



Department for  
Communities and  
Local Government

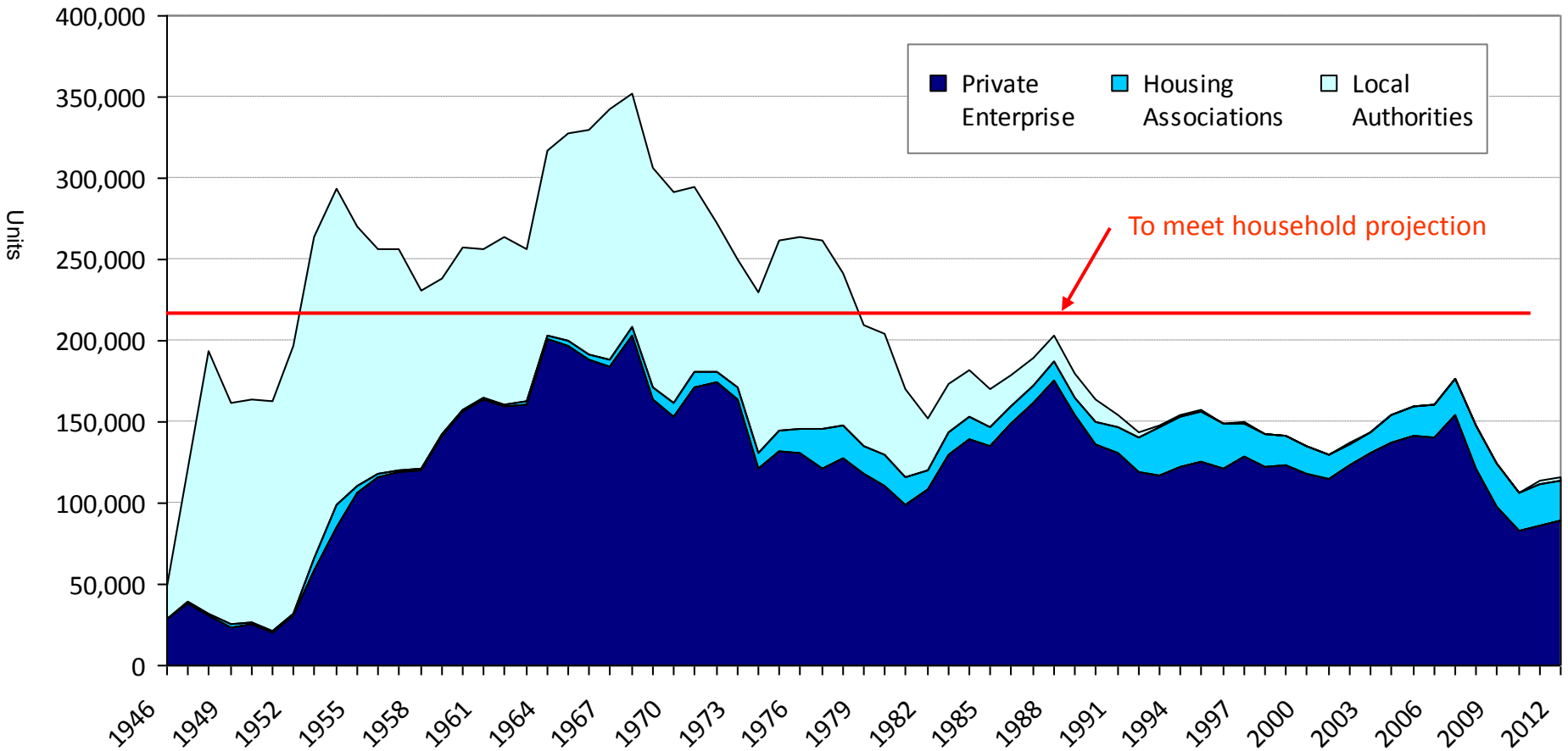
# THE HOUSING STRATEGY

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# We've been building houses at historically low levels for a generation

## Housing Completions, England, 1946 - 2012

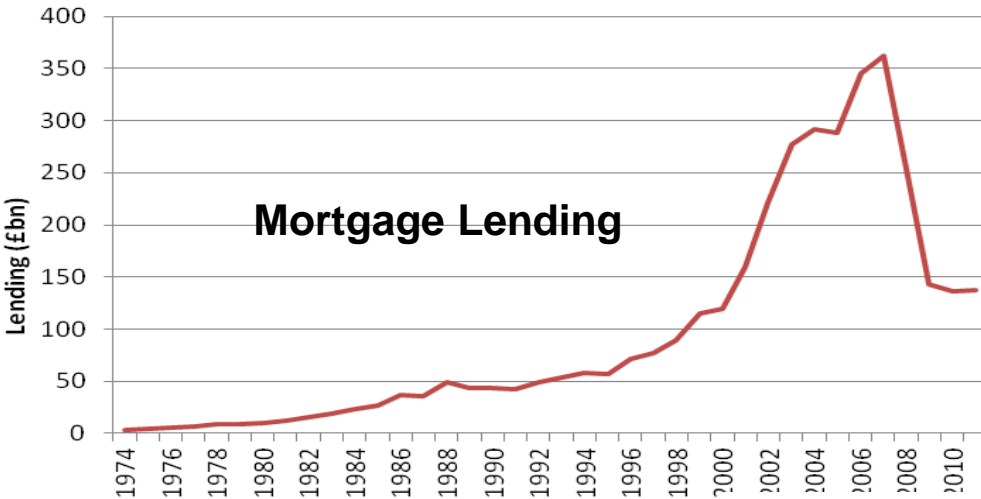


- We project that 221,000 households will be formed on average every year.
- The last year we built at least 221,000 new homes in a year was 1978.

Source: DCLG

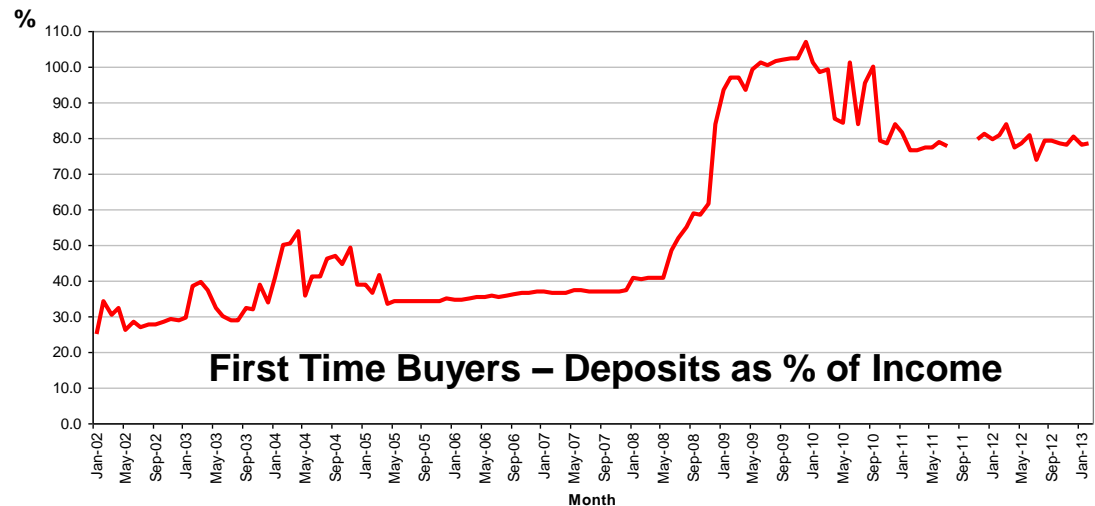


# The Challenge: Barriers to demand



- Sharp fall in annual mortgage lending in 2007-8 .....  
..... then it flat-lined.

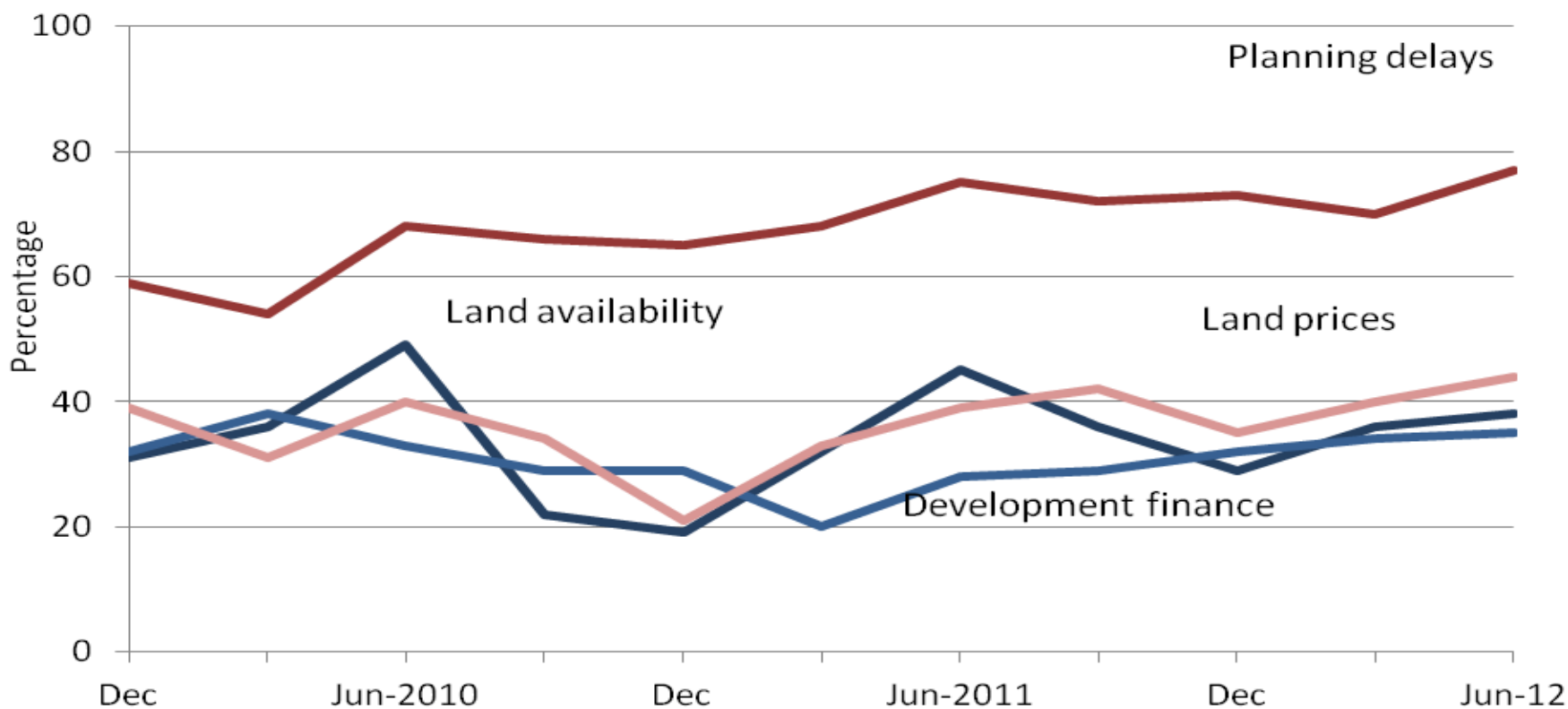
- Decreases in loan to value ratios meaning soaring deposits for first time buyers.





## The Challenge: Barriers to supply

Perceptions of house builders - top 4 constraining factors for production





## The Housing Strategy

- Supporting **demand**
  - recognition of aspiration of home ownership and
  - Increasing demand for rented homes
- Removing barriers to **supply** across all tenures
- Long term housing market **reform** – systemic issues like planning





**PLANNING  
REFORM**

£3.7bn, £1bn  
Guarantee  
75,000 plus  
transactions

**Supporting  
Home Ownership**

**Help to Buy**

**NewBuy**

**Right to Buy**

**Expanding  
Rented Sector**

**Affordable  
Homes  
Programme**

**Build to  
rent**

**Debt  
Guarantees**

**PRS  
taskforce**

Nearly  
£6bn,  
£10bn  
Guarantees  
Up to  
210,000  
homes

**Unlocking Housing  
Development**

**Local  
Infrastructure  
Fund**

**Get Britain  
Building**

**Public  
sector land**

**Growing  
Places  
Fund**

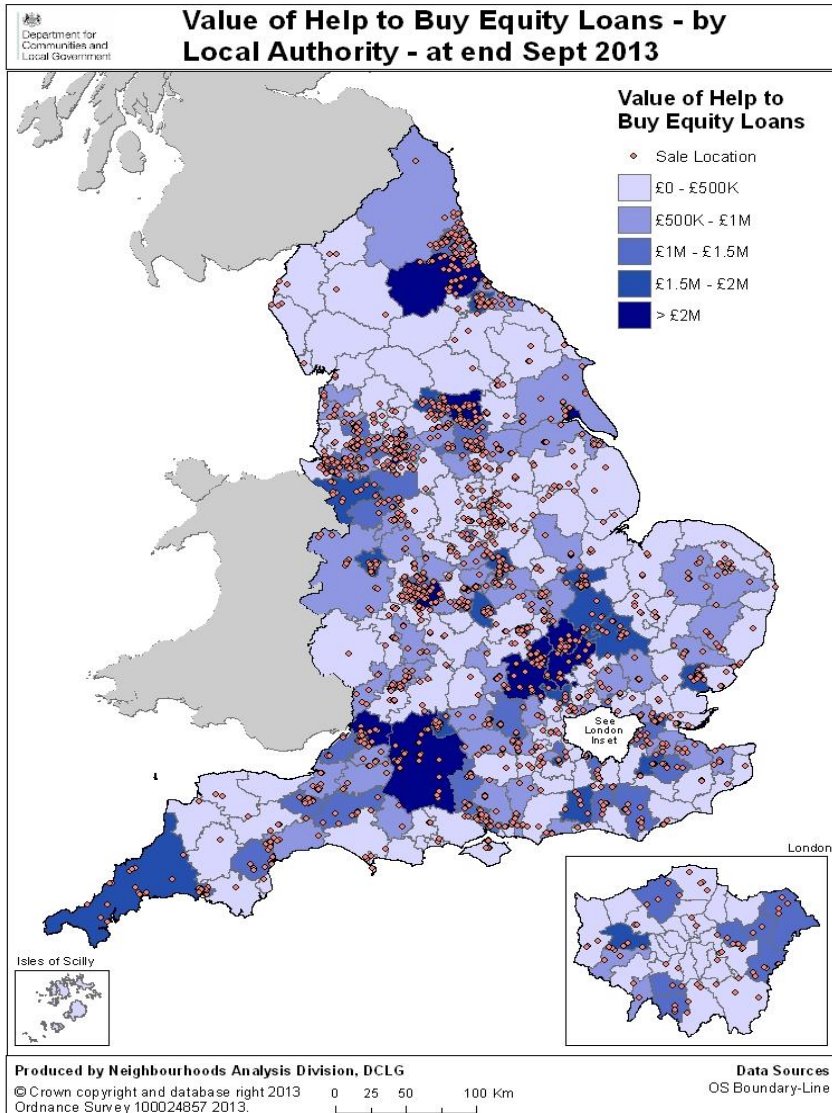
£1.6bn  
Unlocking  
capacity for  
over 120,000  
homes -  
11,000 started  
on site

Total Government Investment 2011-15 approx £11bn

+ up to £11bn Guarantees



## Our demand measures are working



- Over 5,000 households helped into their brand new homes in the first 6 months of the Help to Buy: Equity Loan scheme (to end Sept)
- Over 20,000 new home reservations made in the first 8 months of the scheme (to end Nov)
- Builders are increasing output in response to increased demand
- Highest number of mortgage approvals since Feb 2008
- Quarterly lending to first time buyers at its highest since 2007





## Programmes to increase supply

### **Total Government Investment in housing approx £11bn for 2011-15**

**Affordable Homes Programme:** Nearly 100,000 affordable homes delivered in first two years. On track to deliver 170,000 by 2015.

**Large scale sites:** unlocked 11 major schemes delivering over 69,000 homes. 14 more deals to deliver 38,481 homes are in due diligence.

**Get Britain Building:** 190 sites are under contract to provide 12,209 units. Work on 11,674 units has started on site.



**Build to Rent fund:** expected to deliver up to 10,000 homes – first contracts signed

Underpinned by **planning reform** and **removing red tape**





## Surplus Land – Current Programme

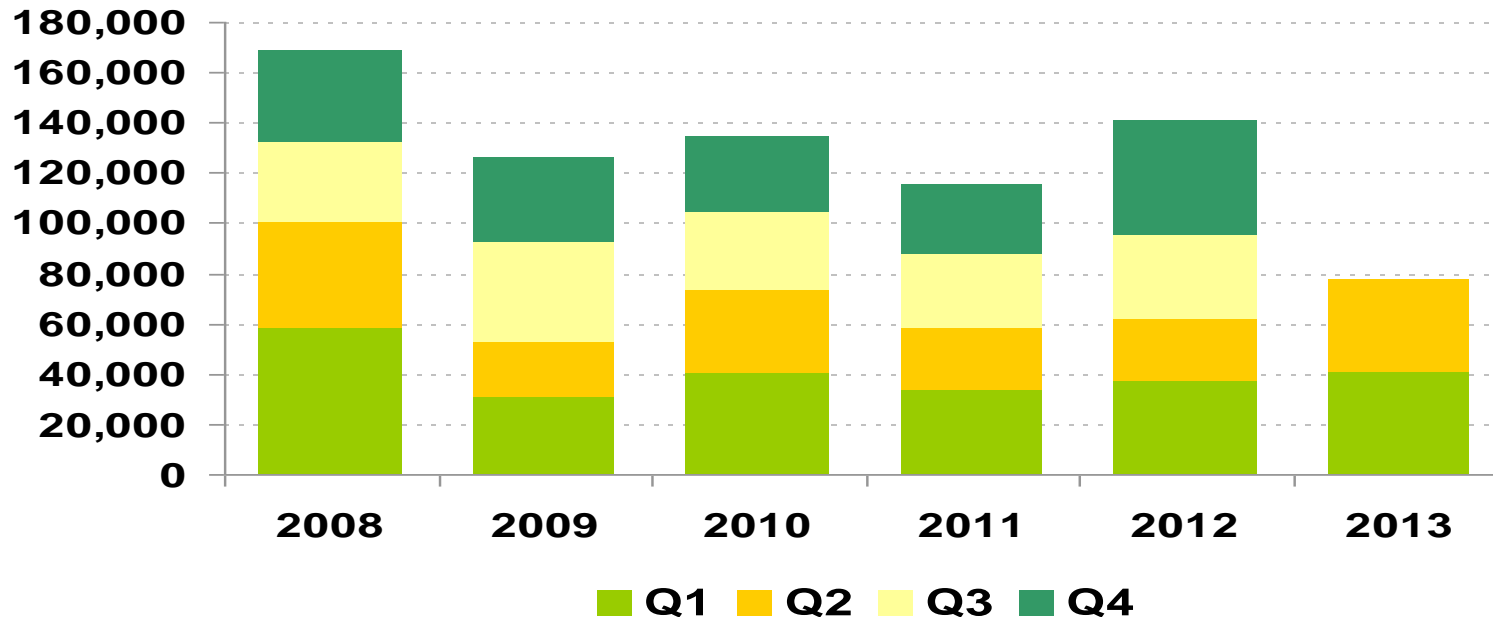
- **40% of developable sites** are owned by the public sector.
- Government will sell surplus public land (including NHS Trusts) with capacity for **100,000 homes by March 2015**
- To date, sold land for **62,000 units**, including New Covent Garden Market;
- **Build Now, Pay Later** means development happens quickly on the largest sites;
- Engaging with developers and marketing sites, eg. through Sitematch.





## Reform of the planning system is speeding up development

Residential units approved, England



Residential approvals are up 45% on 2012





## Spending Round: housing package

### DEMAND

- Help to Buy: **Equity Loan** £1.3bn in 15/16
- Help to Buy: **Mortgage Guarantee**

### PRIVATE RENTED SECTOR

- **Build to Rent** £300m 15/16
- Guarantees

### LAND

- £102 million to **unlock large sites**
- Strategic review to identify **Government surplus land** and set disposal target
- **HCA** will be **Land Disposal Agency**

### LOCAL GROWTH

- £2bn/yr **local growth** pot
- local **transport** investment

### AFFORDABLE HOMES

- **Affordable Homes** programme £3.3bn, plus Guarantees
- **Rent certainty CPI + 1%**
- New £400m **Rent to Buy** programme

### LOCAL AUTHORITY ASSETS

- £160m **Decent Homes**
- £100m for **Stock Transfer**

Stronger focus on **driving out efficiencies** and managing assets actively.

Transport settlement provides infrastructure necessary for new housing settlements.



## Surplus Land – Future Programme

- SR target of **£5bn land and property sales** 2015-20.
- Cross **Government Strategic Land Review** (SLR) will identify public land which is, or will be, surplus or redundant and can be sold.
- **Right to Contest** will allow the public to challenge Government to sell land not vital for operations for better economic use.
- Sales of developable land will be **centralised in the Homes and Communities Agency**.
- The Homes and Communities agency will bring commercial expertise and local knowledge, and will drive efficiencies.





- **Further speed up of development**
- **More investment in infrastructure**
- **Setting out plans to free up land**
- **Support small developers**

