Book review

The Right to Buy? Selling Off Public and Social Housing

Alan Murie
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Professor Alan Murie’s latest book on the right to buy has the hallmarks of someone who has been studying the subject for a long time and knows it to a very fine level of detail, but who is still able to offer new insights and perspectives. The arguments that were advanced in the 1980s about the right to buy are, of course, well established. The benefits to a long-term council tenant of being able to buy their property at a discount were obvious and electorally beneficial to the Conservative Party, who were also pleased to see a reduction in the influence of local authorities. The key arguments against the policy were more complex and had less electoral appeal, namely that there would be less housing to allocate on the basis of need, and that a local authority sector which had lost the most affluent tenants and the best quality properties would become residualised.

Murie points the reader to a much longer term perspective by noting a series of less obvious, and often completely unintended, consequences of the policy. A point that was sometimes lost in the debate of the time was that, given that many of the buyers were long-term local authority tenants, the flow of vacancies with which to meet housing need was little affected in the short term, as was the nature of the population of council estates. However, later purchasers were often shorter term tenants with plans to sell the property, which had a more immediate impact. A linked factor was the increasing tendency for properties that were purchased under the right to buy to later become private rented accommodation, often with the Treasury picking up a substantial Housing Benefit bill. Other developments where the effects have become clearer with time include properties falling into disrepair and/or their owners experiencing mortgage arrears.

These impacts are analysed in detail by Murie, showing, for example, that former council houses have been re-sold to existing homeowners more often in the South than in the North or Midlands, suggesting that they are less likely to offer a path into homeownership in areas with high property values. The analysis of large datasets is Murie’s preferred method; as usual, he demonstrates the ability to identify key trends while only occasionally leaving the reader slightly bogged down in the detail.
The book starts with two chapters that discuss the history of the sale of council houses. These provide very detailed accounts of changes to policies and regulations, demonstrating the important point that the Conservative government elected in 1979 was not being original in encouraging council tenants to buy their own property: its policy was distinctive in the level of discounts offered and the compulsion placed on local authorities.

While the early chapters provide important background information and analysis for those who are new to the topic, it is the chapters that cover the more recent developments that offer most fresh insights to those who are more familiar with the literature in this area. In particular, the political opportunism that led the Conservatives to propose a right to buy for housing association tenants stands in stark contrast to the thorough and critical evaluation that Murie provides of the likely implications of this policy. The analysis of the debate that led to a compromise agreement on a voluntary right to buy is slightly different in character to much of the book, providing insights into the policy process, but is equally informative and helpful.

One of the most engaging aspects of the writing is Murie’s honest approach to discussing views that have been expressed about the right to buy. In some cases a number of opinions are acknowledged to be valid, for example: “One perspective is that the Right to Buy temporarily inflated the level of home ownership” (p.109). In contrast, there is a very simple assessment of a claim made in a pamphlet written by David Davis and Frank Field: “This paper wrongly asserted that the collapse in the rate of sales in the RTB after 2004 could be attributed to reductions in average discount and to stock transfer” (p.122). Finally, comments made by George Osborne - justifying the extension of the right to buy to housing associations by arguing that associations were inefficient and should have built more properties - are singled out for particular and deserved contempt: “This appeared to be a conscious exercise in misinformation” (p.128).

This manner of writing reflects Murie’s confidence in his subject matter, having studied the right to buy for decades. Much of his early work focused on the contribution of the right to buy to the residualisation of the social rented sector, analysing some changes that have been maintained with time (e.g., the loss of stock and of higher income tenants) and others that have been partially reversed (e.g., the damage to the reputation of the sector). However, it is to his great credit that he can continue to bring fresh insights to his subject. The analysis of data on the resale of former council properties, and its implications for the opportunities for owner occupation among lower income households, is one of a number of areas where those of us who thought we understood the policy and its implications are challenged to think again.

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