The Impact of Right to buy policy on the Residualisation of Social Housing

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Abstract

“Right to buy” legislation is created to affirm individuals who wish to own their personal home. Conversely, the present use of the legislative loopholes through an alternative of tenants is extremely diverse in spirit and outcome as of “right to buy” as it was originally envisaged. Purchasing to instantly sub-let at marketplace prices sooner than expand owner work was obviously not the goal of the legislation. The exploitation is combined when it is financed through organizations that perform themselves to purchasing the property immediately enough time has agreed for councils to be not capable to maintain return the discount. In few issues, individuals who are regarding to leave the social housing part are targeted through organizations heartening them to purchase their properties and allow them in the personal sector. This instant loss of a relet has, consecutively, immediate insinuations for the re-housing ability of councils. Purchasing properties when they are about to be destroyed in a renewal scheme may be observed merely as discount crop growing which carries money further than the speculation in the scheme, and in few issues, endanger its economical feasibility. As a corollary, individuals have to hang about longer in irregular adjustment. In better demand regions, for example London, there are grave consequences for the levels of council budgets and homelessness as an outcome of growing provisional adjustment prices. Impermanent adjustment prices may amount to about £16,000 a year on every family in straight prices alone. There requirements to be extra detail on how extensive the trouble of right to purchase utilization actually is. This research presents to their understanding of the scale, nature and effect of the utilization and will assist to notify councils’ policy making.
The Impact of Right to buy policy on the Residualisation of Social Housing

Chapter 1 Introduction

1.1 Background

Protected tenants of regional authority houses in England and Wales increased the “Right to Buy” their homes at a reduction along with the performance of the Housing Act 1980 (in Scotland the applicable legislation was the Tenants’ Rights, Etc (Scotland) Act 1980). Regional authorities had been capable to sell their homes previous to this; surely, permission to sell houses along with Ministerial permission was granted in the Housing Act 1936 and in the 1950s a common approval was provided enabling councils to inform the Minister on conclusion of a sale. Among 1957 and 1964 few 16,000 council houses were sold in England. In 1968 a rounded was issued impressive a restriction on the amount of stock to be sold yearly in the important conurbations and the universal approval was swapped along with an allowance system. The limitations forced in 1968 were upturned through the inward Conservative Government in 1970. In the 1970s the case of council house sales increased in political extrusion as the Conservative Party was gradually more recognized along with strategies created to hearten council tenants to buy their homes. The amount of council houses sold in England rose as of beneath 7,000 in 1970 to approximately 46,000 in 1972. The February 1974 Conservative Manifesto created an obligation to initiate the “Right to buy”, subject to a petition on particular grounds. In October 1974 the Manifesto undertook legislation to provide defend tenants of three or more years’ footing the Right to Buy at one third less than market principles along with a five-year pre-emption clause. Through 1979 the Conservative Manifesto placed substantial importance on housing cases and promised a “Right to Buy” along with discounts choosing as of 33% to 50%.
The quarrels advanced through the Conservatives in privilege of the “Right to Buy” arose partially as of pertain regarding the better prices of council housing. Remaining to elevated interest rates, price raises high levels of grant to council housing and low rents comparative to supervision and preservation prices, council housing happened to be especially uneconomic.

1.2 Introduction

The Right to Buy (RTB) legislation was initiated in the 1980 Housing Act through Thatcher’s Conservative Government selected in 1979. The legal RTB is one of the most significant transformations of the British social housing market. Since it was introduced, over 2.7 million public sector dwellings have been sold to sitting tenants at prices well below market value, transferring wealth from the state to private households. The primary reason for these sales was to stimulate homeownership and to respond to the desire of some tenants to own their properties. A second – and less frequently mentioned – objective of the RTB policy was to stimulate the economy by encouraging the inter-regional mobility of those in the public sector. Tony Durant, MP for the Conservatives said in 1980 “The exercise of this right will bring about greater mobility. One of the fundamental troubles of our economy in this country is that people find it very difficult to move”. Various studies in Europe and the US show that homeowners are less mobile than renters, but these studies often conflate private and public renting. Hughes and McCormick found for the UK that living in public housing, rather than homeownership, is the major tenure-related barrier to inter-regional mobility. Those resident in public housing were more likely to move residence over short distances than those in owner occupied housing, but much less likely to migrate over long distances and these results were confirmed in a number of
later studies. This lack of long distance mobility among social renters likely reflects a range of factors. First, social renters may be more likely to work in jobs that are only advertised locally, rather than nationally. Second, they have fewer resources to allow a move into private renting or owner occupied housing elsewhere. Third, the administrative controls imposed upon the distribution of public housing make it difficult for tenants to move between local authorities. Public housing policies were designed to house those most in need of public housing, but they prioritised the needs of those from within their own jurisdictions above the needs of those from other local authority areas. These policies therefore enabled high levels of short distance migration between council houses within their areas, as people’s circumstances altered, but tended to restrict (long distance) migration between areas. Thatcher’s government was particularly concerned about the lack of job related migration among those in public housing. Neoclassical labour market theory identifies migration as an important instrument for individual career advancement, and this should have the effect of diminishing regional differences in wages and unemployment. Any barriers to people’s ability to migrate can therefore harm both the economy and individual careers, making this issue a major policy concern. Thus, Thatcher linked the inability to move to national economic performance: “Frequently investment goes where there are skilled people wanting work. But there must be some mobility. If today people aren't willing to move as their fathers did, the economy can't thrive”. It was imagined that freeing up the housing market by removing the debilitating effect of public housing policies would help to reduce constraints on mobility. Despite this clearly stated goal of the RTB policy, there has been no research investigating whether social renters became more mobile after buying their house. This is the first study to examine rigorously whether the RTB legislation did indeed ‘free-up’ those in public housing who bought their homes. We examine whether there are differences in
the 3 mobility rates, distances moved, and reasons for moving between RTB-owners, social renters, private renters and ‘traditional’ homeowners.
Chapter 2 Aims and Objectives

2.1 Aims and Objectives

The goals of this dissertation are to study for public housing and to explore the Residualisation pattern of the public rental housing services of UK. This study sets out;

To conduct literature reviews on the subject of The Impact of Right to buy policy on the Residualisation of Social Housing in order to derive some concepts of these two subjects applicable to the British context;

(ii) To outline the trend of public housing development of UK to demonstrate that the government has adopted the residual welfare model in the provision of public rental housing services;

(iii) To examine the housing policies and to analyze how they contribute to the Residualisation of public rental housing services in UK;

(iv) To explore the changing social composition in the public housing sector of UK as evidences of Residualisation of public rental services; and

(v) To explore the implications of the privatization strategies and to suggest an alternative approach for future housing development.

2.2 Research Questions

1. To what extent has the Right to Buy Scheme had an effect on council housing stock?
2. Has the sell of council housing contributed to or the cause of increasing overcrowding and homelessness?

3. Has the right to buy affected the quantities and qualities of council properties available to for new tenants?

4. Has the RTB contributed to the deficiency of inexpensive housing in the London borough?

2.3 Scope of Study

The focus of this thesis is to study the housing privatization policies and to explore the Residualisation pattern of the British public rental housing services. The housing policy issues being examined are mainly concerned with the public housing reforms in the 1980s and the 1990s.
Chapter 3 Literature Review

Prior to 1979, the local authorities had discretionary powers to sell council dwellings to tenants. However, in 1979 the Conservative made a manifesto to turn the “right to sell” into “right to buy”. (Garnett and Perry, 2005:110; Minford et al, 1987) The right to buy was introduced in 1980 as part of the Housing Act 1980 and the “policy has remained the single most important measure affecting the social rented sector in Britain”. (Pinto, 1995: 154) The era of the conservative government between 1979 and 1997 had brought about number of changes in the housing policy and the provision of housing in the UK today. The objectives of the government were to promote home ownership, privatisation and deregulation of private rented sector. (Mullins and Murie, 2006) They wanted to transfer all local authorities housing stock to housing associations and other not-profitable housing company. And to turn the role of local authorities as landlords into enabler and they were actually successful in doing so. (Goodwin and Grant, 1997) Their main focus however, was to increase access of home ownership to a wider range of the population. The government projected the increase of owner occupation would be the ‘creation of property-owning democracy’. (Brown and Sparks, 1989:121; Forrest and Murie, 1991) Mrs Thatcher said she “believed in the virtues of home-ownership as a source of self-respect and social stability. (Lund, 1996:49) Consequently, they encouraged many council tenants to become owner occupiers through the introduction of right to buy scheme. This policy was one of main causes of the change in the housing tenure in the UK, as it led to a massive transfer of local authority housing ownership into owner-occupation. (Harriott and Matthews, 2009:10)

In 1980, the Conservative government under the leadership of Margaret Thatcher introduced the Right to buy scheme. This initiative allows tenants to purchase their rented home.
Under this housing legislation, the council secure tenants who wish to buy their homes have the opportunity to do so at a discount of 33 per cent of the market value of the property regardless of whether the council wished to sell or not. And the discount was gradually raised up to 60 per cent and 70 per cent for tenants in flats. (Malpass, 2005: 110) Some housing association tenants were also given the same rights. Under the same scheme the tenant were also given the right to mortgage from their landlord. In addition, the act introduced a range of schemes which promoted low-cost home ownership. (Kerr, 1988: 1)

Initially, some local authorities were reluctant to sell their properties, but this was later changed with another Housing Act introduced in 1985 which extended the power of central government to force the local authorities to sell council property to tenants. (Blakemore and Griggs, 2007: 208) However, in order for tenants to qualify to buy, the tenants must have been a secure tenant for at least three years. Although, the new Labour Administration had tightened this rules by increasing the tenancy qualifying period to five years under the Housing Act 2004, and the maximum discount which was previously £38,000 had also been reduced to £16,000 in some local authorities. (Lund, 2006: 102)

The right to buy scheme has been recognised as the largest home-ownership in the history of UK. Forrest and Murie (1988) argued that the biggest act of privatisation of all was the sale of council houses under the Right to Buy 1980 legislation. (Goodlad, 1993: 4; Goodwin and Grant, 1997: 147) According to Wilcox’s (1996) report, a total of 1,528,958 council homes were sold both in England and Wales between 1980 and 1994 through right to buy. (Harriott and Matthews, 1998: 236) The council properties which were originally 6.5 million were diminished to 2.2 million by the end of 2004. (Mullins and Murie, 2006) This was in fact about one third of the total council stock that was sold to tenants under the right to buy scheme. The subsequent
report by Wilcox 2004 showed that from 1980 to 2007 a total of 2.29 million council homes were sold in Great Britain through the right to buy. (Harriott and Matthews, 2009:10) This reduction means, that are fewer properties available for the future or for the council housing applicants, and it ultimately created a problem by leaving the inferior properties for social housing.

The right to buy had appeared to be the greatest of privatisation project and the largest single source of capital receipts under the Margaret Thatcher government. The record showed that the right to buy scheme generated almost £27 million between 1979 and 1996 for the government. The receipts which were used in paying off debt and the rest were put away into the Treasury. (Garnett and Perry, 2005; Mullins and Murie, 2006) The Conservative government in the 1980 also emphasized on the reduction of public expenditure. They argued that the cut in housing expenditure is necessary in order to “shift from general needs to special needs and from new construction to repair and renewal of the existing stock”. (Brown and Sparks, 1989: 122) They reduced the role of local authorities in housing by reducing the subsidies given to them for housing. According to Wilcox’s (1996) report the expenditure on housing between 1980/81 was cut from £11.7 billion to £5.4 billion by 1994/5, this is about 53.9 percent reduction. (Harriott and Matthews, 1998:58) This cut back however, had a significant impact on the local authorities as they were unable to manage their stocks. The building of new housing came to a stop, and all the repairs and modernisation programmes had to be suspended. According to Malpass (2005), the building of new housing were completely put to halt as the government cut on the resources of social housing continued, until around 2000/01 when spending was increased. (Malpass, 2005:21) In addition to this, the cut back led to higher rents as the local authorities were forced to raise the rent and the decontrol of private sector rents caused the declining in the private
rented housing. In 1994 the records showed that the figure of private rented properties decreased to 2.5 million while the figure of owner-occupiers properties increased to 16 million. By 2003 the figure of owner-occupier properties had increased to 18 million according to the statistics given by the Office for National Statistics in 2005. (Blakemore and Griggs: 2007)

Although to those tenants who were able to buy and occupied the desirable houses under the right to buy, they regarded the offer as a great opportunity to get onto the property ladder. However, there was a report that the people who have benefited from purchasing their home are better-off tenants who have stable incomes and can afford a mortgage or loan. Evidence showed that most households that bought their homes under the right to buy were male skilled manual worker in their mid to late forties. (Malpass, 2005: 113) On the other hand, those tenants who could not afford to buy and living in a less desirable homes such as the run-down houses and high rise flats on the estate, considered the right to buy scheme to be at their disadvantage because it has clearly reduced their choice and the opportunities of transferring to another area. The sale had virtually decreased their prospect of moving into more desirable home and neighbourhoods, because all the desirable properties such as the semi-detached three bedrooms and terraced houses had gone through right to buy. This led to various criticisms about the problems the right to buy would cause as the remaining unpopular properties were unsuitable flats on the estate. (Kerr, 1988:3)

In spite of this, the sales of council properties continue to be very popular because of the generous discount and the availability of low-interest mortgage. The growth in council house sales however begin to cause a decline in council stock, while the cut in housing expenditure means no new homes would be available for the people on low income. This then raised concerns as to whether this was an indication that the social housing was leading towards
Residualisation. Forrest and Murie (1983, 1991) argued that the social housing sector could shift towards ‘a residual or poor law service which offers undesirable second best properties to the poor’ because all the desirable housing in a desirable area had been sold to the affluent tenants. (Forrest and Murie, 1991:11; Somerville, 2011:191) Malpass (1990) added that although the idea of the 60% discount seems to be a great incentive for better-off council tenants to access their right to buy, but on the other hand this has “reinforce the transformation of the public rented sector turning into a residual or targeted welfare sector”. (Pinto, 1995: 27)

So what is Residualisation? Residualisation means a process in which public services are used by a ‘residual’ or excluded marginal of poorer people as opposed to a community. (Blakemore and Griggs, 2007) Residualisation refers to the ‘concentration of lower income groups, the unemployed and those dependent on welfare benefits, and in particular parts of the housing market’. (Goodwin and Grant, 1997:159) Malpass and Murie define Residualisation as a process “whereby public housing provides only a safety net for those who for reasons of poverty, age or infirmity cannot obtain suitable accommodation in the private sector”. (Clapham et al, 1990: 66) This involves the loss of status and an increased stigmatisation which is attached to living in council housing. In other words it is all the various housing problems such as overcrowding, housing shortages, living in unfit properties, and living in a disadvantage neighbourhood such as Estates. What is the cause of Residualisation? Residualisation has emerged as a result of decline in local authorities housing stocks, caused by a ‘combination of council housing sales and low levels of new building’. (Clapham et al, 1990:67) Forrest and Murie (1983) argued that Residualisation involves issues of economic, political and social power. They said that the “continuing physical ‘Residualisation’ of council housing might partly reflects the powerlessness of tenants to resist reductions in standards”. (Clapham et al, 1990:68)
The tenants cannot resist a process by which the social housing service offers limited range of choice than the owner-occupied sector. They are left with a service that does not have flexibility in providing reasonable response to housing need. Although this has since changed with the ladder of involvement legislation such as Tenant Participation, Tenant consultation etc which allows the tenant to get involved in the delivery of the housing services. And recently in 2010, the government also introduced the Resident-Led Self-Regulation (RLSR) which allows tenant to scrutinise the services their landlord provides. (CIH, 2010)

However, there was a suggestion that Residualisation might have emerged because of the quality of the housing occupied by people on low incomes. The market theory says that social housing has a residual role in housing provision because the service has been restricted to people on low income. (Lund, 1996:185) Although, there has been an argument as to whether the right to buy was the real causes of Residualisation of council housing. But according to Goodwin and Grant (1997), the process of Residualisation was already under way in the 1960s long before right buy occurred. Therefore, it is difficult to actually say when Residualisation began. However, it is clear that the expansion of home ownership through right to buy had contributed and had increased the process of Residualisation. (Lund, 1996:122; Goodwin and Grant, 1997:159) The report carried out by Wilcox (2004) indicated that the Residualisation of local authority housing in Britain has been caused by the change in social composition of tenure. (Lund, 2006: 180; Malpass, 2005) Malpass and Murie (1987) added and said that there is no doubt that the extension of home ownership through council house sales has increased the opportunities for those who could afford to buy their home. On the other hand, it has forced those who could not afford to buy to settle for a range of inferior and unpopular properties such as flats in an estate which turned into ghetto. (Clapham et al, 1990) The term ghetto is used to
describe legally sanctioned segregated areas occupied by ethnic minorities. It refers to
neighbourhood and household poverty, social isolation, segregation, discrimination,
overcrowding, increased crime, neighbourhood disinvestment, and political disempowerment.
(The Encyclopaedia. Com) Studies also attested that the people living in a ghetto are more likely
to live in substandard housing and have limited access to gain employment.

In the Sunday Times (2008) article; the Tories maintained that council housing estates
have become “broken” ghettos dominated by dysfunctional families blighted by unemployment,
crime and drug addiction. Iain Duncan Smith one of the Tories government said that “What we
have done over the last 30 years is create ghettos where we have put all the most broken
families”. (The Sunday Times, 2008) Hills (2007) however, made a suggestion on how to turn all
the council –built estates into mixed neighbourhoods. The report he carried out showed that only
32 per cent of tenants have a job. He then recommended ‘a more integrated approach to the
provision of social housing and housing benefits, and more support for joining the labour
market’. (Fitzpatrick and Stephens, 2007:74) He believes that this approach might help many
tenants to come off benefit. Unstill and Coulter (2006) also added that turning the council-built
estates through sustained investment and improved management can be an effective approach in
low demand regions that are most badly affected by socio-spatial segregation. (Fitzpatrick and
Stephens, 2007:76)

Although, not all the people living in the council property can be portrayed as ‘housing
underclass or residualised group’, but there are one or more indications that Residualisation has
been caused as a consequence of the sale of council properties. (Blakemore and Griggs,
2007:210) It has given the economically active households the privilege to move from council
housing, leaving behind the majority of people who are out of work and the elderly people. The
right to buy has created the process of social change on council estates as there are now less skilled manual people in council accommodation. The survey carried out revealed that there is a significant drop in number of skilled individuals living in council housing from 24 to 15 percent and this has been recognised as another indicator of Residualisation. (Blakemore and Griggs, 2007:210) Another research also revealed that the poorer tenants are often found living in properties and in an area where house purchase would represents a bad capital investment even if they are able to buy. All the affluent tenants who bought their property had moved out of the sector by either selling their homes after few years or letting it out privately.

There is a proof that some of the tenants who purchased their dwellings under the right to buy resale them and they improved their well-being and status in the community. Whilst leaving the low-earning families and those who are reliant on welfare advantages on the sector, therefore creating a division. The right to buy has also created segregation between individuals living in social housing and the owners of home. The people living in social housing are consider as poor, unemployed, second class citizen. Saunders (1986) said the enforced ‘inertia’ may be enlarging the systematic economic and status differences that divide residents in the owner-occupied market from those in the rented sector of housing. Saunders went on to say that this may create what he calls ‘consumption sector cleavage’ between state-dependent and market-reliant populations’, which distinguishes ‘between those who can and cannot use their homes to store and accumulate wealth. (Clapham et al 1990:69)

The critics on the sale of council housing have however argued that the loss of better houses through the right to buy is the more reason why the poorer families with young children are being housed in an unsuitable accommodation that is left from the sale. Forrest and Murie (1988) carried out a study on the pattern of increasing tenure polarisation between and within
localities, and he discovered that most of the households of council tenancy represent a disadvantage group. In addition, that the access to economic opportunities and social welfare are restricted compared to owner-occupation’s household. Forrest and Murie argued that the spatial selectivity would increase the process of Residualisation in the council sector because the attention would be on the disadvantaged household in poorly serviced area. (Clapham et al 1990:69)

3.1 The impact of the Right to Buy

The impact of right to buy can be calculated in various styles. It has reduced the supply of affordable rented houses, and has stripped out the entire better off tenants in the excellent houses. This however, is having a significant effect on the local authorities because they are not being able to re-house the dispossessed households and those on their waiting lists. (House of Commons Library, 1999) Forrest and Murie (1991) carried out a review on the allocation procedures and pointed out that the sale of all the desirable council homes under the right to buy has had an impact on the process of allocation procedure used by the local authorities. The research by the House of Commons Library on the effect of the right to buy also proposed that the right to buy has had an impact on the ‘availability of affordable rented social housing’. (House of Commons Library, 1999)

3.2 The number of dwellings sold
In the mid of 1979 and the final of 1996 regional authorities, fresh town tummies and housing associations traced above 2.2 million house sales. Sales rose noticeably in the starting years and indisposed in 1982. Subsequent to this, sales chop to a comparatively low level in 1986 previous to growing to a new boom in 1989 which was vaguely underneath that of 1982. Following sales have balanced out at a rate under that of some year previous to 1981 except greater than in some phase in which the flexible strategy managed previous to 1979.

At the end of 1995, 24 local authorities in Great Britain had sold beneath 20% of their stock and 38 had sold 40% or extra. On future sales, Jones & Murie (presuming present trends) have expected that through 2010 in few areas (Humberside and Yorkshire, the Greater London and North West) regarding 70% of the 1980 stock will stays in regional authority possession. Alternatively, they forecast that the highest collision will be in Scotland where above 50% of the stock will have been sold. The suggested description for the practice of sales in Scotland is that there possibly will have been a ‘insulated reply’ in Scotland ‘reflecting the significant high level of council housing and the extra steady housing market in the 1980s.’ It is as well suggested that the proclaimed better rate of sales in Scotland ‘possibly will as well be an outcome of the lower chances to purchase on the open market.

3.3 Capital Receipts

Capital receipts are sums got through authorities when they vend property, for example buildings and land. Section 58(1) (a) of the 1989 Local Government and Housing Act describes capital receipts as: ‘sums got in respect of the discarding of some interest in a capital, expenditure on the attainment of which would calculate as capital expenses. As well comprised
are repayments of loans and grants, if the creation of them would quantity to capex; and repayments of investments, further than accepted investments. If the whole sum got in admire of a removal does not surpass £6,000 it is not delighted as a capital receiving. Not astonishingly, the mainstream of housing capital receipts has developed as of the sale of the housing stock. Even though regional authorities might, and did, sell housing capitals before 1980 it was not in anticipation of the carrying out of the “Right to Buy” that receipts as of counsel house sales turned out to be an important item for authorities. The sale of council housing in the United Kingdom has increased in excess of some other government denationalization to date. It was estimated that English and Welsh regional authorities had about £7.6 billion in reserved capital receipts finally of 1996/97.

As 1 April 1990, beneath section 59 of the Local Government and Housing Act 1989, local authorities have been needed to appropriate 75% of receipts elevated as of the sale of council houses; these receipts are pertained to as ‘reserved receipts’ and as well ‘Provision for Credit Liabilities’ (PCLs) and possibly will just utilized to exchange debts or recompense credit agreements. Formerly an authority turns out to be debt free it is not usually needed to set-aside capital receipts. The enduring 25% of ‘available receipts’ may be utilized at some time to finance capital outgoings on some feature of regional authority services. Operable receipts possibly will as well be put to one side as condition for credit expenses. Mainly non-housing capital receipts have a retained section of 50% other than various rates have been pertained in an amount of issues. As the introduction of the statutory “Right to Buy” in 1980, the regional authority associations and further housing commentators have required that capital receipts expanded as of sale of council houses must be instantly obtainable to councils to restore bewildered stock. The Conservative Governments of 1979-97 unwanted these stresses on the grounds that if councils
were permitted to spend every their receipts they would have to use once more and this would outcome in augmented public spending.

Murie and Ferrari (2003) argued that there is evidence that the Right to Buy might have participated to the decline of some low-demand areas to private landlords who may let to undesirable tenants. Since the introduction of the right to buy policy there has been a decline in investment in social housing, and as result there are now shortages of social housing across the UK. The social housing that used to be the major source of accommodation for the homeless families has diminished as an outcome of the council housing sales. Jones and Murie (2006) also argued that the right to buy has caused more overcrowding and transience of population due to the sale of larger and better council housing. (Somerville 2011:191) The report by Reynolds et al (2004) and Wilcox (2004) showed that the number of overcrowding nationwide had not changed.

However, the number of seriously overcrowded households in London had increased significantly by 60% between 1991 and 2001. (Lund, 2006:50) In London, overcrowding is relatively high. The survey showed that overcrowding in social rented households in London is 12 per cent compared with 3 per cent in three northern regions. (Fitzpatrick and Stephens, 2007) A recent documentary programme (Panorama) by BBC investigated the problems caused by the decline in social housing. The programme which was aired on May 5, 2011 revealed the extent of overcrowding problem faced by council tenants in local authorities such as Sheffield, London and Portsmouth. The report looked at the effect of right to buy, the growth of the private rented sector, over-crowding and other problems in social housing. (Panorama, 2011)

However, the last Labour government elected in 2007 set out a target under green paper called Homes for the future; additional sustainable, additional reasonable to raise 240,000 fresh
housing at reasonable price. (Harriott and Matthews, 2009) Although, the Right to buy continued under the new Labour government, but they recognised that the scheme has lead to a shortage of affordable housing. And for this reason and others was why they reduced the huge discounts in some areas where there is highest demand such as London. They government acknowledge that housing supply is a major challenge and they introduced various policies and approaches in order to tackle the housing problems caused by the policy and more. The government made a commitment to promote housing supply in a large scale by building three million fresh homes by 2020, and to increase the number of social rented homes. (Fitzpatrick and Stephens, 2007) The aim of this government was to improve the existing housing stock and promote choice via stock transfer from local authority. (Lund, 2006:49) In 2000, the Green Paper on housing was established, although this document was linked with right to buy. However, the green paper gives the local authorities the option for transfer and “the convergence of social housing rents in different market areas to reflect market differentials”. (Mullins and Murie, 2006:67)

3.4 Council Housing Stock

3.4.1 Re-lets

Probably the mainly clear shock of the “Right to buy” has been the exhaustion of council housing stock and the knock on result this has had on the capability of authorities to re-house itinerant households and those filed on housing coming up lists. Sales to session tenants do not have an instant shock on the quantity of council adjustment obtainable as mainly buyers persist to engage their dwellings for an amount of years and therefore their adjustment would not have been obtainable to fresh tenants. Conversely, when ex-council properties encounter the market
they are probable to be engaged through individuals excluding those who would have been owed such residences had they waited council stock. Additionally, the result of the “Right to Buy” on the accessibility of reasonable rented social housing has been aggravated through the decrease in speculation in social housing above the period as its introduction. Regional authority housing investment refused to £2.13 billion in 1996-97 as of a zenith of above £12 billion in 1974/75 (at 1994/95 prices). Housing investment course allotments in the present economical year will final £769 million along with a supplementary £570 million as of the Capital Receipts Initiative. Throughout the starting of 1990s the decline in council housing investment was partially counteract through raised investment through housing associations; conversely, the Housing Corporation’s Approved Development Programme (ADP) observed succeeding simplifications in every Budget beneath the earlier Administration as of November 1995.

The bang of sales has different substantially as of region to region. Murie et al noted in The Consumer Implications of the Housing Act 1988 that in the North West area final fresh lettings had stayed comparatively constant all the way through the 1980s. In further areas, for example the Southern shire regions, equipped 40% of stock had been sold and the lack of fresh lettings had previously expanded. In 1996 the adjunct director of housing at Nottingham City Council mentioned that it had sold about 15,000 properties (27% of its stock) and that it was carrying equal to five years for a elevated precedence family to receive a transport to a two-bedroom home.

The “Right to buy” has had a special bang on rustic regions where the innovative stock of council houses was diminutive and high house costs make owner employment unreachable for low-paid rustic employers. In 1990 the Rural Development Commission mentioned that in few issues the re-sale of former council homes had positioned them away from the means of local
buyers. A freshly published DTZ Pieda report on housing in rustic regions finished that, in spite of expansion through housing associations, rustic housing stock had plunged radically above the preceding 15 years as of the “Right to buy.” The report guesses an incomplete trouble of sustaining reasonable housing in rustic areas.

The Labour government recognised that social housing has became residualised, and realised that choice to good quality housing is necessary. They believe that social housing should be a tenure in which individuals can practise option about their housing outcomes. (Fitzpatrick and Stephens, 2007) This is why the policy of the government had focused on promotion of choice and responsibility. Under this government the social rented sectors were provided with a choice of landlord through new initiatives which provide ranges of choice in accommodation. They introduced the choice-based letting which put an end to the approach in which applicants were expected to decide on a single housing offer. Choice –based letting gives the housing applicants to bid for a property in the area of their choice.

However, in order to tackle the issue of bad status and the appearance which has been attached to social rented housing, the government introduced the Decent Homes Standard for social housing landlords in England in 2000. The Decent Homes programme set an aim for developments to public sector housing stock by 2010. The English House Condition Survey carried out 2006 revealed that many dwellings did not get the Decent Homes Standard, they found out that nearly 1.2 million households living in social housing are in non-decent homes. (Harriott and Matthews, 2009:66) The target of the government however, was to ensure that all social housing get the decent home standards by 2010.
3.5 Residualisation and Stability

Various commentators in the 1980s exacted that the “Right to buy” had misshapen council housing as of housing for the working classes to housing for the unfortunate as the comparatively wealthier tenants were strained into home possession. Murie and Forrest mentioned in Selling the Welfare State, that as own renting had refused there had previously been a stable trend all the way through the 1970s for those needy on social safety advantages to turn out to be council tenants. Conversely, the “Right to Buy” possibly will have expedited this procedure of ‘Residualisation’ through eliminating better amounts of financially active households as of counsel housing and through deteriorating the stock of attractive housing.

In the 1980s proponents of the “Right to Buy” consideration that mixed occupancy estates would donate to constancy on council estates. Jones’s and Murie current investigation finished that there were ‘a broad range of doubts’ regarding the degree to which council house sales may be believed to steady estates. They mention that the constancy connected along with environs where the “Right to Buy” has been elevated is connected along with sitting tenant buyers who shaped a steady constituent regardless of occupancy. In the short-term the “Right to buy” happens not to augment or reduce steadiness other than in the long run, as possessions encounter to the market, council estates have leaned to turn out to be intermediary neighbourhoods where individuals purchase along with a point of view to advancing fairly fast. On estates that are not better linked along with to the labour market and broader finance Jones and Murie mention that ‘the troubles of controlling and stabilising these neighbourhoods possibly will be superior than they were inside the council sector.
3.6 The Purchasers' Experiences

The initial national survey of regional ability “Right to Buy” buyers in England was taken through Community and Social Planning Research for the Department of the Atmosphere among October 1985 and February 1986. The research discovered that the “Right to buy” had been victorious in expanding approach to home ownership; two-thirds of purchasers had not normal to own their personal home before the introduction of the system. Approximately every buyer was satisfied that they had carried out; chiefly as they thought it represented a better investment and offered an intelligence of safety. A broad variety of adjustment had been bought except houses were over-represented whereas flats were importantly beneath symbolized. Properties in inhabited and rustic regions happened to sell extra willingly than those in urban regions. Previous tenants who had practiced the “Right to buy” were a varied group except were not diplomat of tenants as an entire. Purchasers were excessively drawn as of the middle aged and improved off. Mainly were in whole-time work along with in excess of one wage earner in the household. The popular of purchasers had created developments to their homes as buy and their record of preservation and mend evaluated positively along with owner-occupiers generally. The research discovered that there were few symbols of problems linked along with the organization of mixed occupancy estates and leaseholders’ service charges ‘happened to be an important source of annoyance.’ All things considered, conversely, fears that ex-tenants would not sustain their residences and would have complexity in meeting their advance promises were viewed as to be groundless.

3.7 Conclusion of Literature Review
In conclusion, it can be described that the right to buy policy under the 1980 Housing Act introduced by the government of Margaret Thatcher, has had a significant effect on the Residualisation of social housing. Although, Residualisation might have been in existence long before the policy, but it has undoubtedly contributed greatly to the process. The policy has transformed housing system in Britain and changed the way in which the main housing tenures are perceived completely. (King, 2010) The policy did not only reduce the roles of local authorities as a developer to an enabler; but it also led to the sale of over 2 million of council housing to occupants, and the mass transfers of stock to Registered Social Landlords, which have now decreased the number of council stock. It also led to the shortage of affordable rented housing.

And since 1980, there has been a modification between the owner-occupied sector and the other sectors. The housing stock in the owner-occupied seems to be increasing compared with other sector, all of which has been as an outcome of the sales of council housing. However, the last labour government under the leadership of Tony Blair and Gordon Brown identified that the Right to buy as directed to the shortage of reasonable rented housing. And they were committed to increase housing supply and to promote more mixed communities, and they also introduced various measures to deal with the problem such as the Anti-social behaviour in the deprived social housing estates. Meanwhile, the new coalition government intend to carry on the work from where the Labour government has stopped with Localism Bill document. Under the Bill the government will transfer authorities to neighbourhoods and councils and present local societies more command over planning and housing decisions. The bill proposed to provide decent homes in social housing for 8 million people in England at a lower rate. Also, this document intends to make the social housing system to be flexible. The government
acknowledge that there are people living in inadequate housing; people stock on the waiting list and overcrowding and this document proposed to reform the lifetime tenancies in social housing. (CLG, 2011)
Chapter 4 Methodology

The previous chapters discussed the literature related to this project, and have highlighted five key areas to help focus the research. It is now essential to devise an appropriate methodology to carry out the empirical research. There are several components to deciding how to carry out research: differentiating between qualitative and quantitative research; deciding what data to gather; identifying a sampling strategy; and choosing a method for data collection. These components are discussed in turn over the following four sub-sections.

4.1 Methods of Data Collection

We use both the Secondary and Primary data in gathering our information for this project. The Secondary source refers to information that is already available. Examples of such information are: census data, government publications, journals, magazines, autobiographies, newspaper, books and findings from other researchers. A primary source on the other hand refers to first hand information, which is the information the researcher had gone out to collect on their own in order to carry out a research. An example of such information includes: surveys, interviews, focus group, observations, etc. Using the primary source will allow to obtain all the information we need for the research by ourselves and to be able to complement it with the secondary source. It will also give us the opportunity to compare the information we have gathered with the second hand ones which can sometimes be inaccurate. We analyse the data into qualitative and quantitative methods. These methods would enable to transform the quantitative information into numerical and statistical data. While qualitative which is texts data, will allow to analyse the information in detailed and in depth.
To start with this research project, we intend to conduct a social survey. The survey is going to inform of self-completion questionnaires which will post to all the 32 local authorities in the London Borough area. Self-completion questionnaires can either be posted or hand delivered, and for the purpose of this project, we have chosen the postal questionnaires. The questionnaires are going to be designed in closed questions with set of alternative answers. We have chosen this version because the answers are pre-coded unlike the open questions. The recordings of pre-coded answers are much easy, and it enables the data to be easily inputted on the computer for analysis. Although there are no assurance that all the questionnaires posted would be completed or returned back.

4.2 Quantitative vs. Qualitative Research

A key question to answer is whether to take a quantitative or qualitative approach to the research. The first stage here is to be explicit about the difference between these approaches, then to consider how each could be used for this project, before coming to a decision on which is more appropriate, or indeed if a combination of the two could be useful.

4.3 Scope for Quantitative Research

Quantitative data could contribute at the national, regional and local levels. Nationally we could explore where Housing Corporation investment was being directed – to what scale of settlement, in what geographical areas.
4.4 Scope for Qualitative Research

Qualitative research is “an approach to the study of the social world which seeks to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied”. So for this research we would be describing and analysing the culture and behaviour of those designing and implementing affordable housing policies from their point of view – why they did certain things, what they were hoping to achieve, and whether what they achieved met their expectations.

4.5 A Sampling Strategy

To explore the variables identified above we need case study local authorities that are: in different geographical and administrative regions of England; have different approaches to generating affordable housing; and are in different housing markets.

4.6 The Contexts of the Case Study Local Authorities

The case studies chosen all are all in different regions, and have problems with housing affordability, whether identified on a statistical basis or through analysis of their corporate plans and priorities. This data illustrates that, compared to national averages; the case study local authorities are likely to be facing greater affordability problems.

4.7 Secondary Data
Secondary data gathered by the UK Government’s Communities and Local Government department can be analysed to assess how the quantity of affordable housing delivered by the case study local authorities is varying, and whether the affordable housing provided is in social rented or intermediate tenures.

4.8 Data and Methods

We used data from the British Household Panel Survey (BHPS) which is a nationally representative sample of 5,500 households (10,300 interviewed individuals) drawn in 1991 from 250 areas in Great Britain. Additional booster samples of 1,500 households for Scotland and Wales and 2,000 households for Northern Ireland were added to the main sample in 1999 and 2001 respectively, resulting in a total sample size of around 10,000 households. In the BHPS the same individuals are re-interviewed each successive year on many topics. For each wave, information was available on actual moving behaviour, reasons for moving, the region in which people live, and individual and household characteristics. A potential problem when studying migration with panel data is that those who move are more likely to leave the panel compared to those who stay. Buck (2000) has shown that although this problem is present in the BHPS, its effect on the study of migration is limited because migrant attrition is relatively small.

We created a household-year file, rather than a person-year file, as we were interested in the movement of households, rather than the movement of single individuals. Households including one person were given the characteristics of the individual making up the household. For couple households the situation was more complicated. Because the household reference person in the BHPS is not constant over time, and is biased towards males, a random person was
selected from couples for the first year that they were in the BHPS, resulting in 101,206 household year records. We identified RTB-owners in two different ways. For the first wave (Wave A, 1991) we used the question “At the time you bought this house/flat were you already living here as a tenant?” If yes and the vendor was a social landlord, such as a local authority or a housing association, we assumed that respondents had bought their house/flat under the RTB. For subsequent waves (Wave B to O, 1992 onwards) we identified RTB-owners by observing tenure change for non-movers. If tenure changed from social renter to homeowner without a move respondents were identified as sitting tenants who became RTB-owners. This exercise resulted in a total of 4,430 RTB-owner years, or 4.45 percent of all household years.

The main dependent variable indicates whether a household has not moved, moved over short distance, or moved over long distance between two interview years. We defined 5 long distance moves as moves over 35 kilometres. We also tried alternative specifications such as 40 and 50 kilometres, with little change to our modelling results. 35 Kilometres can be regarded as long distance because for most people this moves them out of their daily activity space. We had a concern that moves caused by union dissolution would bias the outcomes of our models if the rate of union dissolution varied between tenures. This appeared to be the case in our data: RTB-owners were much less likely to split up than traditional owners or social renters. When separation/divorce occurred the household was removed from the sample so that moves resulting from separations were not counted. In the BHPS moves were recorded in 6.6% of the household-years (this is lower than average population mobility due to the removal of moves associated with separation/divorce). As expected, of all household years in the data, private renters (23.9% of household years with a recorded move) and ‘other’ renters (16.8%) moved most often, followed by social renters (7.2%). Traditional owners (5.1% of household-years) and RTB-
owners (3.6%) moved the least. Only 14.6% of moves in the BHPS are over long distances. Social renters moved the least over long distance (6.4% of moves), followed by private renters (11.8%), RTB-owners (11.9%), traditional owners (18.7%) and ‘other’ renters (25.6%). We identified only 137 moves by RTB-owners in the BHPS data. We used panel logistic regression to model the probability of moving.

We estimated two sets of models. In the first set the dependent variable indicated whether the household moved over short distance (1) versus did not move (0). In the second set of models the dependent variable indicated whether the household moved over long distance (1) versus did not move (0). We decided not to use a multinomial logistic regression model because theoretically the risks of moving over short or long distance are not competing risks. The independent variables in our mobility models were lagged by one year. The independent variables used were: age of oldest partner in the household; tenure; economic activity in five categories (single employed, single non-employed, couple both employed, couple non-employed, couple employed/non-employed); highest educational qualification in household; log of household income; self-reported health based on daily activities among those in the household; room stress based on the number of rooms and the size of the household; age of the youngest child in the household. We also added three SAR-area level ecological variables to the BHPS dataset: median and mean house prices; percentage social renting; and working age unemployment rates.
There are a range of selection issues which might bias the outcomes of our models. We set out to use formal statistics to control for selection bias, but the number of RTB-owners in our data was very low, and there were too many selection mechanisms potentially relevant simultaneously (selection into social housing, into the RTB, out of the RTB), which were impossible to disentangle. We therefore focused on the most important selection issue, which is
structural to the BHPS data: differences between respondents who were already RTB owners at the start of the panel (1991) and those who became RTB-owners during the panel. As indicated above, we used two ways to indentify RTB-owners in the BHPS. The problem with those identified in 1991 as RTB-owners (referred to as ‘pre 1991 RTB-owners’ in the rest of this paper) is that they are a selective sample of stayers: households who bought their house under the RTB and can still be observed in that dwelling in 1991. All those RTB purchasers who had since moved on to another dwelling before 1991 could no longer be identified as (former) RTB-owners. Thus, ‘stayers’ are over represented among ‘pre 1991 RTB-owners’ compared to those who became RTB owners during the panel. Including this relatively immobile group may have caused an underestimation of the mobility of RTB-owners. However, because we are dealing with a relatively low number of RTB owners in our sample, we were keen to retain them in the analysis and we therefore ran all our models for four different research populations: 1) all cases (66,622 household years); 2) all cases except pre-1989 RTB-owners (these are more likely to be a selection of stayers than 1989-1991 RTB-owners who bought more recently before the panel started) (64,393 household years); 3) all cases except ‘pre 1991 RTB-owners’ (63,574 household years); 4) only households in social renting in 1991 some of whom became RTB-owners during the panel (purchase year is known) (15,178 household years).

These different samples allow us to provide a more comprehensive assessment of the likely effects of the RTB on migration. In the models using research populations 1 and 2 we also included a dummy variable identifying ‘pre-1991 RTB-owners’. We used this dummy variable to assess whether the ‘pre-1991 RTB owners’ behaved in a different way than those who became RTB-owners during the panel study period.
Chapter 5 Analysis

To gain more insight into possible selection bias originating from selective entry into the RTB we first modelled the probability of becoming a RTB-owner. We found that higher income social renters were the most likely to become a RTB-owner. Economic activity status also contributed to the probability of becoming a RTB-owner: dual earner couples were the most likely to become RTB-owners, followed by couples with one earner and employed singles, then followed by non-employed couples and non-employed singles. Those with a medium to higher level of education were more likely than those with a low level of education to become RTB-owners. Finally, poor health has a significant negative effect on the probability to become a RTB-owner. The results show that financially stable and healthy social renters were the most likely to buy their house under the Right to Buy. These findings are consistent with the existing literature. Because the selection mechanism into the RTB is likely not to be independent from the selection mechanism into long distance migration this might lead us to overestimate the effect of the RTB on long distance mobility. Table 2 presents the results from a series of panel logistic regression models of the probability to move over short distance. As discussed above, we used four different research populations to gain insight into the extent to which the ‘pre 1991 RTB-owners’ are a selected group of stayers.

The main variable of interest in Table 2 is tenure, with traditional owners as the reference category. RTB-owners did not differ significantly from traditional owners. Further testing showed that RTB-owners were significantly different from social renters (p<0.01), providing some indication that once social renters become RTB-owners they behave more like traditional owners. We compared only RTB-owners and social renters; once again RTB-owners were
significantly less likely to move over short distances than social renters. The results show that the tenure results were robust over Models 1 to 4, each based on a different sample.

Table 2  Probability of short distance move (reference no move) using panel logistic regression for 4 different research populations

<table>
<thead>
<tr>
<th>Fixed part</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 1991 RTB dummy</td>
<td>0.276</td>
<td>0.369</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional owner (ref models 1-3)</td>
<td>0.406***</td>
<td>0.402***</td>
<td>0.400***</td>
<td></td>
</tr>
<tr>
<td>Social Renter (ref model 4)</td>
<td>-0.174</td>
<td>-0.171</td>
<td>-0.171</td>
<td>-0.515***</td>
</tr>
<tr>
<td>RTB-owner</td>
<td>1.557***</td>
<td>1.556***</td>
<td>1.556***</td>
<td></td>
</tr>
<tr>
<td>Private Renter</td>
<td>1.157***</td>
<td>1.172***</td>
<td>1.174***</td>
<td></td>
</tr>
<tr>
<td>Renter other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-0.114</td>
<td>-0.115</td>
<td>-0.116</td>
<td>-0.094***</td>
</tr>
<tr>
<td>Age square</td>
<td>0.001</td>
<td>0.001</td>
<td>0.001</td>
<td>0.001***</td>
</tr>
<tr>
<td>Household income</td>
<td>0.053</td>
<td>0.076</td>
<td>0.076</td>
<td>-0.372***</td>
</tr>
<tr>
<td>Household</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Employed (ref)</td>
<td>0.032</td>
<td>0.066</td>
<td>0.069</td>
<td>0.251*</td>
</tr>
<tr>
<td>Single - Non-employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couple - Both Employed</td>
<td>-0.222</td>
<td>-0.203</td>
<td>-0.200</td>
<td>0.038</td>
</tr>
<tr>
<td>Couple - Both Non-employed</td>
<td>-0.345</td>
<td>-0.358</td>
<td>-0.358</td>
<td>0.066</td>
</tr>
<tr>
<td>Couple - Mixed</td>
<td>-0.275</td>
<td>-0.250</td>
<td>-0.250</td>
<td>-0.204</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No &amp; Low (ref)</td>
<td>0.161</td>
<td>0.161</td>
<td>0.161</td>
<td>0.265***</td>
</tr>
<tr>
<td>Med Qualification (A Levels)</td>
<td>0.299***</td>
<td>0.297***</td>
<td>0.296***</td>
<td>0.271</td>
</tr>
<tr>
<td>High Qualification (degree)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No children (ref)</td>
<td>0.008</td>
<td>0.003</td>
<td>0.006</td>
<td>0.000</td>
</tr>
<tr>
<td>Youngest aged 0-4</td>
<td>-0.353</td>
<td>-0.357</td>
<td>-0.353</td>
<td>-0.265</td>
</tr>
<tr>
<td>Youngest aged 5+</td>
<td>-0.132</td>
<td>-0.138</td>
<td>-0.140</td>
<td>-0.219</td>
</tr>
<tr>
<td>Room stress</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No limitations (ref)</td>
<td>0.196***</td>
<td>0.192***</td>
<td>0.196***</td>
<td>0.095</td>
</tr>
<tr>
<td>Health limit daily activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All white ethnic (ref)</td>
<td>-0.167</td>
<td>-0.152</td>
<td>-0.148</td>
<td>-0.356</td>
</tr>
<tr>
<td>One or more non-white HH members</td>
<td>0.234</td>
<td>0.161</td>
<td>0.183</td>
<td>1.750***</td>
</tr>
<tr>
<td>Constant</td>
<td>0.35</td>
<td>0.35</td>
<td>0.36</td>
<td>0.31</td>
</tr>
<tr>
<td>Random part</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>variance</td>
<td>9.6%</td>
<td>9.6%</td>
<td>9.8%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Intraclass correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-10890.1</td>
<td>-10623.1</td>
<td>-10497.3</td>
<td>-2751.73</td>
</tr>
</tbody>
</table>

* p<0.10; ** p<0.05; *** p<0.01
Table 2 also contains a set of control variables and all the results are in line with what we expected based on the residential mobility literature. The probability of moving decreased with increasing age of the oldest household member. With increasing household income, the probability of moving decreased. However, for social renters the probability of moving increased with income, presumably because higher incomes provide social renters with more opportunities to improve their situation. Singles were more likely to move over short distances than couples, and couples consisting of two non-employed people were the least likely to move. The probability of moving over short distances increased with level of education in all four models while the presence of children over the age of 5 had a negative effect on short distance moves. Room stress – defined as the number of rooms per person – had a negative effect on mobility. The more rooms per person, the less likely the household was to move. Having health problems had a positive effect on the probability of moving over short distance.

Most of these moves will be associated with finding a dwelling that better fits the health situation of the household. Finally, households with one or more members from non-white ethnic minority groups were less likely to move than all white households, consistent with findings elsewhere. Table 3 presents a set of four panel logistic regression models of the probability to move over long distance. Again, results are presented for the four different research populations. Also in Table 3 the dummy variable identifying ‘pre 1991 RTB-owners’ was not significant. The tenure variable shows that social renters were significantly less likely to move over long distances than traditional owners. The signs for the RTB-owner parameters were negative, but insignificant. The findings indicate that also over long distance, RTB-owners behaved more similar to traditional owners than to social renters, although a more detailed test showed that the parameters of RTB owners and social renters were not significantly different. This indicates that
over long distances, the moving behaviour of RTB-owners was in between the behaviours of traditional owners and social renters. Only including social renters and during-panel-RTB owners, RTB-owners were also not found to be different from social renters in their long distance moving behaviour. The effects of the control variables in the models of long distance were similar in direction to those in the models of short distance mobility. The main differences were that non-employed singles were the least likely to move over long distance, and households with children under the age of 5 were less likely to move than other households. In the long distance models, the effects of ethnicity and health were not significant.
We also ran models which took into account the fact that RTB-owners who bought their dwellings with considerable discounts (up to 70%) – faced a penalty if they moved within 3-5 years (penalty periods differed over time and geographically) after buying their house as sitting
tenants. We excluded all moves within the first few years after becoming a RTB-owner or after the last move to make RTB-owners and others tenures more comparable. These models showed similar outcomes to those presented in Tables 2 and 3. We also looked at the regional differences in short and long distance mobility rates. We followed two routes to investigate potential regional differences in mobility. First, we included interaction terms between region dummies (10 regions based on government office regions) and tenure dummies in the models. Second, we added regional characteristics to the household-year file using special licence Local Authority District (LAD) data. We hypothesised that in regions with high house prices, RTB-owners would be more likely to move over longer distances. We also hypothesised that in regions with high levels of unemployment RTB owners would be more likely to move over longer distances. The models including interaction effects between region and tenure did not change the effects of tenure on short and long distance moves. Most of the region dummies were not significant and we found no specific effects for RTB-owners. Londoners were significantly less likely to move short distances than people resident in the reference category of ‘rest of South East’. Those from Wales, Scotland and Northern Ireland were the least likely to move over short distances. The least likely to move over long distances were those from the West Midlands, the North West and Tyne and Wear and the rest of the North East.

To model the effects of regional characteristics on mobility behaviour we used multilevel models. House prices and unemployment levels had almost no effect on the tenure parameters. As expected, the higher house prices were in a region, the more likely people were to move out over a long distance (small effect). We found no specific effects for RTB owners. Finally, we explored moving reasons by tenure. Table 4 shows that among movers, other renters were the most likely to move for employment reasons (35.2%), followed by private renters (12.3%),
traditional owners (10.0%), RTB-owners (7.5%) and social renters (4.8%). RTB-owners once again fell between traditional owners and social renters. A Chi square test showed that the differences between the tenure groups are significant (p=0.000). Table 5 gives an overview of moving reasons based on another BHPS question with more categories. We recoded the original 35 moving reasons in the BHPS into fewer categories using the criteria of Boheim & Taylor (2002). Overall, ‘housing related issues’ were the most important reason for moving (almost 40% of moves) for all tenures, followed by ‘neighbourhood related issues’ (13.7%). RTB-owners were more likely to move for neighbourhood related reasons (23.3%) than those in any other tenure, including social renters (18.7%). This is surprising, as we know that the uptake of the RTB was more common among those living in better properties in more popular neighbourhoods. RTB owners also gave health related reasons as an important reason for moves (12.8%), second only to social renters (16.4%). This could reflect the health status of those in social housing and/or the fact that RTB-owners were relatively old compared to those in other tenures. RTB owners were the least likely to move for housing-related issues (30.2%), probably reflecting that most of them bought their dwelling while they were reasonably satisfied with it.
Table 4  Percentages of moves for employment reasons by tenure type at t-1 (row percentages)

<table>
<thead>
<tr>
<th>Tenure type</th>
<th>Yes</th>
<th>No</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional owner</td>
<td>10.0%</td>
<td>89.99%</td>
<td>1,948</td>
</tr>
<tr>
<td>Social Renting</td>
<td>4.75%</td>
<td>95.25%</td>
<td>821</td>
</tr>
<tr>
<td>Private Renting</td>
<td>12.25%</td>
<td>87.75%</td>
<td>751</td>
</tr>
<tr>
<td>RTB-owner</td>
<td>7.45%</td>
<td>92.55%</td>
<td>94</td>
</tr>
<tr>
<td>Renting 'other'</td>
<td>35.23%</td>
<td>64.77%</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9.83%</td>
<td>90.17%</td>
<td>3,702</td>
</tr>
</tbody>
</table>

Pearson Chi Square: value = 93.554, df=1, p<0.000

Source: Author’s calculations using data from the BHPS

Table 5  Moving reasons by tenure type at t-1 (row percentages)

<table>
<thead>
<tr>
<th>Tenure type</th>
<th>Move in with split from partner</th>
<th>Family</th>
<th>Move left college</th>
<th>Job</th>
<th>Evicted</th>
<th>Housing</th>
<th>Health</th>
<th>Area</th>
<th>Other</th>
<th>No reason stated</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional owner</td>
<td>620</td>
<td>10.48</td>
<td>0.53</td>
<td>6.90</td>
<td>1.93</td>
<td>42.51</td>
<td>4.92</td>
<td>13.26</td>
<td>11.71</td>
<td>1.55</td>
<td>1,870</td>
</tr>
<tr>
<td>Social Renting</td>
<td>526</td>
<td>9.55</td>
<td>0.00</td>
<td>2.33</td>
<td>7.34</td>
<td>34.15</td>
<td>16.40</td>
<td>18.73</td>
<td>5.75</td>
<td>0.49</td>
<td>817</td>
</tr>
<tr>
<td>Private Renting</td>
<td>633</td>
<td>7.57</td>
<td>2.06</td>
<td>3.85</td>
<td>14.17</td>
<td>41.95</td>
<td>3.71</td>
<td>8.94</td>
<td>9.22</td>
<td>2.20</td>
<td>727</td>
</tr>
<tr>
<td>RTB-owner</td>
<td>465</td>
<td>12.79</td>
<td>0.00</td>
<td>3.49</td>
<td>2.33</td>
<td>30.23</td>
<td>12.79</td>
<td>23.26</td>
<td>10.47</td>
<td>0.00</td>
<td>86</td>
</tr>
<tr>
<td>Renting 'other'</td>
<td>390</td>
<td>7.79</td>
<td>0.00</td>
<td>28.5</td>
<td>12.99</td>
<td>31.17</td>
<td>2.60</td>
<td>3.90</td>
<td>3.90</td>
<td>5.19</td>
<td>77</td>
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<tr>
<td><strong>Total</strong></td>
<td>593</td>
<td>9.67</td>
<td>0.70</td>
<td>5.82</td>
<td>5.90</td>
<td>39.95</td>
<td>7.44</td>
<td>13.67</td>
<td>9.64</td>
<td>1.48</td>
<td>3,577</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations using data from the BHPS
Chapter 6 Summary, Conclusion and Recommendations

6.1 Summary

This is the first study to use complex longitudinal data to examine rigorously whether the RTB legislation did indeed ‘free-up’ those in public housing who bought their homes. We used the BHPS in an innovative way to identify those who became RTB-owners during the panel. The number of RTB-owners found in the data was relatively small, thereby pushing the limits of what can be done with the data. The BHPS was nevertheless the best data available for this study as it uniquely allowed us to follow RTB-owners over time. Our results demonstrated that RTB-owners were about as likely to move over short distances as were traditional homeowners, but less likely than social renters. So after buying their house, RTB-owners showed more resemblance with the group they joined (homeowners) than the group they had departed (social renters). There are two opposing explanations for this finding: either RTB-owners are relatively satisfied with their dwelling, so there is no need for moving, or they are even more ‘trapped’ in their dwelling than they were before they bought it, because now they face the same moving restrictions as traditional homeowners. Homeowners are known to be less mobile than (social) renters over short distances because they live in better dwellings and because the costs associated with moving are much higher for owners than for renters. Our results also demonstrate that RTB-owners are slightly more likely to move over long distances than social renters, and slightly less likely than traditional homeowners, although the differences were not significant.

We have also shown that the uptake of the RTB was very selective, with mainly employed tenants with relatively high incomes and no health problems using the RTB. This suggests that RTB-owners have certain measured and unmeasured characteristics which would
have made them more likely to move over long distance anyway. The combination of possible selection bias, and the lack of statistically significant differences, leads us to conclude that it is questionable whether the RTB had a causal effect on the mobility behaviour of RTB-owners. Despite large differences between regional housing markets in the UK, our study did not find any regional differences in the moving behaviour of RTB-owners. A possible cause is the relatively low number of RTB-owners and moves by RTB-owners in our dataset. Finally, our analyses of moving reasons showed that RTB-owners are less likely than traditional owners to move for job related reasons, but they are more likely to move for job related reasons than social renters. Again, they take a middle position between traditional owners and social renters. RTB-owners were found to be more likely to move for neighbourhood related reasons than those in any other tenure, including social renters. This is surprising since previous research has shown that RTB purchases tended to involve the best properties in the most favoured neighbourhoods. It might be the case that RTB-owners move to nicer neighbourhoods, possibly neighbourhoods with a higher share of owner-occupied dwellings, in order to confirm their new status as homeowners. To gain more insight into the role of the neighbourhood in the moving behaviour of RTB owners, future research should look in more detail at housing satisfaction, moving desires and housing ambitions of RTB-owners.

6.2 Conclusion

Many housing professionals and academics have an opinion on RTB, and usually these opinions are strongly held. This is particularly true of those involved in the provision of social housing. In the latter regard however, elected council members often have different views to council officials. At one end of the spectrum, a number of social landlords remain hostile to the continued existence of the RTB. They would like to see discounts withdrawn and ideally RTB
abolished altogether. Others do not go so far, but remain critical of the current structure of RTB policy. Most holding this view would like the Scottish Executive to scrap the extension of RTB to RSL assured tenants in 2012 and would like to see the generosity of the RTB scheme reduced for all applicants. Some place more emphasis on the need for measures to ensure owners maintain their properties, while others stress a need to rectify negative impacts of RTB arising through loss of popular housing stock in popular areas.

At the opposite end of the spectrum there are some social landlords that believe that RTB has had a positive impact, particularly for households that have been able to buy and for the communities they reside in. They also point to the fact that RTB has considerably reduced the risk of over-supply of social rented housing at the local authority level. Nonetheless, most of these landlords also feel some modifications to RTB are warranted to ensure that the operation of RTB better reflects local market conditions and achieves a better balance between meeting aspiration and need in areas with a clearly demonstrated shortfall in social rented housing.

Social landlord views on RTB are currently supported only to varying degrees by hard evidence. In the majority of instances, the evidence base to confirm or substantiate views held on the impacts of RTB generally remains at best under-developed and at worst largely absent. Local authorities that have applied or considered applying for pressured area status have developed the most sophisticated evidence bases for assessing some of the suggested impacts of RTB, but even these cannot always be considered definitive in the demonstrations offered of specific negative impacts.

Some respondents to the social landlord survey recognise the problem and indicated in their responses that they had plans to improve the evidence base in the near future. However,
gaps in the evidence base have been waiting a very long time to be addressed. If credible arguments are to be made to the Scottish Executive regarding further amendments to RTB, then it is essential that better evidence is developed sooner rather than later.

For some, the idea that concerns about specific impacts of RTB need to be evidenced appears difficult to accept, as demonstrated by the fact that some landlords object to what they see as an unreasonable burden of proof needed to trigger pressured area status. This is perhaps surprising, when the explicit purpose of application for pressured area status is the suspension of significant legal rights for some that will continue to be held by others.

6.3 Recommendations for landlords

A number of concerns held by landlords with respect to the effects of RTB relate to possible impacts that depend on local circumstances. These include the possibilities that RTB:

- Reduces the ability of landlords to meet current and future housing need;
- Contributes to area destabilisation;
- Creates stock condition and management problems;
- Allows unscrupulous companies and individuals to exploit RTB.

It must be stressed these problems do not automatically follow from the inherent nature of the RTB policy itself. Landlords can and should do more to demonstrate whether these possibilities are real concerns in specific areas. This could be achieved if they shared the data they have (on RTB sales, remaining stock turnover and changing demand conditions for social renting) more effectively than the postal survey findings suggest happens at present.
6.4 Recommendations for Central Government

It is unlikely that, collectively, social rented landlords will move to fill the identified information gaps in a consistent way unless national government provides guidance and support. However, unless such guidance and support is forthcoming, the essential empirical questions that remain concerning the RTB cannot be answered locally, or by extension nationally. It is essential for the Scottish Executive to take the strategic lead. The final recommendation relates to income data. The financial circumstances of households purchasing under RTB and purchasing RTB resale, relative to those that apply to social landlords for housing, is an issue at the heart of many of the possible negative impacts feared of RTB.
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