

# Briefing Note

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## WIDENING HOME OWNERSHIP

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The Government is bringing about one of the largest expansions of home ownership that have taken place in any post-war Parliament.

The rate of council house sales has brought home ownership to thousands of council tenant families for whom otherwise it would have been impossible. In the Government's first three years, up to 31st March 1982, 300,000 local authority dwellings had already been sold. By the same date over half a million tenants in Great Britain had applied to buy their homes under the right to buy (inclusive of completed sales).

### The Right to Buy

Under the Housing Act 1980 and a similar Act applying in Scotland council tenants, new town tenants and the tenants of non-charitable housing associations have been given the right to buy their houses or flats, and the right to a mortgage from their landlord or, in the case of housing associations, from the Housing Corporation. If tenants are unable to afford to buy outright, they will, on payment of £100, have the right to a two-year option to buy at the original price. Local authorities have been given wider powers to sell their houses and flats at their own discretion and can offer full right to buy discounts on their voluntary sales.

### Labour Councils obstructing sales

The Government has successfully been overcoming resistance by Labour Councils who have tried to obstruct sales and to deny tenants their legal rights.

A notice of intervention under Section 23 of the Housing Act was served on Norwich Council, and Norwich's attempt to challenge intervention was rejected in the Court of Appeal.

Timetables have been set by the Government for more than 80 authorities for taking sales through to completion, and the progress of these councils is being monitored monthly.

As a result of the Government's action, many thousands of Council tenants in Labour areas have successfully completed the purchase of their homes. These include: Doncaster 3168 sales; Manchester 2316 sales; Nottingham 2693 sales; Wakefield 1291 sales; Barking & Dagenham 1532 sales; Bolsover 1048 sales.

### Write to the Minister

Council tenants should not be deterred from exercising their rights by obstructive tactics by Labour Councils. In his speech to the Conservative Local Government Conference on 13th March 1982, Mr John Stanley, Minister of Housing, said:

"I invite any tenant, anywhere in England, who considers that his right to buy is being delayed, or that his purchase is being made subject to unreasonable conditions, to write to me personally. Every complaint will be individually pursued with the Council concerned, and every complaint will assist the Secretary of State in deciding whether he should use his powers of intervention in a particular authority".



### Labour's threat to tenants who have bought their homes

The policy document 'Labour's Programme 1982' (described in Briefing Note No. 28, 21/7/82) threatens both tenants who may want to buy their homes in the future and those who have bought their homes already. Labour's policy commitments are as follows:

"We will relieve public landlords of any statutory obligation to sell".

In plain English, this means Labour will take away from tenants the right to buy their homes. This will not increase the supply of housing available to let. It is a mean and spiteful attack on ordinary working people who want to own their homes. Labour is also committed to cancelling tenants' options to buy:

"Any outstanding options to buy taken out after December 1, 1981 and not exercised will be cancelled".

This is a further attack; this time on those tenants who have taken out the option to buy their homes within two years at a fixed price, and it effectively tears up those tenants' contractual rights.

Most threatening of all to the hundreds of thousands of tenants who have purchased their homes already, whether from Conservative or Labour Councils, is Labour's statement that "Public landlords will have the right in perpetuity to repurchase houses which they have sold when these next come onto the market". This is an assault on the right of property owners to sell their property freely on the open market. As Mr John Stanley said on 21st July, Labour will thus be "denying owner-occupiers who were previously council tenants the right to sell their own homes at a price of their own choosing". (Hansard, 21/7/82, cols 387-8).

Labour are also pledged to legislate "to ensure that all future sales are at full market value". Thus, even in Conservative areas the local council would be unable to offer council tenants any discount when they buy their homes.

### Other home ownership initiatives

The Government is bringing home ownership within reach of many others who are not council tenants through its low cost home ownership programme. This includes the sale of land for starter homes. Between April 1980 and March 1982 over 1700 acres of land were sold to private housebuilders in England by local authorities and new towns, sufficient to build some 16,000 homes. Maximum encouragement is also being given to partnership schemes between local authorities and private housebuilders building for sale on local authority land. 120 councils in England are pursuing such schemes in 1982/3. Between July 1980 and March 1982, 1500 dwellings were completed in Building for Sale schemes. Government grant is now available to local councils and housing associations undertaking improvement for sale. Experience shows that this provides exceptional housing value for a relatively small amount of public expenditure. 80 councils and about 90 housing associations are pursuing improvement for sale schemes in 1982/3. Homesteading, the sale of unimproved homes, provides the lowest-cost route into home ownership. Pioneered by the GLC when it was Conservative-led, homesteading is now being undertaken by over 60 authorities in 1982/3. Up to the end of 1981, nearly 1200 homes had been sold by local authorities for homesteading. Local authorities, new towns and housing associations are also able to offer shared ownership as an alternative to outright ownership in all the circumstances where they may be selling a home, including council house sales, building for sale and homesteading. 45 councils and a number of new towns and housing associations intend to undertake shared ownership schemes in 1982/3.