

ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) ACT 2018

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 4 – Restriction on exercising the right to acquire

21. This section amends the Housing Act 1996. It inserts a new section 16B into that Act to restrict the right of secure or assured tenants to exercise the right to acquire homes in Wales in certain circumstances.
22. As a result of section 4, as a general rule, the right to acquire will not be exercisable in relation to a home in Wales unless the home has been let under one of the social tenancies listed in section 16B(2) at some point during the six months before section 4 came into force (the home is “from previously let social housing stock”). As with section 121ZA in the context of the right to buy, there are exceptions to this general rule, which are set out in section 16C, inserted by section 5 of this Act.
23. The effect of the amendment made by section 4 is that a tenant who moves into a home that is new to the social housing stock cannot exercise the right to acquire in respect of that home.
24. But time spent in such a home will still qualify for the purposes of the right to acquire if the tenant moves into another home in relation to which the right to acquire can be exercised (so long as that happened before the right to acquire was abolished by section 6). In those circumstances, the tenant’s right to acquire discount won’t be affected by the fact that the tenant has spent time in a home in relation to which the right to acquire couldn’t be exercised.
25. **Section 4(4)** amends section 21 of the Housing Act 1996 to add a new subsection (2A). Under section 21(2) of the 1996 Act, the Welsh Ministers are under a duty to make a grant to reimburse a registered social landlord or a private registered provider of social housing in circumstances where the landlord has given a discount to a tenant who has purchased a property which was not subject to the right to acquire, if that tenant was entitled to exercise the right to acquire in relation to another property owned by the landlord.
26. The effect of the new section 21(2A) is that the Welsh Ministers are not under a duty to make a grant to reimburse such a discount unless the property is from previously let housing stock, or is caught by one of the exceptions set out in section 16C.
27. This means that, if a social landlord has given a tenant a discount voluntarily in relation to a home that is new social housing stock, the Welsh Ministers are not required to reimburse the landlord even if the tenant had the right to acquire with respect to another property. This brings the provisions in section 21 in line with the provisions to restrict the exercise of the right to acquire with respect to new social housing stock.