

# Lessons Learned From the Largest Tenure-Mix Operation in the World: Right to Buy in the United Kingdom

Reinout Kleinhans

Maarten van Ham

Delft University of Technology

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## Abstract

*In the past few decades, urban regeneration policies have taken firm root in many Western European countries. Underlying these regeneration policies is a strong belief in the negative neighborhood effects of living in areas of concentrated poverty, often neighborhoods with a large share of social housing. In Europe, great importance is attached to creating a more diverse housing stock (in terms of tenure and dwelling types) as a means to establishing a more socially mixed neighborhood population. Mixed-housing strategies are embraced explicitly by governments in Finland, France, Germany, the Netherlands, Sweden, and the United Kingdom. The idea is that mixing homeowners with social renters will create a more diverse socioeconomic mix in neighborhoods, removing the potential of negative neighborhood effects. By far the largest tenure-mixing operation in Europe is the Right to Buy (RTB) scheme in the United Kingdom. Since the 1970s, more than 2.7 million socially rented houses have sold at large discounts, mainly to sitting tenants. In this article, we synthesize the outcomes of RTB with regard to neighborhood effects: residualization, neighborhood stability, tenure and social mix, social interactions, and dwelling maintenance. Although we acknowledge substantial socioeconomic benefits of RTB for many individual residents, we find that the neighborhood outcomes of RTB are by no means solely beneficial.*

## Introduction

Urban regeneration policies have become well established in many Western European countries in recent decades. The aim of these policies is often twofold. On the one hand, they aim to improve the livability and reputation of deprived urban neighborhoods, often neighborhoods dominated by social housing<sup>1</sup> constructed in the 1960s and 1970s. On the other hand, these policies aim to improve the lives of residents living in those neighborhoods (Manley et al., 2013). The content and implementation of urban regeneration policies differ greatly among countries, depending on the welfare system, the political forces, and the physical, social, and economic structures of urban areas (Andersson and Musterd, 2005). Similarities also exist, however, among national urban regeneration policies.

Most policies are strongly oriented toward altering the quality and composition of the housing stock of existing urban residential areas dominated by social housing (Kleinhans, 2004). In Europe, great importance is attached to creating a more diverse housing stock as a means to establishing a more socially mixed neighborhood population (Manley et al., 2013). This diversification is established through the demolition, upgrading, or sale of socially rented housing and the construction of new, more costly owner-occupied or privately rented housing. The result is more differentiation in housing sizes, forms, quality, and prices and above all a mix of tenures and therefore a more mixed (higher income) neighborhood population. Creating neighborhoods with a more balanced socioeconomic mix of residents is a common strategy for tackling assumed negative neighborhood effects; that is, the idea that living in deprived neighborhoods has a negative effect on residents' life chances over and above the effect of their individual characteristics (van Ham and Manley, 2010). A deliberate mix of homeowners and social renters will create a more diverse socioeconomic mix in neighborhoods, removing the potential of negative neighborhood effects (Musterd and Andersson, 2005). Policymakers have assumed that mixed neighborhoods will provide more positive role models, fewer negative peer group effects, and a better neighborhood reputation (Manley et al., 2013). Although the evidence that neighborhood effects are important and that area-based policies are effective is ambivalent (van Ham and Manley, 2010; van Ham et al., 2012), many Western European governments, including those in Finland, France, Germany, the Netherlands, Sweden, and the United Kingdom, explicitly embrace mixed-housing strategies (Atkinson and Kintrea, 2002; Kearns, 2002; Musterd, 2002; Veldboer, Kleinhans, and Duyvendak, 2002).

The Right to Buy (RTB) scheme in the United Kingdom is by far the largest tenure-mixing operation in the world. More than 2.7 million socially rented houses have sold, primarily to sitting tenants at large discounts, since the 1970s (Jones and Murie, 2006). The sale and resale of former socially rented dwellings has created mixed-tenure neighborhoods by introducing homeownership in neighborhoods previously dominated by social housing (Tunstall, 2011). According to Munro (2007), RTB represents one of the most significant housing policy measures in Britain of the past 25 years. "It has achieved almost iconic status, representative of high Thatcherism; a key effort in

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<sup>1</sup> *Social housing* is housing that is let for less than market rents to people in housing need. In the United Kingdom, social housing generally is provided by councils (local governments) and not-for-profit landlords, such as housing associations. In the U.S. context, social housing is often referred to as "public housing" or "state-subsidized housing."

the general drive for privatization, aimed both at rolling back the frontiers of the state and also in the creation of a ‘property owning democracy.’ It has been instrumental in changing the aggregate tenure structure in Britain” (Munro, 2007: 247; see also King, 2010).

Although creating mixed neighborhoods was not an explicit aim of the RTB policy, we want to emphasize that it was a side effect of the policy that was much welcomed by the government. In line with the privatization discourse, much research has been devoted to the socioeconomic effects of RTB for tenant buyers. RTB can be qualified as hugely successful in increasing access to homeownership (with sales prices of much less than market values), in transferring wealth from the state to private households (substantial profits could be made through resale by capitalizing on the discount value and general house price increases), and in decreasing the stock of social housing (for example, Jones and Murie, 2006; King, 2010). These outcomes are undeniably good reasons for conservative politicians to celebrate RTB, although critics have also identified many negative (side) effects of RTB (see Jones and Murie, 2006).

Less attention has focused on how neighborhoods were affected by the RTB policy, however (Munro, 2007). We seek to fill this gap with a meta-analysis of existing research findings on various neighborhood outcomes. The main objective of this article is to reveal both the positive and negative lessons learned about neighborhood effects from more than 30 years of RTB policy. We will focus our attention on five types of outcomes on the neighborhood level: residualization, neighborhood stability, tenure and social mix, social interactions, and dwelling maintenance. The article ends with conclusions about the double-edged effect on social mixing, the greatly varying effects on the stability of neighborhoods, and the complexities regarding social interaction and dwelling maintenance. We conclude that the neighborhood outcomes of RTB are by no means solely beneficial, which is an important message for countries considering introducing RTB. In the next section, we further explain RTB policy and give a brief account of its history and policy development.

## **Right to Buy in the United Kingdom**

The RTB legislation was introduced in the 1980 Housing Act by Thatcher’s Conservative government, elected in 1979. As mentioned in the Introduction, RTB significantly transformed the British housing market. The key to the large sales numbers was the discount given on the market prices. In the original RTB legislation, the discounts started at 33 percent and increased 1 percent for each additional year of tenancy, up to a maximum of 50 percent (Jones and Murie, 2006). The primary reason for these sales was to stimulate homeownership and to respond to the desire of some tenants to own their properties (van Ham et al., 2012). The large volume of houses sold under RTB since 1980 has contributed significantly to the radical changes in the distribution of dwellings by tenure (see exhibit 1).

### **Exhibit 1**

**Tenure Distribution in England and Wales, 1981–2011 (percent)**

<b>Housing Tenure</b>	<b>1981</b>	<b>2001</b>	<b>2011</b>
Owner occupied	58	69	64
Socially rented	31	19	18
Privately rented	11	12	18

*Source: Office for National Statistics (2012)*

These data also show that the current economic crisis has caused the percentage of homeowner-ship to drop and the percentage of private renting to increase. The most notable change was that since the early 1980s, the share of social housing has dropped from 31 to 18 percent in 2011. Most of this change is because of RTB (Jones and Murie, 2006).

Initially, RTB gave only those living in council housing—that is, social housing owned by local councils—the right to buy their dwelling. This right was later extended to tenants of other social landlords, such as housing associations. Over the years, changes and regional variations in the policies (including the rules and discounts) have incrementally introduced a high level of complexity into the RTB legislation (see Jones and Murie, 2006, for an excellent overview). The number of sales has differed regionally and fluctuated greatly, with peaks in 1982 and 1989. Because of all the changes in the policy over time and the regional differences in the RTB policy, it is not possible to speak of a “single” RTB policy. Different rules apply in the four countries that make up the United Kingdom: England, Northern Ireland, Scotland, and Wales. For example, in Scotland, it has been possible for some time for the government to identify RTB exclusion zones in housing markets that are under pressure. Also, the Scottish government’s 2010 Housing Act ended RTB for new tenants because of concerns about a shortage of affordable rental homes (Scottish Government, 2012). A recent consultation in Scotland showed that most Scottish councils want RTB for council and social housing to be scrapped completely (BBC, 2012). In England, new tenants can still execute their RTB.

The main objective of RTB was to sell public housing and stimulate private ownership. RTB was seen as an end in itself, and not as a means to achieve any other housing or urban policy (Jones and Murie, 2006). Also, before the 1980 Housing Act, local authorities were already selling dwellings. The main change the RTB legislation brought was that social housing tenants now had the right to buy their dwelling. Creating mixed-tenure neighborhoods was never an explicit objective of the RTB legislation, but it was later seen as a welcome side effect of the policy (Tunstall, 2011). RTB has contributed greatly to the establishment of mixed (tenure) communities in the United Kingdom, but Tunstall (2011) pointed out that even before RTB came into existence, very few neighborhoods were 100 percent monotenure (depending on the scale used; the larger the neighborhood, the more mixed).

Over the years, RTB became a standard policy instrument in urban regeneration programs to create mixed communities (Jones and Brown, 2002). Urban regeneration programs often consist of selective demolition of social housing, estate redesign, improvements of the existing housing stock, new construction, and upgrading local facilities (Jones and Murie, 2006). The idea was that this upgrading of neighborhoods would encourage existing residents to execute their RTB and purchase their rented houses, eventually leading to more mixed communities. RTB had differential effects on tenure and social mix in various estates, which is one of the neighborhood outcomes that we will deal with extensively in the next section. We will also explain which (other) types of neighborhood outcomes have been under our scrutiny and why.

## **Analyzing Neighborhood Outcomes of the Right to Buy**

By comparison with the attention given to the effects of RTB on the socioeconomic outcomes of tenant buyers, far less attention has been given to the effects of RTB on neighborhoods. The general

discourse on RTB has tended to identify singularly positive (stability) or negative (residualization) effects on neighborhoods, often without acknowledging the inherent complexity and sometimes contradictory nature of concepts such as stability and tenure mix, or underestimating the fact that comparable sale levels in roughly comparable neighborhoods have led to hugely varying effects, depending on the local and regional housing market context. Therefore, in our analyses of the literature, we have chosen to start from neighborhood-related concepts in the RTB goals (for example, stability and sustainable communities) and concepts that were never part of, or an explicit objective of, the RTB legislation but were applauded by policymakers as welcome side effects, such as tenure mix (see Tunstall, 2011). Very early in our meta-analysis, it appeared that “sustainable communities” often referred to buying into homeownership without moving (that is, stability), to social interactions (and social cohesion), and to maintenance levels. These concepts are much better indicators of neighborhood effects than sustainable communities. Thus, we will synthesize RTB outcomes for five types of neighborhood outcomes: residualization, neighborhood stability, tenure and social mix, social interactions, and dwelling maintenance. We deliberately exclude the voluminous literature about the socioeconomic effects for individual households that are tenant-buyers or buying a former RTB dwelling on the private market (*resales*). In the following section, we start with the most notorious outcome of RTB: residualization.

## Residualization

In the critical scientific discourse, RTB has become most (in)famous for its residualization effect on the social housing sector in the United Kingdom (Cole and Furbey, 1994). The term *residualization* broadly refers to two processes (see Burrows, 1999). First, it refers to growing concentrations of the lowest income and most disadvantaged households in the socially rented sector. Second, residualization refers to a shrinking social housing stock that increasingly consists of the lowest quality dwellings in the most deprived neighborhoods. In the following paragraphs, we analyze how residualization arose through various processes in relation to RTB.

The first and foremost question is: Which households used their right to buy? Not surprisingly, these households were generally the better off, economically active tenants with at least one income from paid employment and often two earners in the household (Forrest and Murie, 1984a, 1984b; Jones and Murie, 2006; Kerr, 1988; Lynn, 1991; Munro, 2007; van Ham et al., 2012). Tenant buyers also tended to be from higher social classes with white-collar, skilled, or semiskilled occupations (Williams and Sewel, 1987; cited in van Ham et al., 2012). In terms of household features, most tenant buyers were middle-aged or older married couples with nondependent children, especially during the early years of RTB (Forrest and Murie, 1988).

The second question is: What were the characteristics of the council dwellings sold under RTB? The more attractive properties in the most attractive neighborhoods generally sold to sitting tenants. These properties were often larger single-family dwellings rather than flats (Dunn, Forrest, and Murie, 1987; Forrest, Gordon, and Murie, 1996; Forrest and Murie, 1990; Foulis, 1985; Jones and Murie, 1999; Scottish Executive, 2006). The more desirable properties were also often in more desirable and attractive areas, in terms of residential environment and housing market position. Dunn, Forrest, and Murie (1987) showed that RTB sales have been highest in areas where owner occupation was already at high levels and where the initial stock of council housing was relatively

small (see also Foulis, 1985; Jones and Murie, 1999; Scottish Executive, 2006). This pattern of sales has resulted in a council housing stock increasingly characterized by flats, unconventional buildings, and poorer quality neighborhoods (Munro, 2007).

More fundamentally, the selective uptake of RTB by economically active households has resulted in a council sector with growing concentrations of economically inactive and low-income residents, among them tenants with structural health problems or disabilities, single parents, and elderly people (Forrest and Murie, 1988). These residualization forces, through changes in the council housing stock and its population, work in conjunction with the desirability of neighborhoods.

In urban areas the coincidence of Right to Buy sales and a period of widening social inequality has exacerbated the funneling of poorer sections of the community or marginalized groups into the least desirable estates. Obtaining a house in these neighbourhoods, whatever condition and quality, demonstrates some elements of social disadvantage by tenants. At the same time the changes in the characteristics of the council tenant population, encouraged by the Right to Buy siphoning off those with financial resources, has meant that the council housing stock is subject to higher turnover. The Right to Buy has therefore destabilised the remaining council housing stock and the least desirable estates in particular. This has inevitably increased social exclusion and economic marginalisation and reduced the sustainability of communities in these areas through the instability of local populations. (Jones and Murie, 2006: 153)

The residualization trends described by Jones and Murie have another negative side effect. From the turn of the century, needs-based letting of social housing has received increasing focus in the United Kingdom (Fitzpatrick and Pawson, 2007). According to Munro (2007), this focus means that a greater proportion of new lettings have gone to those households with the greatest needs, such as homeless people (Fitzpatrick and Pawson, 2007). Households now moving into the sector are less affluent than the out-movers, resulting in social housing with residents who are more narrowly based socially and economically (Burrows, 1999; see also Forrest and Murie, 1990; Power and Tunstall, 1995). The combination of residualization and needs-based letting contributed to stigmatization of social housing, confirming “its position as ‘welfare’ housing of last resort, only for those with no other options” (Munro, 2007: 249).

It would be incorrect to put the sole blame for residualization on RTB, however. For example, Burrows (1999) argued that the process of residualization has not been only because of changes in tenure, but also because of the intensification of processes of residential movement by people, which can be traced back to at least the mid-1970s (Lee et al., 1995). Munro (2007) acknowledged that RTB promoted homeownership, but this outcome was already on an upward trajectory because of other factors. She referred not only to the dominant ideological discourse favoring homeownership, but also to other programs, such as stock transfers to housing associations. Dunn, Forrest, and Murie (1987: 58) argued that “higher discounts, rising rents, changing interest rates, and other external factors related to the uneven effect of the recession [during the 1980s] may have generated additional sales in areas where many tenants had already bought.” It has also been suggested that more substantial investments in new and good-quality, socially rented housing through the period

of RTB would have lowered residualization levels to some extent (Munro, 2007). The quote from Jones and Murie (2006: 153) on residualization also reveals that RTB has implications for the stability of neighborhoods, an issue to which we turn in the next section.

## **Neighborhood Stability**

It is argued that neighborhood stability—that is, low residential turnover levels—benefits social interactions, social capital (DiPasquale and Glaeser, 1999; Rohe, McCarthy, and Van Zandt, 2000), and trust in the neighborhood (McCabe, 2012). The general premise is that raising homeownership levels lowers residential turnover, and thus increases stability in neighborhoods, which is good from the perspective of sustainable communities. Jones and Murie (2006) referred to the wider received wisdom that sees RTB and the development of owner occupation as key to increasing stability on estates and reducing the problems of economic and social inequality. Jones and Murie acknowledged that RTB can meet the increasing aspirations of households to buy a home in their local communities, either immediately or subsequently through resales. They also revealed counter concerns, however, that RTB sales may have destabilizing effects on neighborhoods in various ways.

It appears that the relationship between neighborhood stability and increasing homeownership levels through RTB is far from straightforward. We will discuss five issues related to neighborhood stability. The first issue concerns time: stability in the short term (that is, directly after a wave of RTB sales to sitting tenants), and in the longer term (depending on resales of RTB dwellings by former tenant buyers).

At first the Right to Buy probably had little influence on these areas as the initial group of purchasers did not generally buy with a speculative intent but intended to stay in their home for the rest of their lives. However, ... this changed in the 1990s as resales began. In the subsequent decade resales became established as properties offering good value for money and in particular took on a role in the wider local housing market as starter homes or homes for households at the beginning of the family cycle. (Jones and Murie, 2006: 141)

According to van Ham et al. (2012), the initial stability of RTB neighborhoods is easy to explain, because nearly one-half of the buyers had rented for 20 or more years, and previous moves in the council sector had enabled them to secure relatively desirable dwellings. Few of these early RTB purchasers stated that they wished to move again (van Ham et al., 2012; see also Forrest and Murie 1984a, 1984b; Foulis 1985). Hence, in the initial stages of RTB, stability was mostly associated with sitting tenant buyers who do not affect turnover positively or negatively.

A second and related issue concerns market forces, especially the wider housing market context. In the previous subsection, on residualization, we established the selective sales patterns of tenants taking up the RTB. The more desirable properties were often in more desirable areas with a strong housing market position. Consequently, RTB sales have been highest in attractive areas where owner occupation was already at relatively high levels and where the initial stock of council housing was smaller. Thus, market forces already played a role in the initial take up rates of RTB by tenants.

Subsequently, the influence of market forces increased when RTB owners offered their dwellings for sale on the housing market. How former RTB dwellings became a part of the market for

owner-occupied housing varied greatly<sup>2</sup> (Forrest, Gordon, and Murie, 1996). Munro (2007) mentioned that the extent to which former council houses are integrated into the broader market for owner-occupied housing depends critically on the dwelling location. In pressured housing markets, such as the southeast of England, former council houses integrate quickly into the mainstream housing market. In less pressured markets, this integration usually takes much longer (see also Forrest, Gordon, and Murie, 1996; Pawson and Watkins, 1998). These mechanisms can work out negatively for neighborhood stability in both desirable and undesirable areas. The less desirable areas have lower RTB sales rates and may therefore become even more exposed to high turnover of lettings and the process of residualization (Jones and Murie, 2006). In desirable neighborhoods, initially stable estates could become very transitional because of their role within the wider local housing market. This outcome may happen if these areas become a locus for low-income owner occupiers, risking increases in mortgage foreclosure, sales turnover, and private tenancy (Jones and Murie, 2006). We will return to the issue of private tenancy.

Overall, the size of the social housing sector has decreased significantly, but demand for social housing did not necessarily decrease commensurately. Consequently, waiting lists grew longer, which made it even more difficult to enter social housing (for example, Burrows, 1999; Forrest and Murie, 1988; Pawson and Bramley, 2000; Scottish Government, 2012). Research by Holt Brook, Kinver, and Strachan (2006) showed that tenants particularly have reported reduced access for other tenants to perceived “good” or “stable” neighborhoods. Importantly, the issue of reduced access does not apply only to social housing. Jones and Murie (2006) showed that resales offer good value for money within local housing markets, which attracted buyers from beyond the community who outbid local residents. This outbidding occurred for instance in tourist areas, where resales became second homes or retirement homes (Williams and Twine, 1994).

The third issue concerning the links between neighborhood stability and RTB is selection. Neighborhood stability may not be primarily the consequence of homeownership but might also be its cause, which runs counter to the common wisdom of stabilization by homeownership. This *reversed mechanism* seems to operate in various ways in the context of RTB. In particular, Jones and Murie (1999) provided an analysis of RTB effects on neighborhood stability by looking more in depth at the situation in Glasgow, Scotland, and Birmingham, England. Their analyses indeed revealed that residential turnover was less on council housing estates with higher RTB sales levels. Their data did not show, however, that high sales levels subsequently resulted in lower turnover rates. Jones and Murie concluded that the council estates with high sales levels were likely to be the more stable estates with lower turnover levels before RTB. In a followup analysis 7 years later, they concluded that “the previous social standings of neighbourhoods remain broadly stationary. The most desirable areas continue to have the lowest level of turnover in their rented sectors and attract the highest level of sales and resales” (Jones and Murie, 2006: 154). In a similar vein, van Ham et al. (2012) suggested that selective sorting into the RTB program (that is, tenants intending to stay as long as possible) might cause those who bought their dwelling to be the least mobile. From this perspective, the fact that the purchase is the result of a strong preference for staying put, not the purchase itself, caused neighborhood stability (see also King, 2010).

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<sup>2</sup> On the matter of regional variation, see the enlightening maps of England in Dunn, Forrest, and Murie (1987: 51) and Forrest, Gordon, and Murie (1996: 130). For Scotland, Scottish Executive (2006: 10–11) includes many clear diagrams on regional variations of tenure as affected by RTB.

A fourth issue is that RTB owners may want to move on again after a while, to trade up in the market for owner-occupied housing. In their recent investigation of the moving behavior of RTB owners in the United Kingdom, van Ham et al. (2012) showed that trading up appears not to be a strong factor. They found that the probability of an RTB owner making a long-distance move falls between those of social renters and traditional owner occupiers. The difference between RTB owners and homeowners or social renters was not significant in their analysis. Furthermore, RTB owners are less satisfied with their dwelling than traditional owners but more satisfied than those in social housing. RTB owners are also the most likely to state that their neighborhood is the reason they want to move, closely followed by social renters (van Ham et al., 2009).

Ownership acquired through RTB may negatively affect neighborhood stability in a fifth way; that is, when for various reasons RTB translates into higher private tenancy levels. A key reason is that RTB purchasers move but keep their properties and let them out, which not only frustrates the objective of increasing local homeownership rates but also facilitates lettings to undesirable tenants (Munro, 2007). The second and connected reason is that private tenants are generally very mobile and create relatively frequent turnover. This issue also brings us to the third type of outcomes that are relevant for understanding the neighborhood effects of RTB: tenure and social mix.

### **Tenure and Social Mix**

We previously asserted that creating mixed neighborhoods (through changes in housing tenure and socioeconomic composition of the population) was not an explicit aim of the RTB policy, although it was welcomed as a side effect by the government (Tunstall, 2011). At first sight, selling homes to tenant purchasers seems a straightforward instrument to create mixed neighborhoods. Three issues, however, refute a simple causal pathway between RTB and social mix. Firstly, RTB initially did not alter the social mix in council housing areas, because sitting tenants purchased their dwellings. Hence, initial RTB takeup by tenants changed only the tenure balance, with the more affluent council tenants selecting into owner occupation. Only when RTB properties were resold on the open market did subsequent purchasers change the socioeconomic and demographic profiles of the local community (Jones and Murie, 2006). The nature of that socioeconomic change was dependent on various factors, of which the market potential of RTB dwellings and their neighborhoods (see the previous subsection) is an important one. Offering former RTB dwellings on the open housing market tapped a wide potential range of buyers.

Survey evidence shows that the resale market is not predominantly a first-time-buyer market. Half of those who have purchased former public sector dwellings were already owner-occupiers at the time. For most of those concerned, buying an ex-RTB property presented an opportunity to trade up in the market in terms of size and type. Nevertheless, for a considerable proportion of first-time buyers, the availability of a former public sector property may have been crucial in facilitating access to home-ownership. Significantly, one-third of this group had previously contemplated social renting. (Pawson and Watkins, 1998: 1291)

Other studies of resale purchasers have shown that most moves were over short distances (for example, Pawson et al., 1997). The foregoing suggests various pull factors connected to stages in housing careers. Buyers of former RTB dwellings who had previously contemplated social renting are unlikely to have significantly higher incomes than many council tenants.

Secondly, RTB sometimes translated into more private tenancy instead of more owner occupation (see the previous subsection). From this point of view, tenure mix has indeed increased, but not in coherence with policy hopes and expectations. According to Scottish Executive (2006), some research has indicated that tenure mix cannot guarantee particular types of mix in the longer term. The growth of private renting in particular lowers the ability to control the profile of areas.

Whilst communities being newly built would expect to contain a balanced mix of tenure, the Right to Buy mixes tenures in a more random manner. The Right to Buy is a rather blunt tool for mixing communities in this respect. ... It is also worth bearing in mind that it is not possible to control the movement of former Right to Buy properties into the private rented sector, and that—without applying rights of pre-emption or housing burdens—this is true for all developments, whether old or new. (Scottish Executive, 2006: 58)

Finally, we come to the ambivalent nature of the policy assumptions. Munro (2007) emphasized the dichotomous attitude when considering the role of owner occupiers in estates that were previously predominantly rented. Munro points out the clear policy focus on tenure mix as a positive measure toward creating mixed and sustainable communities, which may simultaneously result in counter-productive social effects, such as increased turnover (by private renters) and instability, and tenant buyers' low incomes or reluctance hindering participation in or progress of physical renovation by landlords (Munro, 2007). In the next section, we will further explain how the (increasing) tenure mix may affect the nature and quality of social interactions in areas with substantial sale numbers.

## **Social Interactions**

As mentioned previously, RTB initially did not alter the social mix in council housing areas, because sitting tenants purchased their dwellings. When resales started to occur, however, relatively young people, often in white-collar occupations, moved into neighborhoods previously dominated by social housing tenants. At this point, the existing social mix became more dynamic. The contrast between the newcomers buying former RTB dwellings and the original council tenants, who were often on social benefits, has regularly resulted in social tensions (Jones and Murie, 2006). Research by Holt Brook, Kinver, and Strachan (2006) indicated that sitting tenants and RTB buyers had widely varying perceptions of the effect of RTB on neighborhoods. The most common view was that new owners generally took greater care of their properties than tenants. Although some respondents reported that owners also were “better and more involved neighbors,” however, others claimed that owners were more selfish and less concerned about the neighborhood.

This topic relates to a wider field of study; that is, the benefit of mixed communities in terms of social interaction between residents from different tenures (for an extensive overview of associated issues and mechanisms, see Kleinhans, 2004: 377–380). A systematic review of this subject has shown that the evidence is either limited or negative (Bond, Sautkina, and Kearns, 2011). Increased exposure between residents with different values and lifestyles (for example, social renters and owner occupiers) is a common cause of tensions. In the context of RTB, for example, much evidence points at either “peaceful indifference” or tensions between residents of different tenures (Beekman, Lyons, and Scott, 2001; Kleinhans, 2004). Compared with new residential areas or demolition combined with replacement by new units, RTB provided a tenure-mix strategy that did not by definition introduce new faces in neighborhoods. “Far greater levels of cross-tenure networks are to be found

where owner-occupation has arisen in a more organic way as a result of tenants exercising their Right to Buy” (Beekman, Lyons, and Scott, 2001: 59). Related is the finding that residents in an area where mixed tenure arose through RTB had more difficulty in distinguishing the tenure of their neighbors than residents in other study areas (Scottish Executive, 2006). The fact that RTB often did not result in striking visual differences among tenures decreased the opportunity to interpret tenure as a visible marker of the social status of residents.

Several social implications of mixed tenure relate to intertenure attitudes. Apart from mixed tenures, residents’ expected length of stay is an important factor determining their attachment to and involvement in the neighborhood. Jones and Murie (2006) observed that the buy-to-let practices of former RTB dwellings, especially resales bought up by landlords and subsequently let to very mobile private tenants, can lead to instability and tensions. The greater mobility of private renters is associated with less attachment to the areas, because private renters know they will move on sooner than later. Whereas both owners and social renters may feel a certain ownership of and responsibility for their neighborhood, private landlords and private renters usually have different interests and are less bothered by the social climate in the neighborhood. This issue strongly affects dwelling maintenance, to which we will turn in the following section.

## **Homeowner and Landlord Maintenance**

The literature on the benefits of homeownership emphasizes that owners have a financial stake in the condition and maintenance of their dwelling and are, *mutatis mutandis*, more willing than renters to ensure that maintenance is up to standards (for example, DiPasquale and Glaeser, 1999; Rohe, McCarthy, and Van Zandt, 2000). Whereas this line of thinking has received much criticism, also in the context of RTB, it makes sense in the perception of both tenants and tenant buyers in RTB areas. Research by Holt Brook, Kinver, and Strachan (2006) showed a common view that owners generally took greater care of their properties than tenants and that this maintenance also encouraged other residents to take more pride in their dwellings.

Reality is harsher with respect to dwelling upkeep by tenant buyers or consecutive buyers, however. In single-family dwellings, tenant buyers with low incomes often struggled with greater-than-expected maintenance costs. In multiowner settings, the specific context of RTB causes a potential problem that transcends the investment capacity of individual tenant buyers. In apartment blocks, RTB uptake could differ from door to door. Hence, mixed tenure implied mixed ownership at the block level, with profound legal and financial consequences for the maintenance of collective parts, such as roofs and stairways. Local authorities and other landlords had to deal with individual owners in arranging part of the maintenance, tackling owners’ financial inability or reluctance (or both) to let them contribute their share of the maintenance or improvement costs.

In this respect, Leather and Anderson (1999) found a whole range of practices among local authorities and other landlords. Various arrangements were also enforced (by local authorities on individual owners) to different extents, so that no clear picture emerges of the effectiveness of multiowner maintenance arrangements. Obviously, negotiations between landlords and individual owners regularly resulted in disagreements about the required repair and maintenance standards. Part of the disagreements is associated with a perceived lack of information. “Research found mixed practice amongst local authorities in respect of the amount of information supplied to tenants concerning

their common repair responsibilities, with many respondents indicating that the only information provided was in the title deeds” (Russell and Welsh, 1998; cited in Scottish Executive, 2006: 56).

Problems that appeared after the initial uptake of RTB by tenant purchasers became worse with resales. According to Scott et al. (2001), new owners of resold RTB properties were often not aware of the impending costs, burdens, and legal obligations associated with the previous council housing and did not take them adequately into consideration when buying the property.

From the turn of the century onwards, the above problems have also affected efforts to regenerate council housing areas by large-scale renovation. Thus, various actors involved in such planned renovation efforts increasingly have to face the difficulties of ensuring that owner occupied houses are brought up to similar repair and environmental standards as the social rented houses, and of ensuring that the owners do not delay or prevent the realization of the improvements. (Craigforth, 2002: 9)

A time-lagged effect is also connected to maintenance. In general, many tenant purchasers in the early years of RTB made several improvements to their dwellings, on top of maintenance. Leather (2000) pointed out that refurbishments made by new RTB owners in the early years of the policy may now require further investment by their ageing owners. In light of the continuing economic crisis, these owners may face especially severe financial constraints that hinder them from making the necessary investments to maintain and update these improvements (see also Munro, 2007).

We have so far analyzed knowledge about effects on maintenance after council housing has been sold. The qualitative research of James, Jordan, and Kay (1999) showed a particularly interesting reversal of the sequence of these events. A substantial portion of their interview respondents were relatively low-income council tenants who used their unemployed status as an opportunity for increased dwelling improvement activity. For some of them, an improvement in employment status (and disposable income) triggered the decision to buy to protect their work investment and to secure their stake in the local (valued) community. James, Jordan, and Kay (1999) observed that the purchase sparked a desire for further home improvements and recognition of the need to increase their household earnings from employment. The authors also concluded that these tenants decided to buy as a way of securing their future in the area and controlling their personal environment, instead of seeing it as an escape from a residual ghetto of welfare housing (James, Jordan, and Kay, 1999).

## **Conclusions**

In this article, we set out to synthesize the neighborhood outcomes of the Right to Buy policy in the United Kingdom, which is the largest (originally unintended) tenure-mixing program in the world. RTB never had mixing as an explicit policy aim, but over time RTB became part of mainstream urban regeneration policies aiming to establish more socially mixed neighborhoods. Consensus suggests that RTB was a success in terms of facilitating access to homeownership for working-class households. Large transfers of wealth from the state to private households occurred through the discounts on market values and the sometimes huge profits made by resales of RTB properties by tenant buyers.

RTB had a double-edged effect on social mixing, however. On the one hand, RTB caused social housing in the United Kingdom to become residualized. The most desirable dwellings in the best neighborhoods sold first, leading to higher concentrated poverty levels in the least desirable neighborhoods. On the other hand, the most desirable neighborhoods with already relatively high homeownership levels and more affluent households witnessed a further increase in homeownership. Between these poles, some neighborhoods saw an increase in ownership that was not matched by owner occupation because dwellings were resold on the buy-to-let market and ended up in the privately rented sector.

Contrary to common wisdom of the positive effects from homeownership, RTB has had various effects on the stability of neighborhoods. “The evidence broadly suggests that the impact of Right to Buy on individual neighbourhoods is linked to issues of stability and demand that existed prior to Right to Buy, with Right to Buy reinforcing existing neighbourhood trends. Initially stable, high-demand neighbourhoods have seen high levels of Right to Buy sales. Low demand areas on the other hand have seen reduced levels of sales” (Scottish Executive, 2006: 60). To a large extent, the effects for individual neighborhoods were contingent on the wider housing market context, which strongly determined both the initial takeup rates and the extent to which former RTB dwellings integrated through resale into the broader market of owner-occupied housing.

Resales especially have affected social mix in neighborhoods by enabling socioeconomically different households to enter the areas formerly dominated by council tenants, of whom many had low incomes or were living on social benefits. The lifestyle differences introduced by these residential moves created either peaceful indifference or tensions and conflicts between renters and owners, although RTB is clearly a more organic way of mixing (Beekman, Lyons, and Scott, 2001) than tenure mix in new developments or neighborhoods subject to demolition and new construction.

Finally, RTB created various complexities regarding dwelling maintenance. Although evidence suggests that owners take greater care of their properties than tenants, new owners with relatively low incomes often struggled with maintenance costs. RTB also introduced mixed ownership on the block level, requiring local councils, landlords, and individual owners to negotiate about the nature, quality, and costs of maintenance. This mix has also affected large-scale regeneration efforts in social housing areas with individual RTB owners.

It can be concluded that RTB had major effects, which were not always positive, on neighborhoods and local communities. The Scottish Executive (2006: 58) called RTB a “blunt tool for mixing communities, with no control over the outcomes and with more or less random effects on neighborhoods.” Other countries, such as the Netherlands, are now considering introducing RTB in the social-housing sector. When RTB is introduced, we call for policies to be developed with the U.K. experiences in mind. Targeting RTB at only specific types of properties, in specific locations, possibly by using RTB exclusion zones, can help to avoid the development of residualized communities.

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## Authors

Reinout Kleinhans is an assistant professor in the department OTB–Research for the Built Environment, in the Faculty of Architecture and the Built Environment at the Delft University of Technology, Delft, the Netherlands.

Maarten van Ham is a professor in the department OTB–Research for the Built Environment, in the Faculty of Architecture and the Built Environment at the Delft University of Technology, Delft, the Netherlands.

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