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## HIGHBURY GROUP PRESS STATEMENT

### **GOVERNMENT MUST ACT NOW TO MAINTAIN HOUSEBUILDING**

The Highbury Group, an independent group of housing and planning 'experts' has submitted a proposal to the Homes and Communities Agency, which focuses on how the HCA can make most effective use of the full range of its powers and assets.

Against a background of falling housing starts, uncertainty in the mortgage market and almost complete seizure of the housing land market, the paper makes proposals for how the Homes and Communities Agency can work with housing associations and other affordable housing providers to buy land and

- Increase provision of affordable housing
- Improve quality of development
- Maintain housing completion rates
- Help support the construction industry

The bringing forward of additional housing investment resources in the pre-budget statement creates new opportunities.

The proposal, which is set out in full in the attached paper, has the following key components:

1. The Homes and Communities Agency request a call for sites for development. These sites must be made available at or below current market value and already have planning consent for residential development. The proposal should meet regional and local planning policy requirements in relation to quantum, mix and type of affordable housing provision.
2. HCA provides loan funding to a housing association or other affordable housing provider to buy the land.
3. Developer enters into a contract to the housing association to build under license.
4. HCA provides grant to the housing association to support the provision of affordable housing
5. HCA or local authority provides or guarantees mortgages for purchasers of market and shared ownership homes.
6. A programme to develop 10,000 homes would require funding of an estimated £380m for land acquisitions and would help maintain construction activity across the regions.

Note: The Highbury Group is an independent group of housing planning and development experts from public, private and academic organisations who have drawn up a proposal to ensure housing and affordable housing output is maintained in the current market context. Many members have experience of the last downturn in the 1989-1992.

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The Highbury group is drafting further submissions to the Homes and Communities Agency with further proposals relating to intervention in the context of the credit crunch. These include:

- \* Development of major greenfield sites in growth areas and eco-towns
- \* The situation in London
- \* Measures to support the mortgage market

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