



16 June 2022

BME National Statement on the Right to Buy

On 9th June the Prime Minister confirmed plans to extend the Right to Buy to housing association tenants, saying that now was 'the moment to widen the possibilities and to give greater freedoms to those who yearn to buy'.

BMENational has no objection to Right to Buy in principle, provided that any properties sold are replaced on a one-to-one basis. Our view has always been that ethnic minority households are under-concentrated in home ownership generally, and outright home ownership specifically. This puts them at a disadvantage in terms of wealth and asset accumulation, in society where unprecedented house price growth has fuelled family wealth. So any proposal to extend home ownership in to minority communities is to be welcomed. However we question the extent to which current Right to Buy has benefitted minority communities, and would urge the government to provide ethnicity data on uptake to increase openness, scrutiny and accountability.

We would also encourage the government to consider other options for social housing tenants to buy new or existing homes just as some have been given opportunities to buy new homes under Help to Buy. An extension of the 'Tenants' Incentives Scheme' in high value areas to free up and safeguard social housing, for example, would allow tenants to access a grant to buy an alternative home. This ensures social housing levels do not reduce and remain available for people on local authority waiting lists.

However we have serious concerns about the current proposals to extend the Right to Buy:

- The real problem is the lack of housing supply and these proposals do nothing to address this. Despite government commitments, only a small proportion of the homes sold off under the existing right to buy scheme have been replaced;
- Over 40% of properties bought under the current scheme are now in the hands of private landlords and are let at higher rents and maintained to a lower standard than social landlords disproportionately affecting the housing aspirations of our communities where much of this accommodation is located;
- Enabling those on benefits to access mortgages at a time of increasing interest rates and when people are struggling to make ends meet will mean that that people will struggle to make mortgage payments;
- It is an unfair and poor value for money policy which will bring a windfall benefit for some whilst continuing to exacerbate the housing crisis affecting the many.

We believe that these proposals do nothing to help BMENational in our mission is to improve the lives of our communities and tackle major housing inequalities including:

- One in three homeless households are from ethnic minority backgrounds compared to one in seven from the general population;
- 2% of White British households are overcrowded compared with 24% of Bangladeshi households; 18% of Pakistani households and 16% of Black African households;
- Ethnic minority households are more likely to live in older and fuel poor accommodation, and in flats and terraced homes in the most deprived neighbourhoods and worst living environments, including lack of access to green space.
- The poverty rate for ethnic minorities groups is almost twice that for the White population and has been exacerbated by welfare reforms that penalise young people and larger households, through the use of benefit caps.

We believe that the current housing crisis can only be addressed by building more homes of all types and tenures, and that there is a lot more that could be done to get Britain building. We are keen to work with our partners and government to make this a reality.

About BMENational:

BME National is a collective of over 45 housing associations working in some of the most disadvantaged parts of the country. Black and Minority Ethnic (BME) housing associations were set up in the 1970s and now manage over 65,000 homes and act under the auspices of the National Housing Federation, as well as collaborating with the Federation to influence national housing policy, BME National also provides a consultative and promotional platform for BME housing issues. BME National aims to highlight the contribution BME housing associations make to successful, vibrant and integrated communities while promoting equality and diversity in the delivery of housing and support services.

Contact

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