access to social housing whilst future households that are equally as eligible may be unable to do so.

- 2.16. Rebalancing the Right to Buy would address this **distributional failure** between cohorts by better preserving the stock of subsidised housing for future low-income households. This cannot be corrected without government intervention, as the scheme's incentive structure (including the eligibility rules, percentage discount levels and other exemptions) is embedded in primary legislation. Without further reform, stock depletion will continue under a do nothing scenario as the current scheme parameters do not generate sufficient receipts to support replacement at adequate rates.
- 2.17. In addition to stock preservation, local authorities rely on debt financing to fund the upfront cost of building new homes. Under current Right to Buy rules, newly built stock can be sold before local authorities have recovered their upfront investment, reflecting a **misalignment** between tenants' eligibility to purchase their homes and the period over which that investment must be recovered. This undermines their confidence in bringing forward new development, particularly where the recovery of upfront costs is uncertain. In the context of a significant number of households on housing registers, government intervention is needed to align the incentive structure of the Right to Buy with local authorities' ability to invest in new supply.

The Right to Buy and Right to Acquire: right of first refusal

- 2.18. A further issue arises when a former Right to Buy home moves out of the current 10-year right of first refusal period. Once this expires, the home cannot be easily regained from the private market, even if it is strategically important or located in an area of high need. Stock is often managed in clusters (such as estates or blocks) where retaining homes together supports more efficient maintenance and estate management through economies of scale.
- 2.19. When such a home is sold outside the right of first refusal period, the local authority has no reliable means of regaining it, even where re-acquisition would improve the efficient management of the surrounding stock. This represents a **coordination problem** that local authorities cannot resolve themselves, as they have no ability to require that sellers first offer the home back to them. Government intervention is therefore necessary to ensure that local authorities retain the opportunity to repurchase these homes when they are resold.

Tenancy reform for domestic abuse victims

- 2.20. The current legal framework does not provide a route within housing law to remove a perpetrator from a joint tenancy or to transfer the tenancy to the victim. As a result, tenancy issues arising in domestic abuse cases cannot be resolved within the social housing system.
- 2.21. Although alternative legal routes exist to remove perpetrators, including through family law, these are often costly, complex and difficult to access. As the burden of resolving these situations falls disproportionately on victims, this represents an **equity concern**. Government intervention is therefore necessary, as this constraint arises from the legal structure of social housing tenancies and cannot be addressed by landlords or courts under current legislation.

Improvements to asset management processes

- 2.22. The Bill also seeks to address several inefficiencies within the current framework for managing social housing assets. Firstly, local authorities must obtain Secretary of State consent before undertaking routine housing and stock management transactions. This reflects a previous regulatory framework, when government directly subsidised council housing. In practice, applications are now almost always approved. This creates **administrative inefficiency** without delivering meaningful assurance benefits. As the consents regime is set in primary legislation, local authorities cannot streamline this process without government intervention.
- 2.23. Secondly, PRPs may dispose of social housing stock without notifying other social housing sector bodies, such as local authorities or other PRPs. Whilst these would be privately rational commercial decisions, they may not align with the wider objective of retaining stock within the sector. As other housing providers sometimes have no visibility of a PRP's intention to dispose of a home, this information asymmetry leads to **coordination failure**, resulting in missed opportunities to retain social stock within the sector.
- 2.24. Because the current framework does not create a consistent expectation or commercial incentive for PRPs to share this information, this issue cannot be resolved through voluntary action. Government intervention is therefore required to ensure consistent notification and within appropriate timeframes.

3. Options selection

3.1. Policy objectives

- 3.1. The Bill comprises targeted statutory interventions to address specific issues identified in the strategic case. It forms the legislative component of the government's wider reform programme, rather than being a standalone solution to wider supply and capacity constraints affecting social housing.
- 3.2. The measures are intended to reduce net losses of social housing stock, address administrative inefficiencies and strengthen tenancy protections for victims of domestic abuse. They do not, by themselves, guarantee increases in supply but are intended to create more supportive conditions for providers and councils to plan and invest with confidence.
- 3.3. This Social Housing Bill will introduce the following measures to tackle the problems outlined above (and note that some measures may have positive effects on more than one of the problems identified).

Reforms to the Right to Buy and the Right to Acquire

- 3.4. Following a public consultation, to which the government's response was published in July 2025,¹¹ the Bill introduces a package of reforms designed to rebalance the Right to Buy. The reforms seek to maintain a route to home ownership for long-standing tenants, whilst better safeguarding council housing stock and supporting long-term investment. Measures include:
 - Extending the minimum eligibility period from three to 10 years;
- 3.5. Lowering the discount available from 35-70% of the property value to 5-15%;
 - Exempting newly built social homes for 35 years;
 - Exempting sales of homes in designated rural areas; and
 - Extending to perpetuity the right of first refusal for homes sold under the scheme.
- 3.6. Changes are also made to align the Right to Acquire scheme with the reformed Right to Buy framework, improving consistency across social housing sales regimes.

Tenancy reform for domestic abuse victims

- 3.7. The Bill introduces a ground by which PRPs can initiate the removal of the perpetrator's interest in a joint tenancy in cases of domestic abuse. The aim is to enable survivors to remain safely in their homes where appropriate, including where a perpetrator is removed from the property or a joint tenancy is brought to an end. These reforms are intended to provide greater

¹¹ Accessible [here](#).

housing stability for victims, reduce the risk of homelessness and limit repeated displacement resulting from abuse.

Improving asset management processes

- 3.8. The Bill streamlines existing housing consent requirements, removing those that are outdated or no longer necessary, whilst retaining those that provide important checks and safeguards. These reforms are intended to create a more efficient and predictable approvals process for councils and providers, enabling schemes to progress more quickly from planning to delivery while maintaining appropriate oversight where needed.
- 3.9. To support the retention of social housing stock, the Bill also introduces a requirement for PRPs to notify potential in-sector purchasers – such as local authorities, other registered providers, or community-led housing groups – before disposing of social housing assets. The requirement is intended to operate through existing communication channels, rather than new reporting infrastructure, with providers notifying sector bodies with an operational presence in the local area. This measure is intended to maximise opportunities for homes to remain within the social housing sector and reduce net losses of affordable housing.
- 3.10. The Bill repeals several uncommenced or unimplemented provisions from previous legislation to provide clarity and certainty for the sector, where the government has no intention of taking these policies forward. This includes provisions requiring local authorities to sell high-value council homes, grant fixed-term tenancies and charge higher rents to higher-income social housing tenants. Removing these provisions is intended to reduce uncertainty and support providers and councils to plan and invest in social housing over the long term.

3.2. Alternative options considered

- 3.11. Several approaches to addressing the issues identified in the strategic case were considered during policy development for each of the groups of measures in the Bill. The remainder of this section gives an overview of the alternative options considered and the reasons for the final choice of legislative measures.

Reforms to the Right to Buy and the Right to Acquire

- 3.12. For the Right to Buy, options considered included: maintaining the current scheme parameters, implementing targeted adjustments (i.e. changing only the discounts or eligibility criteria alone), and a combined package of reforms to the scheme's incentive structure.
- 3.13. Maintaining the current framework would not address the sustained net loss of stock identified in the strategic case. More limited reforms targeting individual elements of the

scheme would address individual problems but would not tackle the combination of issues that arise simultaneously.

- 3.14. For example, lowering the discounts alone would reduce stock losses but would not resolve the risk of early sale and the associated disincentives for delivery. Similarly, extending the qualifying tenancy length alone would reduce stock losses but would not fully resolve the level of receipts generated per sale, which constrains replacement delivery. In addition, exempting newly built homes from sale only would reduce investment risk but would not address the wider issue of stock depletion affecting the existing stock.
- 3.15. As such, the preferred approach is a coordinated package of legislative reforms that rebalance the scheme as a whole.

Tenancy reform for domestic abuse victims

- 3.16. For tenancy reform, options included maintaining the current legal framework by relying on existing legal routes or introducing a new statutory ground within housing law.
- 3.17. Maintaining the current framework would not address the identified constraints in the strategic case, as these routes are often costly for victims, complex and not designed to resolve tenancy issues within the social housing system.
- 3.18. The preferred approach is therefore to introduce a new statutory ground within housing law that directly addresses the current limitations of the legal framework. This would enable victims to remain in their homes where appropriate, whilst providing a more accessible, provider-initiated route to resolving domestic abuse cases involving joint tenants.

Improving asset management processes

- 3.19. For asset management processes, options considered include maintaining the current administrative framework, encouraging voluntary coordination between providers, or introducing targeted legislative changes.
- 3.20. Maintaining the status quo would not address the identified inefficiencies and coordination failures. Similarly, reliance on voluntary approaches would not provide consistent outcomes, as existing practices vary and providers are not required to consider the effect of disposal decisions on the wider social housing system.
- 3.21. Alternative approaches to restricting the notification requirement to a narrower subset of sector bodies were also considered but discarded on the basis that distinguishing between social sector bodies in this manner would be arbitrary and would unnecessarily limit retention opportunities without any meaningful cost saving to notifiers.

- 3.22. The preferred approach is therefore to introduce legislative changes to streamline administrative processes and address coordination issues by creating a consistent requirement across the sector.

Non-legislative options

- 3.23. The policy areas addressed by the Bill are characterised by constraints embedded in primary legislation and statutory frameworks. As a result, the set of feasible options is inherently narrow, with non-legislative approaches unable to address the identified problems.
- 3.24. Options such as guidance or the possibility of incentivising voluntary action were considered. However, these would not sufficiently address the issues identified in the strategic case. In the case of the Right to Buy and tenancy reform measures, the relevant constraints arise from statutory provisions governing eligibility, discounts and tenancy rights, which cannot be altered without legislative change.
- 3.25. For asset management measures, voluntary approaches were considered but would not provide consistent or reliable outcomes, given the absence of a statutory requirement or incentive mechanism for providers to notify disposal activity.

4. Impact analysis

4.1. The Social Housing Bill is expected to affect local authorities more than businesses. Business impacts are therefore assessed against the *de minimis* threshold of £10 million equivalent annual net direct cost to business (EANDCB). As the impacts assessed below are unlikely to exceed this threshold, a proportionate approach is applied in assessing the effects of the measures on social housing providers and households.

4.1. Impact on business: *de minimis* assessment

4.2. The potential scale of direct impacts on business is assessed in this section. This provides the basis for determining the appropriate level of analytical detail in the remainder of the assessment. The measures that affect businesses (rather than only local authorities or households) are:

1.8. Reforms to the structure of the Right to Buy and the Right to Acquire, including aligning percentage discounts with the maximum permitted cash discounts (“cash caps”)¹², extending the minimum eligibility period to 10 years, exempting new builds from purchase for 35 years and exempting sales in rural areas;

- Extending to perpetuity the right of first refusal for homes sold under the Right to Buy and the Right to Acquire;
- Giving courts a ground to remove a perpetrator from a joint tenancy in domestic abuse cases; and
- Requiring PRPs to notify in-sector purchasers (such as local authorities or other PRPs) before disposing of stock.

4.3. As of May 2026, there were 1,347 PRPs¹³, of which 1,084 were classified as ‘small’ and 227 as ‘large’ by the Regulator of Social Housing¹⁴, based on whether the provider held 1,000 or more homes (the remaining 37 PRPs are not reported¹⁵).

¹² The discount structure of the Right to Buy is made up of a percentage (of the sale price) discount or the maximum cash discount, whichever is lower. The maximum cash discounts were reduced in November 2024 through secondary legislation but the other elements of the Right to Buy framework are set out in primary legislation. Currently, the two discount types are misaligned, with the lower bound of the percentage discounts (35%) not binding on average in any region (see Table 2 below).

¹³ ‘Registered providers of social housing’, Regulator of Social Housing (accessible [here](#)). Updated monthly (accessed in May 2026).

¹⁴ This information can be found in the ‘private registered provider social housing stock and rents in England 2024 to 2025’ private registered providers release dataset (accessible [here](#)).

¹⁵ This could be due to data issues or that those providers are not required to report due to their size or operational status, e.g. winding down or holding no stock.

- 4.4. Whilst the number of PRPs is large, the majority are small organisations. Only a subset of the measures in the Bill apply directly to PRPs; in particular, the Right to Buy and the Right to Acquire are a limited source of activity for PRPs compared to local authorities. As such, the scale of ongoing business impacts arising from the Bill is expected to be limited. **A detailed assessment of business impact, including switching analysis, is set out in Appendix A.**

Familiarisation costs

- 4.5. As the Bill comprises several related measures, most PRPs are likely to approach familiarising themselves with the changes as a package. The familiarisation costs associated with the Bill would include: understanding the changes and identifying affected internal processes; determining the changes required to internal processes; implementing changes to internal guidance, documentation and processes; and communicating changes to relevant staff to embed new procedures.

Administrative and operational costs

- 4.6. The measures affecting PRPs in the Bill are expected to give rise to sporadic, event-driven administrative activity rather than a deterministic increase in caseload relative to the counterfactual.
- 4.7. The only one-off administrative cost created directly by the Bill for PRPs relates to updates to tenant-facing documentation for the Right to Buy and Right to Acquire. Other administrative activities arise on a case-by-case basis, representing low-intensity extensions of existing processes.

The Right to Buy and the Right to Acquire: scheme structure

- 4.8. The changes amend the parameters of established schemes already operated by PRPs (via the Preserved Right to Buy and the Right to Acquire) and give rise to one-off implementation activity to update tenant-facing materials, such as websites, guidance and application forms to reflect revised discounts, eligibility criteria and exemptions. No material changes to ongoing administrative processes are expected.

The Right to Buy and the Right to Acquire: right of first refusal

- 4.9. Extending the right of first refusal from 10 years to perpetuity extends the period over which it may be triggered for future resales¹⁶. Administrative activity is limited to receiving notifications, updating internal records, and passing notifications to asset management

¹⁶ Note that this measure will only apply prospectively.

teams for review. Any subsequent valuation or commercial decision-making would be discretionary and part of business as usual investment activity.

Tenancy reform for domestic abuse victims

- 4.10. A new domestic abuse ground gives PRPs the option to apply to the courts to remove a perpetrator from a joint tenancy. This could give rise to administrative costs beyond the counterfactual, with housing officers identifying a case, gathering evidence (incident logs, police reports, etc.) and preparing court applications. Brief legal input may be required to confirm the correct ground is being relied on, check evidential sufficiency and sign off.

Stock disposals notification

- 4.11. PRPs will be required to notify relevant sector bodies (such as local authorities or other PRPs) of qualifying stock disposals and to record any response received. This is expected to involve identifying that a disposal triggers the notification requirement, producing and sending a notification through existing communication channels, recording the responses, and forwarding any actions to asset management teams on a case-by-case basis. Any additional valuation or similar costs would constitute business-as-usual costs.

Conclusions

- 4.12. Individually, no measure is likely to give rise to a large-scale infrastructure upgrade or behavioural shift, with ongoing administrative costs identified as event-driven and episodic. Breaching the £10 million EANDCB *de minimis* threshold would require implausibly high volumes of these largely case-specific activities to occur simultaneously across multiple measures. **Full details with switching analysis is set out in Appendix A.**
- 4.13. **Based on this assessment, we consider that a full monetised assessment is not proportionate to the expected scale and nature of direct business impacts in this Bill.** As such, the remainder of this impact assessment focuses on changes in sales, replacement delivery and net additions to the social housing stock for measures affecting the Right to Buy and the Right to Acquire, reflecting the specific mechanisms through which these policies affect outcomes. For other measures, where the effects are expected to be limited in scale or where data is not available to support robust quantification, the assessment is primarily qualitative.

4.2. Small and micro business assessment

- 4.14. The primary business impacts of the Bill fall on PRPs, as local authorities are not treated as businesses for SaMBA purposes. PRPs vary considerably in size but most are small

organisations when measured by stock holding, with a large proportion owning fewer than 1,000 homes (as set out in paragraph 4.3).

- 4.15. The Bill is not expected to have a disproportionate impact on small and micro PRPs. The measures primarily give rise to low-intensity, event-driven administrative activity rather than ongoing compliance obligations or structural changes to business models.
- 4.16. The main activities required of PRPs include familiarisation with the changes, processing notifications and case-by-case administrative actions associated with existing business processes. These activities are not expected to be materially more burdensome for smaller providers relative to larger organisations, as they do not require significant investment in systems, infrastructure or specialist capacity.
- 4.17. Activity arising from the Right to Buy, the Right to Acquire and stock disposal processes is broadly related to the size and composition of a provider's housing portfolio. As a result, the frequency of such event-driven activity is likely to be proportionate to the scale of each organisation's stock, with smaller providers undertaking fewer transactions in absolute terms. This suggests that the associated administrative burden will scale with organisational size, rather than falling disproportionately on smaller providers.

4.3. Impact on providers and households

The Right to Buy and the Right to Acquire: scheme structure

Baseline sales and replacements

- 4.18. Qualifying tenants living in local authority-owned homes are eligible to purchase their homes through the Right to Buy scheme. Tenants whose homes were formerly owned by a local authority but were transferred to a PRP landlord whilst they were in occupation remain eligible to purchase their homes from their current landlord through the Preserved Right to Buy.
- 4.19. Alongside the Right to Buy, some PRP tenants are eligible to purchase their homes under the Right to Acquire. The Right to Acquire applies to a narrower group of tenants¹⁷ and offers generally lower discounts than the Right to Buy.¹⁸ Accordingly, it accounts for a smaller share of total social housing sales, with the Right to Buy averaging c. 10,000 sales per annum between 2012-13 and 2024-25, compared to c. 900 sales per annum under the Right to Acquire over the same period.

¹⁷ The home must have been built or bought by the provider after 31 March 1997 and funded by social housing grant for the tenant to be permitted to buy their home under the Right to Acquire.

¹⁸ The Right to Acquire discounts vary by a lower level of geography than the Right to Buy's maximum cash discount (full list accessible [here](#)). They also apply as a fixed discount regardless of tenancy length.

4.20. To estimate how the measures in the Bill may affect sales, this assessment uses MHCLG’s existing Right to Buy modelling framework¹⁹ to produce indicative estimates of the direction and broad scale of impact under the policy scenarios. **These should not be considered forecasts.**

4.21. As the Right to Buy accounts for the vast majority of social housing sales, the quantitative modelling focuses on sales and replacements generated by the main scheme. Changes to the Preserved Right to Buy and Right to Acquire are expected to be materially smaller, and are therefore not modelled separately, on the basis that their effects are expected to be proportionate to those observed in the main scheme.

Table 1: Baseline Right to Buy sales, replacements (starts) and net stock additions

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Sales	1,650	1,650	1,650	1,600	1,550	1,550	1,500	1,450	1,400	1,250
Replacements²⁰	5,300	5,150	4,450	4,100	3,650	2,200	2,200	2,150	2,100	2,050
Stock additions²¹	3,650	3,500	2,800	2,500	2,100	650	700	700	700	800

4.22. Table 1 presents a baseline projection of Right to Buy sales, replacements²² and the net additions to the social housing stock. The projection incorporates the effect of an increase in sales in 2025-26 due to the reduction in the cash caps in November 2024, as prospective buyers sought to take advantage of the higher discounts before the change took effect. This is modelled to increase receipts from sales in that year, resulting in elevated levels of replacement delivery early on in the projection period.

Increased qualifying tenancy length

4.23. The Bill extends the qualifying period for secure tenants to exercise their Right to Buy from three to 10 years. This addresses the stock depletion problem by reducing the flow of eligible purchasers in the short term and (potentially) reducing the lifetime propensity to buy among cohorts facing a longer qualifying period. As such, this change will result in two effects:

- Previously eligible tenants with tenancy lengths of three to nine years who would otherwise have exercised their Right to Buy will be immediately restricted; and

¹⁹ See Appendix B for further detail.

²⁰ Note that some of these replacement homes may be delivered and counted as part of local authority delivery through the Social and Affordable Homes Programme, as Right to Buy receipts can be combined with grant funding.

²¹ These are the net additions to the social housing stock each year, i.e. replacement homes minus sales.

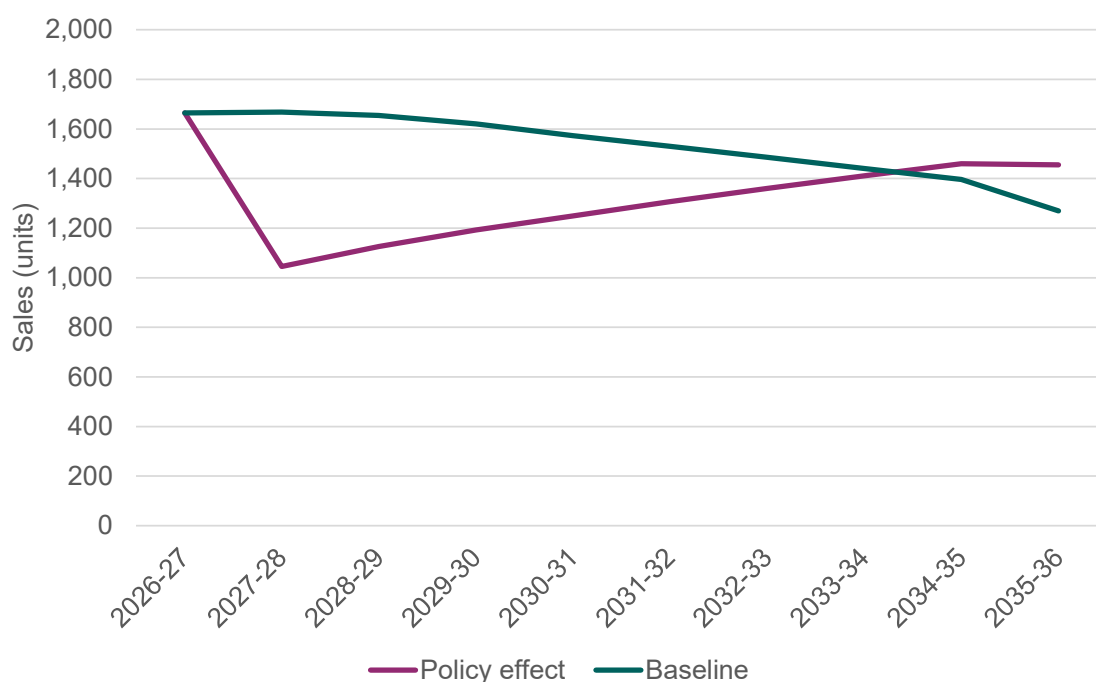
²² Right to Buy replacements are defined as social or affordable rent homes built or acquired by a local authority using the capital receipts generated from the sale of an existing home under the scheme. Replacements do not include homes delivered by local authorities more widely using public subsidy (such as the Social and Affordable Homes Programme).

- A medium-term reduction in sales from prospective buyers who would have purchased with a three-to-nine-year tenancy but no longer choose to do so or are unable to (e.g. reduced mortgage horizon or changes in circumstances) due to a longer qualifying period.

4.24. The first effect leads to a reduction in Right to Buy sales in the short term, reflecting the removal of an existing group of potential purchasers. Over time, some of these tenants regain eligibility as they reach the new 10-year threshold.

4.25. Based on English Housing Survey data, approximately 37% of baseline sales are associated with tenants in the three-to-nine-year tenancy range and are therefore assumed to be immediately affected by the policy change.²³ These sales are treated as delayed and are modelled to return evenly over the subsequent seven years,²⁴ reflecting the time taken for affected cohorts to reach the new qualifying threshold. This is illustrated in Figure 2.

Figure 2: Illustrative impact of restricting eligibility on Right to Buy sales



4.26. Note that there is a temporary overshoot in sales relative to the baseline towards the end of the transition period. This arises because delayed purchases are based on earlier, higher levels of sales, whilst baseline sales continue to decline.

²³ The distribution of residence length for local authority tenants from Annex Table 2.1 of the 2023-24 English Housing Survey (accessible [here](#)) is used as a proxy for the tenancy length distribution of tenants who exercise their Right to Buy.

²⁴ The estimates are subject to several limitations. In particular, residence duration is not equivalent to qualifying public sector tenancy and the distribution of actual purchasers may differ from that of the tenant population. In addition, the modelling assumes a uniform return of delayed purchases and does not incorporate potential variation in purchasing behaviour by tenancy length or household characteristics. As a result, the estimates should be interpreted as indicative.

4.27. In practice, not all delayed purchases will take place. The extent to which suppressed demand returns is uncertain, as some households may leave the social rented sector or choose not to purchase when they become eligible. This effect is not captured in the modelling.

Reduced percentage discounts

4.28. The Bill lowers the percentage discount range from 35-70% of the property value to 5-15%. This rebalance addresses the intergenerational equity concern identified in the rationale by reducing the scale of the subsidy transferred through discounted sales, thereby slowing net stock loss where replacements do not keep pace.

4.29. Under the current regime, the cash caps are typically below the discounts associated with the 35% lower bound, meaning that the lower bound does not bind in practice. The first column of Table 2 shows the cash caps alongside the average discount rates they imply, based on 2023-24 average Right to Buy house prices by region, uplifted to 2026-27 using the Office of Budget Responsibility's house price index.

4.30. With the new percentage discounts, the effective discount on the average Right to Buy sale in the North East, North West, Yorkshire and the Humber, East Midlands and West Midlands is likely to fall within the new 5-15% range, rather than being determined by the cash caps. As these regions have consistently accounted for over 60% of total sales, the policy change is expected to affect Right to Buy sales at the national level in future.

Table 2: Comparison of cash caps and implied discounts in 2026-27, by region

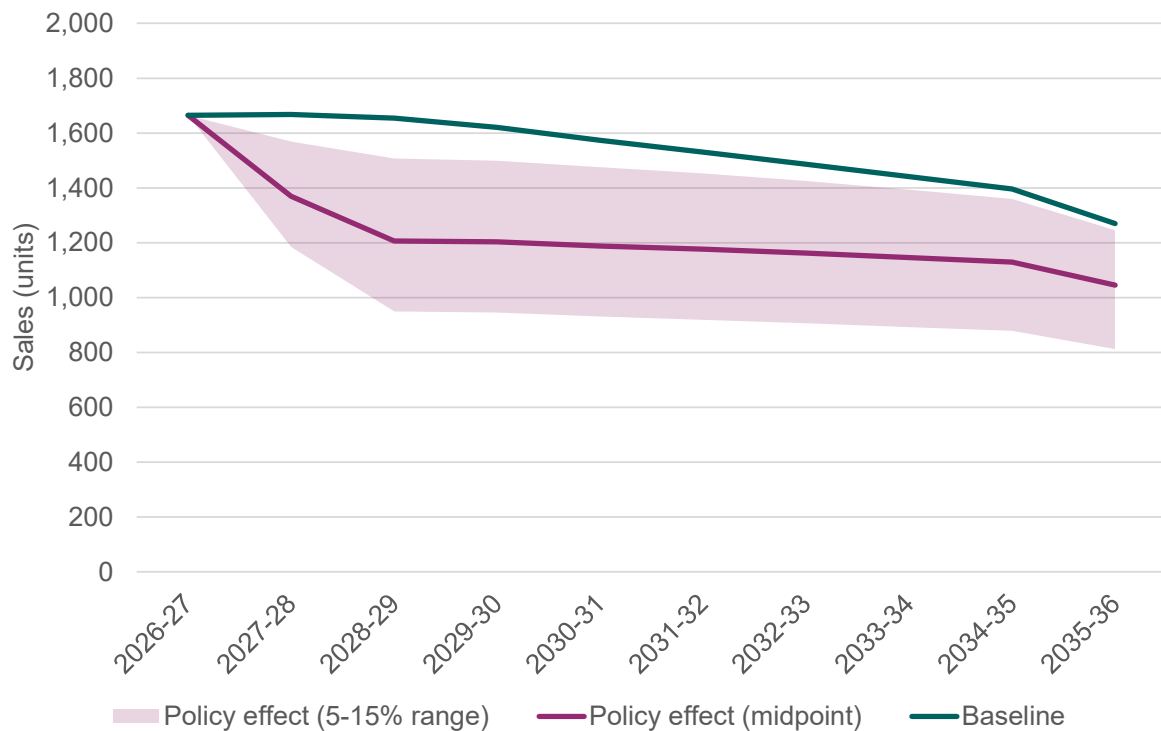
	Cash caps and implied discount rates	Lower bound (5%)	Upper bound (15%)
North East	£22,000 (21%)	£5,300	£15,800
North West	£26,000 (19%)	£7,000	£21,100
Yorkshire and the Humber	£24,000 (20%)	£6,100	£18,300
East Midlands	£24,000 (17%)	£7,200	£21,600
West Midlands	£26,000 (17%)	£7,500	£22,500
East of England	£34,000 (14%)	£12,300	£37,000
London	£16,000 (5%)	£16,700	£50,100
South East	£38,000 (13%)	£13,100	£39,200
South West	£30,000 (13%)	£11,200	£33,600

4.31. This measure would materially change the effective discount for some purchasing tenants, therefore affecting their incentives to exercise their Right to Buy. Figure 3 illustrates the effect of the reform in isolation, i.e. absent the tenancy length change measure.

4.32. In practice, individual purchase decisions are heterogeneous: some households may purchase quickly at a low discount, whilst others may defer purchases to accrue a larger

discount. To reflect this uncertainty, Figure 3 presents a range within which sales could fall, based on the 5-15% percentage discount range.

Figure 3: Illustrative impact of reduced percentage discounts on Right to Buy sales



- 4.33. There could also be a surge in sales concentrated in 2026-27 and 2027-28 (depending on how long it takes LAs to review applications and complete sales) as tenants rush to take advantage of the higher discounts available before the change takes effect. However, given the relatively modest expected effect of aligning the percentage discount upper bound with the revised cash caps, a surge in applications comparable to that seen following the November 2024 changes is unlikely.

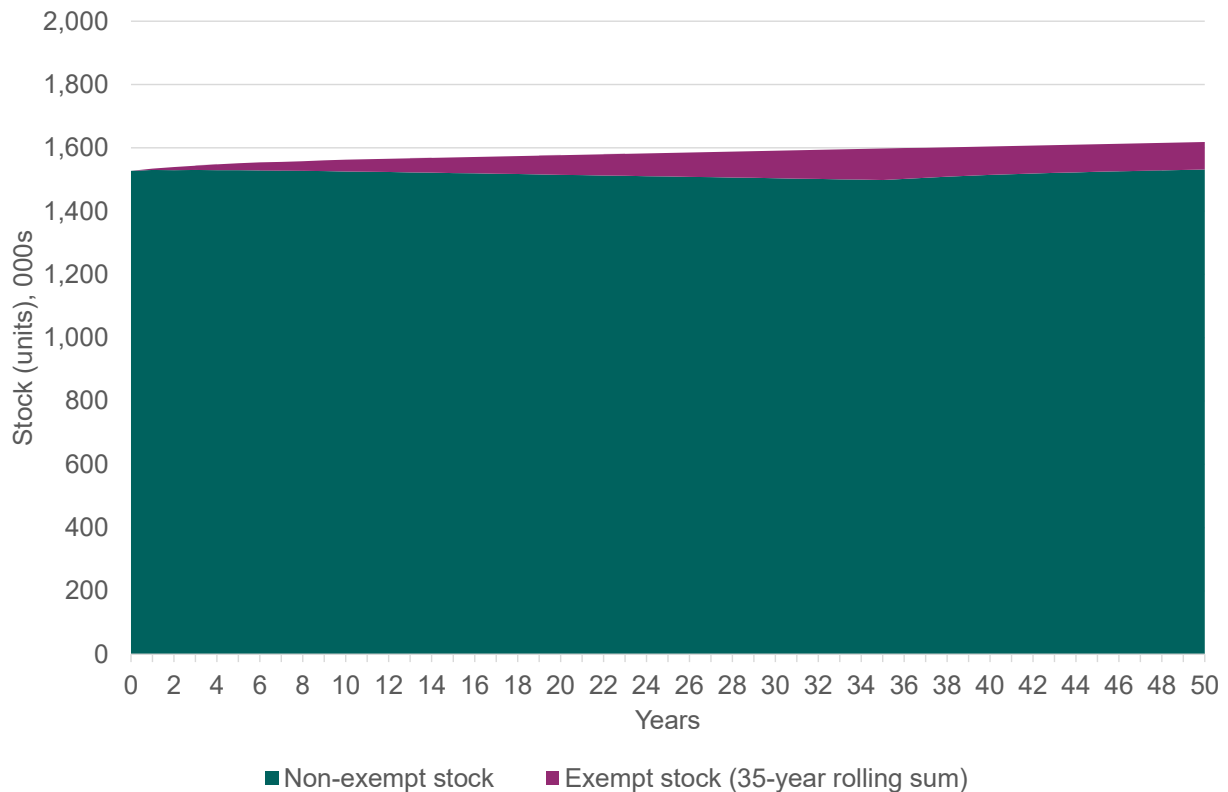
Exemption on the sale of newly built homes for 35 years

- 4.34. The Bill exempts newly built social homes from the Right to Buy for a period of 35 years. This responds to the misalignment identified in the rationale between tenants' eligibility to purchase and the period over which local authorities must recover the upfront investment in new supply. As this applies prospectively, existing stock is not affected. The measure gives rise to two effects:

- A 'mechanical' effect on the share of the local authority housing stock that would be subject to the Right to Buy; and
- A behavioural effect, whereby reducing the risk of local authorities' losing their investment before it has been recovered would improve their confidence to invest in new supply.

4.35. To illustrate the first effect, Figure 4 shows a projection of local authority housing stock, in isolation from other policy changes, distinguishing between non-exempt stock and new build homes exempt from the Right to Buy for 35 years. **The chart is illustrative and is not a long-term forecast of local authority housing stock.**

Figure 4: Illustrative impact of the 35-year Right to Buy exemption on local authority stock



4.36. As shown in Figure 4, the exemption affects a small share of the overall stock, with exempt stock gradually increasing over time as new build homes accumulate within the 35-year window. After the initial 35-year period, the level of exempt stock would reflect the rate of new build delivery, rising or falling in line with housebuilding as homes enter and leave the exemption window.

4.37. The illustration is based on a set of assumptions about delivery beyond the core model horizon (2026-27 to 2035-36), with sales, replacement delivery and wider local authority housing delivery (such as through the Social and Affordable Homes Programme) held constant to isolate the effect of the exemption on the stock profile.²⁵

²⁵ The projection estimates annual stock balances, reflecting additions to and losses from the existing stock. Additions include delivery by local authorities, whilst losses include Right to Buy sales, demolitions and other disposals. A fixed proportion of total delivery (approximately 60%, based on historical trends) is assumed to be new build, with the remainder treated as non-exempt acquisitions. Beyond the modelled period, sales and delivery are held constant, with replacement delivery assumed to equal sales in the long run. This is intended to isolate the mechanical effect of the exemption rather than to forecast long-term delivery.

- 4.38. In addition to this mechanical effect, the exemption of newly built social homes from sale for 35 years is intended to improve confidence amongst local authorities and providers to invest in new supply. Under the previous regime, newly built homes could become eligible for purchase straight after completion, creating uncertainty over whether providers would generate rental income for long enough to recover upfront investment costs.
- 4.39. By excluding new build homes from the Right to Buy for a period that broadly aligns with typical payback horizons, the measure removes a specific source of downside risk to local authorities. This would improve certainty over the long-term retention of new stock, thereby improving the assessed viability of new housing projects when local authorities consider investment decisions. The magnitude of this confidence effect cannot be robustly quantified, as the full pipeline of schemes for which the exemption would change the outcome of such a viability assessment cannot be observed.

Exemption on Right to Buy sales in rural areas

- 4.40. The Bill introduces a restriction on the sale of homes under the Right to Buy in designated rural areas, Areas of Outstanding Natural Beauty and National Parks where replacement of stock is typically more difficult, thereby addressing the stock depletion problem identified in the rationale in areas where stock losses are likely to be permanent.
- 4.41. Whilst the overall number of homes affected is likely to be relatively small, the impact at a local level would be more significant, as those homes continue to support access to affordable housing in areas of constrained supply.
- 4.42. Given the geographically targeted nature of the measure and that the available data on housing stock is reported at the local authority level, it is not possible to robustly identify the proportion of stock within each authority that would fall within scope of the restriction.

Overall effect on sales and replacements

- 4.43. In summary, the measures set out above are expected to reduce Right to Buy sales. The increased qualifying tenancy length is estimated to lower sales in the short term, reflecting the immediate removal of tenants with fewer than 10 years' tenancy from eligibility. Whilst sales are projected to recover gradually, as affected cohorts regain eligibility over time, attrition within those groups in the medium term would further reduce sales.
- 4.44. Similarly, the new percentage discount range reduces the incentive to purchase for both currently eligible tenants and those returning to eligibility. As a result, the combined effect is a lower path of sales across the projection period. In addition, some households may defer

purchases beyond the point of eligibility to accumulate a higher discount over time, further smoothing the return of previously suppressed demand.

4.45. On the other hand, Right to Buy replacement delivery will be driven by the level of receipts generated from sales. The extent to which replacement delivery responds to receipts depends on a range of factors that vary by local authority, including how receipts are combined with grant funding, the capital structure of their investments (i.e. how receipts are split alongside debt when financing a new development) and the timing of receipt spending.²⁶

4.46. Table 3 presents the combined effect of the measures on projected sales and replacement delivery, covering only those elements that can be robustly quantified and assuming that, for illustration, the average percentage discount at which tenants buy their homes is at the midpoint of the discount range at 10% (or the cash cap, whichever is lower in that region).

Table 3: Policy scenario Right to Buy sales, replacements (starts) and net stock additions delivered through Right to Buy

	24-25	25-26*	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Sales	7,580	11,446	1,650	850	850	900	950	1,000	1,050	1,100	1,150	1,150
Replacements	3,548	4,197	5,300	5,000	4,100	3,600	3,050	1,450	1,400	1,450	1,550	1,600
Stock additions delivered through Right to Buy	-4,032	-7,250	3,650	4,150	3,250	2,700	2,100	450	350	350	400	450
Change from baseline												
Sales	0	0	0	-800	-800	-700	-600	-550	-450	-350	-250	-100
Replacements	0	0	0	-150	-350	-500	-600	-750	-800	-700	-550	-450
Stock additions delivered through Right to Buy**	0	0	0	650	450	200	0	-200	-350	-350	-300	-350

*2025/26 figures are estimates and may not be accurate. Outturn data is due in August 2026.

**The new build exemption measure may improve providers' supply incentives in the long run by reducing the risk that investments are not recovered. This could offset some of the net losses projected in this row.

4.47. This shows that, in comparison to the baseline (Table 1), Right to Buy sales are projected to be lower where the Bill measures apply. At the same time, Right to Buy replacements also fall in the policy scenario. (The driver for higher replacements at the start of the period result from the receipts from higher sales before the Bill measures come into force). Note that these projections relate to 'Right to Buy replacements' as defined (i.e. homes delivered using

²⁶ From 2026-27, local authorities have been permitted to combine Right to Buy receipts with grant funding, such as through the Social and Affordable Homes Programme. There is also no longer a cap on amount of receipt that can fund a replacement home and local authorities have up to 10 years to spend the receipts they generate from sales.

receipts from Right to Buy sales) and do not reflect overall local authority housebuilding supported by other funding programmes.

- 4.48. Initially, the fall in sales is greater than the projected fall in replacements, partly driven by the high level of accumulated receipts prior to these changes (see sales in 2024-25 and 2025-26 in table 3). However, the modelling indicates that, in the long run, the fall in replacements could exceed the fall in sales leading to a lower level of net additions to the social housing stock delivered through Right to Buy receipts relative to the baseline in Table 1.
- 4.49. Other measures in the Bill, including the exemption of new builds from the Right to Buy for 35 years and targeted exemptions in rural areas, act to limit the loss of social housing stock through sales. These measures would further decrease sales in the short to medium term, improving the retention of newly built and hard-to-replace stock. Additionally, the measures may improve providers' supply incentives in the long run by reducing the risk that investments are not recovered. This could offset some of the net losses projected in Table 3 above. The new build exemption measure is creating the conditions to enable local authorities to deliver more homes in future by removing barriers to delivery rather than being a direct driver of delivery itself.

Wider system effects

- 4.50. In addition to the direct effects set out above, the Bill is expected to have a broader impact on the social housing system and social welfare through changes in the rate at which dwellings become available to prospective tenants, as well as in prospective buyers' access to home ownership.
- 4.51. Over the long run, to the extent the measures reduce net stock losses, a larger social housing stock would ensure that more dwellings remain available to prospective tenants. This is associated with benefits to households entering the social rented sector, including lower rents relative to the private rented sector, increased financial stability, and improved health and educational outcomes.
- 4.52. However, the reduction in available discounts, in particular, would mean that some households can no longer afford to exercise their Right to Buy or Right to Acquire, restricting or delaying their ability to become homeowners. As a result, fewer households would be able to transition out of the social rented sector through these schemes.

4.53. This would, in turn, reduce the receipts generated from sales that enable providers to fund replacement homes, thereby lowering the rate at which homes become available for prospective tenants in the short to medium term.

Full Right to Buy reform package

The measures set out above should be seen in the context of the wider package of reforms to the Right to Buy that began with the reduction in the cash caps (from £136,400 in London and £102,400 elsewhere in England to between £16,000 and £38,000, depending on the region) in November 2024.²⁷ The Social Housing Bill aligns the percentage discounts with the maximum cash discounts and introduces other related measures that together rebalance the Right to Buy by slowing the rate at which the sector loses stock and strengthens incentives for councils to invest in supply.

Table 4 below provides a comparison of Right to Buy sales and replacement, and net additions to the social housing stock under the full package of reforms relative to the pre-November 2024 baseline.

Table 4: Right to Buy sales, replacements (starts) and net stock additions delivered through Right to Buy

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Pre-November 2024 baseline										
Sales	8,050	8,200	8,250	8,150	8,000	7,850	7,700	7,550	7,400	6,800
Replacements	5,450	5,750	5,500	5,550	5,550	4,750	4,800	4,800	4,750	4,700
Stock additions via Right to Buy receipts	-2,600	-2,450	-2,750	-2,600	-2,450	-3,100	-2,900	-2,750	-2,650	-2,100
Post-Bill measure projection										
Sales	1,650	850	850	900	950	1,000	1,050	1,100	1,150	1,150
Replacements	5,300	5,000	4,100	3,600	3,050	1,450	1,400	1,450	1,550	1,600
Stock additions via Right to Buy	3,650	4,150	3,250	2,700	2,100	450	350	350	400	450
Change from pre-November 2024 baseline										
Sales	-6,400	-7,350	-7,400	-7,250	-7,050	-6,850	-6,650	-6,450	-6,250	-5,650
Replacements	-150	-750	-1,400	-1,950	-2,500	-3,300	-3,400	-3,350	-3,200	-3,100
Stock additions via Right to Buy	6,250	6,600	6,000	5,300	4,550	3,550	3,250	3,100	3,050	2,550

This shows that, in comparison to the pre-reform regime, the combined package would reduce Right to Buy sales and would turn net stock losses into net gains over time. In the pre-November 2024 baseline, the model projects a net loss of around 26,000 homes between 2026-27 and

²⁷ This change was made through a statutory instrument (accessible [here](#)).

2035-36. Following implementation of the Bill, the model instead estimates a net gain of around 18,000 homes over the same period.

The Right to Buy and the Right to Acquire: right of first refusal

- 4.54. The Bill extends the right of first refusal for homes sold under the Right to Buy and Right to Acquire from 10 years to perpetuity. This addresses the coordination problem identified in the rationale: once homes pass beyond the current right of first refusal window, local authorities lack a reliable mechanism by which they can re-acquire strategically important stock.
- 4.55. The extent to which homes are returned to the sector depends on the willingness and capacity of providers to exercise that right. The measure therefore creates an option for stock retention rather than directly altering resale outcomes.
- 4.56. Given the limited data on resale activity and the proportion of cases in which the right would be exercised, the impact of the measure cannot be robustly quantified. The measure would be expected to increase acquisition by authorities that are less able to undertake large-scale development.

Tenancy reform for domestic abuse victims

- 4.57. The Bill introduces a new ground enabling courts to remove a perpetrator from a joint tenancy in cases involving domestic abuse. This corrects the legal constraint identified in the rationale whereby, under current joint tenancy arrangements and court powers, victims cannot reliably secure sole tenancy through possession proceedings and may be forced to leave.
- 4.58. The measure is expected to generate benefits for victims of domestic abuse and their dependants by enabling them to remain in their homes, avoiding displacement and the costs of securing alternative accommodation or the risk of homelessness. This includes reduced disruption to employment, education and support networks, and a lower likelihood of entering temporary accommodation.
- 4.59. There may also be modest savings to the public sector where the measure reduces demand for temporary accommodation in cases that would otherwise have resulted in tenancy loss. There may be offsetting impacts, such as the removal of a perpetrator from the tenancy or the need to make alternative housing arrangements for that individual.
- 4.60. Given the targeted and case-specific nature of the intervention, data on the number and outcomes of affected tenancies is limited. The effect of the measure is expected to be limited in scale but significant for the individuals directly affected.

Improving asset management processes

- 4.61. The Bill introduces a requirement for PRPs to notify relevant in-sector purchasers, such as local authorities or other providers, before disposing of social housing stock. This directly addresses the information asymmetry and resulting coordination failure identified in the rationale; namely, without timely visibility of intended disposals, other providers cannot respond, leading to missed opportunities to retain stock within the sector.
- 4.62. This is expected to support the retention of social housing stock that might otherwise be lost to the sector. However, the effect of the measure depends on the willingness and capacity of other providers to acquire those homes. Given limited data on disposal activity and in-sector retention, the impact of the measure cannot be robustly quantified. The effect is expected to be limited overall.

5. Monitoring and evaluation

Evaluation process

- 5.1. A formal post-implementation review will be undertaken 3 to 5 years after Royal Assent, expected to be around 2030 subject to implementation timelines. This timeframe will allow for the principal measures in the Bill to be implemented, including through secondary legislation where required, and for early evidence of impact to emerge across housing delivery, landlord behaviour and tenant outcomes.
- 5.2. The evaluation will be informed by a clear theory of change, assessing how the measures in the Bill affect the behaviour of local authorities, private registered providers and tenants, and how these behavioural changes translate into wider outcomes such as social and affordable housing supply, investment, tenancy experience and landlord performance.
- 5.3. To distinguish the impact of the Bill from wider changes in the housing system, monitoring and evaluation will use a combination of:

Baseline analysis, drawing on pre-implementation trends over previous years;

- 5.4. Before-and-after comparisons of key indicators following implementation;
- 5.5. Comparator analysis, where feasible, including comparison across areas, landlords or cohorts with different levels of exposure to the measures;
- 5.6. Measure-specific indicators, designed to track outcomes directly linked to the provisions in the Bill rather than relying solely on wider sector trends; and
- 5.7. Qualitative evidence, including stakeholder engagement, to test whether observed changes are likely to be attributable to the measures in the Bill.
- 5.8. Monitoring will include tracking annual and trend changes in:

Reforms to the Right to Buy

- 5.9. Right to Buy application volumes, approvals and completed sales;
- 5.10. Replacement of homes sold through the Right to Buy; and
- 5.11. Social and affordable housing starts and completions.

Tenancy reform for domestic abuse victims

- 5.12. The Regulator of Social Housing's Tenant Satisfaction Measures, with particular attention to safety, security and landlord responsiveness for victims of domestic abuse;
- 5.13. Data on complaints, casework and referrals relating to domestic abuse, including insights from the Housing Ombudsman and other relevant bodies; and
- 5.14. Regular engagement with specialist domestic abuse organisations, sector representatives and tenants.

Asset Management

- 5.15. Net additional dwellings;
- 5.16. Changes in landlord investment, disposal and redevelopment activity, where available; and
- 5.17. Evidence of changes in provider behaviour in relation to asset management decisions.
- 5.18. This will support assessment of whether the measures are influencing provider decisions and housing stock outcomes, whilst recognising that these outcomes are also shaped by wider financial and market conditions.
- 5.19. External factors that could affect the success of the intervention include:
- 5.20. Shifts in wider housing market dynamics and additional demand pressures;
- 5.21. Local authority housing financial health and capacity;
- 5.22. Political and fiscal policy shifts (e.g. future rent settlements, funding allocations); and
- 5.23. Macroeconomic conditions (e.g. inflation, interest rates, construction costs).
- 5.24. These factors will be taken into account in monitoring and evaluation through trend analysis, comparison across time and place where feasible, and the use of contextual data to help assess whether observed changes are likely to reflect the Bill's measures or wider system pressures.

Unintended consequences

- 5.25. Potential unintended consequences for households will be monitored via complaints and feedback through the regular Resident Engagement Panel and insights from the Housing Ombudsman, including disproportionate or unexpected administrative burdens.
- 5.26. Potential unintended consequences for local authorities and PRPs will be monitored through feedback via the Regulator for Social Housing, and through ongoing engagement channels that includes a wide range of sector stakeholders representing different business types and sizes.

Existing monitoring and evaluation methods

- 5.27. Existing monitoring frameworks (e.g. MHCLG statistical publications such as the Local Authority Housing Statistics and the Regulator of Social Housing's statistical data returns) will be used and adapted, where necessary. Flexibility will be maintained by:
- 5.28. Using secondary legislation where appropriate to confirm technical provisions; and
 - Building in review points at appropriate intervals, including alongside major fiscal events.
- 5.29. Existing data will also be used to inform the post-implementation review, including:
 - Right to Buy sales and replacements;

- Affordable Housing Supply statistics;
- Social housing lettings;
- Local Authority Housing Statistics;
- Tenant Satisfaction Measures;
- Social and Affordable Homes Programme data; and

5.30. Social housing sales and demolitions.

5.31. It should be noted that housing delivery data is typically published annually and some outcomes may therefore only become visible over the medium term. For this reason, the post-implementation review will consider both early indicators and longer-term trends.

Triggers for earlier review

5.32. Circumstances/changes in the market or sector that would require the policy to be reviewed sooner or to change the preferred options include:

- Evidence of unintended negative effects on tenants, private providers or local authorities;
- A significant economic downturn affecting housing delivery or provider viability;
- Material changes in housing need and demand, particularly where these affect pressure on social and affordable housing; and
- Political or fiscal changes that affect the viability of the measures.

Appendix A: *de minimis* assessment

- A.1 This appendix provides the full switching analysis as part of the assessment of materiality of the measures in the Bill. This determines if the equivalent annual net direct cost to business (EANDCB) *de minimis* threshold of £10 million could be breached.
- A.2 The measures that affect businesses (rather than only local authorities or households) are:
- Reforms to the structure of the Right to Buy and some elements of the Right to Acquire;
 - Extending to perpetuity the right of first refusal for homes sold under the Right to Buy and Right to Acquire;
 - Giving courts grounds to remove a perpetrator from a joint tenancy in domestic abuse cases; and
 - Requiring PRPs to notify in-sector purchasers before disposing of social housing stock.
- A.3 The main business type expected to be affected by these changes are PRPs. These are primarily non-profit organisations, although some for-profit entities do operate in the sector. Note that local authorities are not treated as businesses for the purposes of EANDCB, therefore the costs imposed on them are not included in this assessment.

Familiarisation costs

- A.4 As the Bill comprises several related measures in a single package, transition costs are treated as a combined set of costs rather than assessed separately. This is likely to reflect most PRPs' approach to familiarising themselves with the package.
- A.5 The familiarisation costs associated with the Bill are likely to include:
- understanding the changes and identifying affected internal processes;
 - determining the changes required to internal processes;
 - implementing changes to internal guidance, documentation and processes; and
 - communicating changes to relevant staff to embed new procedures.
- A.6 An efficient PRP is assumed to need one suitably skilled staff member (e.g. a housing policy lead) to spend up to two working days undertaking these tasks. Some measures, such as the domestic abuse tenancy protections, may require limited legal input to interpret or apply the changes. However, this is not expected to be material and would form part of the routine advisory support that PRPs' in-house legal teams provide.

A.7 Based on these assumptions²⁸, the aggregate one-off familiarisation cost to PRPs is approximately £450,000, equivalent to £330 per PRP on average. This is less than 5% of the £10 million annual direct cost to business *de minimis* threshold when considered on a one-off basis. As this reflects a conservative assumption on staff time across the PRP sector, this is likely to be an upper bound estimate.

Administrative and operational costs

A.8 The measures affecting PRPs in the Bill are expected to give rise to sporadic, event-driven administrative activity rather than a deterministic increase in caseload relative to the counterfactual. Estimating ongoing costs as a continuous change in business costs would therefore be arbitrary and potentially misleading.

A.9 Our approach is to estimate a conservative upper bound unit cost for the administrative activity associated with each measure and to use this to infer a switching value. This allows us to assess the scale of activity that would be required for costs to approach or exceed the £10 million EANDCB *de minimis* threshold, without relying on speculative assumptions about activity volumes.

A.10 The only one-off administrative cost created directly by the Bill for PRPs relates to updates to tenant-facing documentation for the Right to Buy/Acquire. Other administrative activities arise on a case-by-case basis, representing low intensity extensions of existing processes, including:

- reviewing and logging notifications or referrals;
- forwarding information to operational teams or supplying information to courts; and
- notifying parties of outcomes, and updating records or agreements.

The Right to Buy and Right to Acquire: scheme structure

A.11 The changes amend the parameters of established schemes already operated by PRPs (via the Preserved Right to Buy and the Right to Acquire) and give rise to one-off implementation activity to update tenant-facing materials, such as websites, guidance and application forms to reflect revised discounts, eligibility criteria and exemptions. No material changes to ongoing administrative processes are expected.

A.12 Assuming one working day of staff time per PRP to update external-facing materials, the estimated one-off administrative cost is c. £165 per PRP. This implies a total one-off cost of

²⁸ Based on (provisional) 2025 Annual Survey of Hours and Earnings (ASHE) data, the average daily hours worked were 7.4 hours and the average wage (gross) for housing officers was £17.90. A 25% uplift is applied to the gross wage to reflect employer on-costs. In addition, the Regulator of Social Housing reported that there are 1,350 private registered providers as of April 2026.

approximately £223,000 across the sector, which is around 2% of the *de minimis* threshold when considered on a one-off basis.

The Right to Buy and the Right to Acquire: right of first refusal

- A.13 Extending the right of first refusal from 10 years to perpetuity extends the period over which it may be triggered for future resales²⁹. Administrative activity is limited to receiving notifications, updating internal records, and passing notifications to asset management teams for review. Any subsequent valuation or commercial decision-making would be discretionary and part of business as usual investment activity.
- A.14 Using a conservative assumption of one hour of staff time per notice at a fully-loaded hourly rate of £22.38, administrative costs would exceed the *de minimis* threshold only if around 447,000 notices were processed per year across PRPs, equivalent to approximately 331 notices per PRP annually.
- A.15 To put this into context, on average since 2005, around 4% of England's housing stock turns over each year³⁰. Based on national housing transaction rates, for a representative PRP to generate 331 resale-triggered notifications per year, it would need around 8,000 of its homes to be in private ownership. This would require an implausibly high level of post-implementation sales and follow-on resale activity per PRP.

Tenancy reform for domestic abuse victims

- A.16 A new domestic abuse ground gives PRPs the option to apply to the courts to remove a perpetrator from a joint tenancy. This could give rise to administrative costs beyond the counterfactual, with housing officers identifying a case, gathering evidence (incident logs, police reports, etc.) and preparing court applications. Brief legal input may be required to confirm the correct ground is being relied on, check evidential sufficiency and sign off.
- A.17 Assuming that cases generated by this new ground require a total of two working days of staff time per case³¹ at the upper bound implies a cost per case of around £330. Administrative costs would therefore only exceed the *de minimis* threshold if over 30,000 PRP-initiated court applications were made per year.

²⁹ Note that this measure will only apply prospectively.

³⁰ [HMRC monthly property transactions](#) and [MHCLG England dwelling stock statistics \(provisional\)](#), 2005 to 2025.

³¹ We do not separately account for legal input, as this is reflected in the conservative assumption of two working days of staff time per case and would constitute routine legal advice. We would not expect legal representation to be required in court except in the most complex cases.

A.18 For context, the Office of National Statistics reports³² over 54,000 domestic abuse-related Crown Prosecution Service prosecutions across England and Wales in 2024-25. The switching value therefore represents activity at a scale comparable to more than half of all domestic abuse prosecutions nationally. Because this new ground applies to a narrow and specific population, where the victim must be both a PRP and joint tenant, the caseload required to breach the *de minimis* threshold would have to be implausibly large.

Stock disposals notification

A.19 PRPs will be required to notify relevant sector bodies (such as local authorities or other PRPs) of qualifying stock disposals and to record any response received. This is expected to involve identifying that a disposal triggers the notification requirement, producing and sending a notification through existing communication channels, recording the responses, and forwarding any actions to asset management teams on a case-by-case basis. Any additional valuation or similar costs would constitute business-as-usual costs.

A.20 We assume an upper bound of one hour of staff time per disposal, to reflect the full end-to-end administrative activity, including notification, response handling and internal follow-up. At a fully-loaded hourly rate of £22.38, around 447,000 disposal notifications per year across PRPs (equivalent to approximately 331 notifications per PRP per year) would be required for administrative costs to exceed the *de minimis* threshold.

A.21 To provide further context, PRPs own around 3.3 million social homes. This would imply notifications equivalent to c. 14% of PRP stock per year. Given the scale and episodic nature of discretionary, strategic stock disposals³³, and the fact that the measure formalises existing disposal communications processes rather than creating new transactions, attributing such volumes to this measure would therefore be implausible.

Conclusions

A.22 The measures in the Bill give rise to primarily heterogeneous, low-intensity, event-driven activities, rather than a continuous increase in business costs across the sector. For this reason, it would not be appropriate to aggregate ongoing administrative costs across measures by summing unit costs. Doing so would require speculative assumptions about the frequency and duration of different case types over a given year.

³² [Domestic abuse and the criminal justice system, England and Wales, November 2025, ONS.](#)

³³ This is as opposed to disposals through statutory tenant purchase routes such as the Right to Acquire.

- A.23 Instead, ongoing costs have been assessed using conservative unit cost assumptions and switching-type values, which test the scale of activity that would be required for any individual measure to approach the *de minimis* threshold.
- A.24 Individually, no measure approaches the *de minimis* threshold under conservative assumptions. Even when considering the package as a whole, the only directly quantifiable one-off costs are well below £1 million, with ongoing administrative costs identified as event-driven and episodic.
- A.25 Breaching the £10 million EANDCB *de minimis* threshold would require implausibly high volumes of activity to occur simultaneously across multiple measures and business types. As such, we do not consider the combined package to pose a material risk of breaching the threshold, justifying our use of a more proportionate assessment on households and housing providers in the impact assessment.

Appendix B: the Right to Buy model methodology

B.1 This section sets out the analytical methodology underpinning the estimation of Right to Buy sales and replacements, as well as the limitations of the analytical approach.

Datasets and variables

B.2 The Right to Buy sales projections presented above are estimated using a set of regional sales equations. The parameters of these equations are derived from a statistical model developed for MHCLG, as part of a larger model of the housing market, by Professor Geoffrey Meen, alongside other leading housing economists at the University of Reading.

B.3 The model measures the relationship between Right to Buy sales and its key drivers to determine the coefficients of the regional sales equations. These drivers are:

- historical Right to Buy sales;
- local authority housing stock;
- Right to Buy discounts;
- Right to Buy house prices;
- house price index;
- mortgage rates;
- earnings; and
- consumer expenditure deflator.

B.4 For forecasting purposes, the data used for historical Right to Buy sales, local authority housing stock, Right to Buy discounts and Right to Buy house prices is published by MHCLG, and can be found in the latest published Local Authority Housing Statistics³⁴. These are updated annually. Forecasts for the house price index, mortgage rates, earnings and consumer expenditure deflator are obtained from the Office of Budget Responsibility. These are updated at every fiscal event, with the latest published version from March 2026.

Estimation approach

Sales projections

B.5 The increase in qualifying tenancy length is estimated by applying the observed distribution of tenancy lengths to the baseline projection of Right to Buy sales.

B.6 Data on the length of time in residence for local authority tenants, from the 2023-24 English Housing Survey, is used as a proxy for the distribution of tenancy lengths among purchasing

³⁴ Accessible [here](#).

households. The proportion of tenants with between 3 and 9 years' tenancy is applied to baseline sales to estimate the share of sales immediately affected by the policy change.

- B.7 These affected sales are treated as delayed rather than permanently lost and are assumed to return evenly over the subsequent seven years, reflecting the time required for affected cohorts to reach the new 10-year eligibility threshold.
- B.8 The reduction in percentage discounts is estimated by varying the effective discount already built into the existing modelling framework. For each region, the effective discount rate is assumed to be the lower of the percentage discount (within the new 5-15% range) and the discount implied by the relevant cash cap.
- B.9 The discount rates are then applied within the model's regional sales equations to generate projections of Right to Buy sales under the policy scenario. To reflect uncertainty in behavioural responses to discounts, results are presented as a range based on a 5- 15% discount interval.

Replacements projections

- B.10 The level of Right to Buy replacement delivery is estimated based on the flow of receipts generated from sales. For each year, receipts are calculated by applying forecast house prices to projected sales, net of the applicable regional discount. These receipts are then profiled over time, reflecting an assumed six-year spending profile used to approximate how local authorities spend receipts to fund replacement delivery, noting that in practice receipts may be spent over a longer period (up to 10 years).
- B.11 Specifically, replacement delivery in a given year is assumed to be funded through an equal combination of receipts generated in the current year and the previous five years, i.e. approximately one-sixth from each year. The total funds available in a given year are then divided by a forecast of regional build costs to estimate the number of replacement homes delivered. The model assumes that local authorities fully spend their available receipts over the spend period.

Limitations and uncertainty

- B.12 The statistical model used to derive the parameters of the Right to Buy sales equations uses historical data from 1991 to 2019 to establish the quantitative relationship between sales and its drivers by region. As with any statistical model, fundamental sources of prediction error include data quality issues/measurement error, omitted variables and model misspecification.

- B.13 Recent changes to the structure of the Right to Buy's policy framework represent a meaningful departure from the recent past. It is possible that the fundamental relationship between variables in the model has changed and will change further in response to the measures in this Bill, including the demographic composition of the sector, tenants' propensity to buy their homes and the types of homes remaining, e.g. larger homes that may be more attractive to tenants may have long been sold.
- B.14 Ultimately, all forecasting is inherently uncertain and, even where statistical models fit the past data well, extrapolation beyond the historical range of data will be subject to greater uncertainty. As such, all estimates should be taken to be indicative.