

**TELFORD & WREKIN LOCAL STRATEGIC
PARTNERSHIP
STATE OF THE BOROUGH CONFERENCE
22nd October 2008**

How do we respond to the
problem of Affordable Housing
locally?

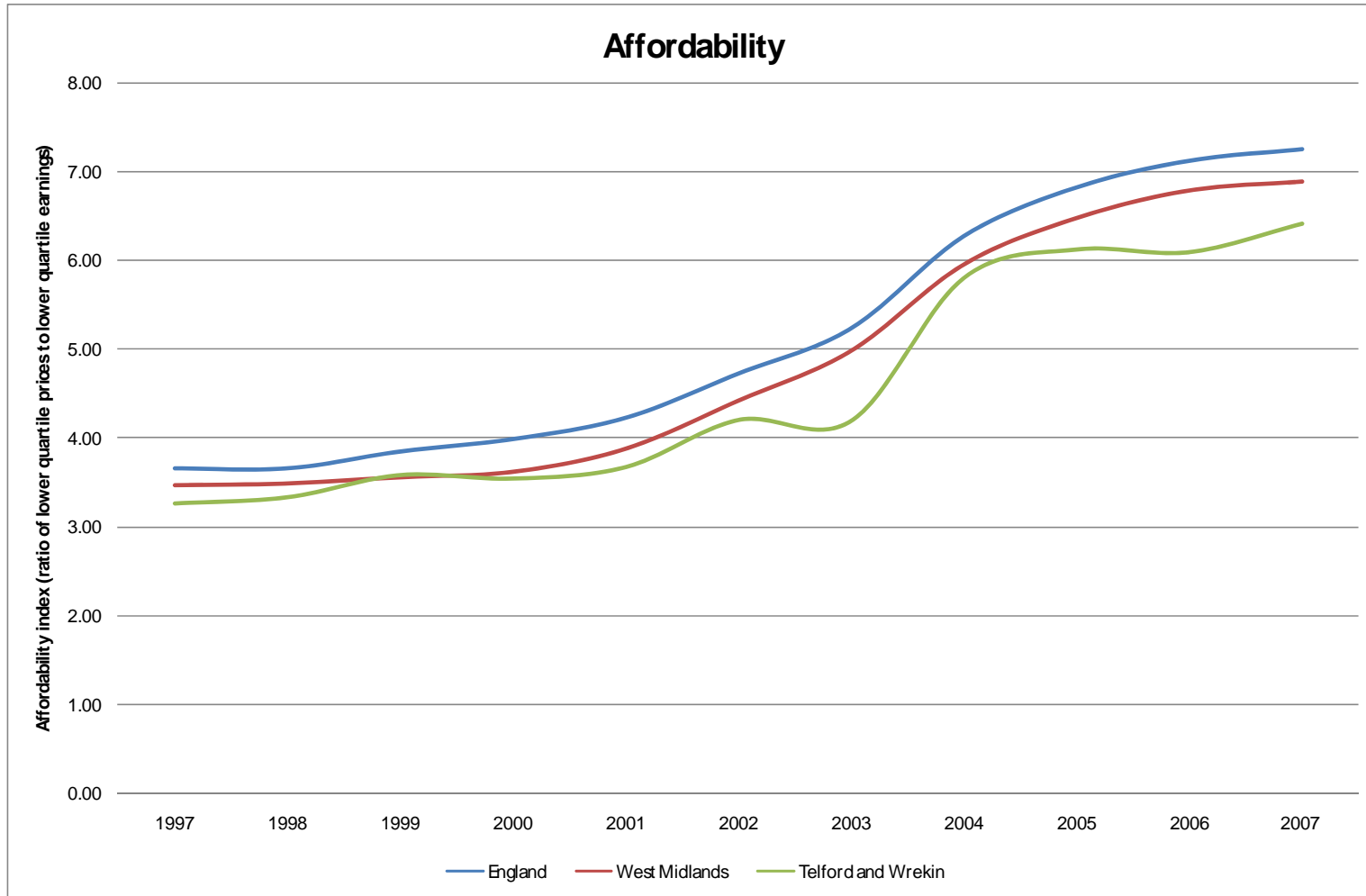
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Affordable housing requirements

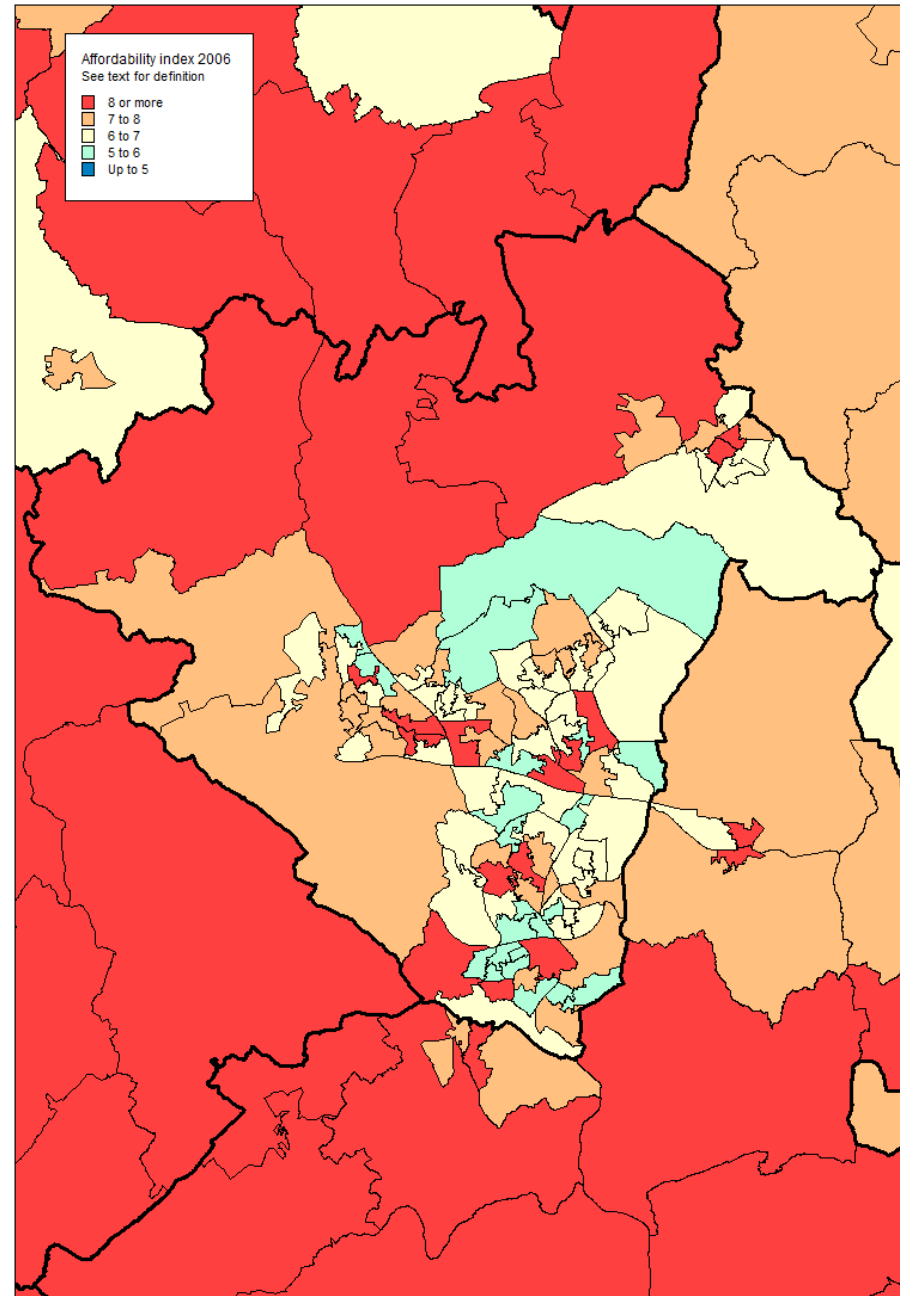
2002-2007

- Rapidly rising prices
- Slowly rising incomes
- Increased affordability problems
- Problems in most parts of the Borough not just Newport and rural areas

Affordability ratio



Affordability



The market context

- Falling prices - varying predictions of how far
- Reduced turnover - June 2007-08: 357-133
- Less demand - loss of confidence
- Less 'supply' - credit crunch - fewer mortgage products, tighter conditions
- Increased remortgage costs
- Increased arrears/repossession
- Diversion of demand into renting
- Adverse impact on developers and wider economy
- Recession – how deep and how long?

Government responses

- Stamp duty holiday – extended?
- HomeBuy Direct, £300m programme to help up to 10,000 first-time buyers into new homes – 30% equity loan, specified schemes.
- £200m mortgage rescue scheme, helping up to 6,000 households. Shared equity, shared ownership, sale-rent back. Pressure on lenders – Northern Rock!
- Earlier support through the benefit system to homeowners with mortgages who lose their jobs, at a cost of £100m over the next two years.
- Bringing forward £400m for up to 5,500 additional new social homes over the next eighteen months.
- £200 million for Registered Social Landlords to buy unsold private sector new build homes from private developers and a National Clearing House through which developers can make bids
- Working with Regional Development Agencies (RDAs) to support regeneration schemes with the greatest potential to transform their communities.

Longer term

- Need to keep a focus on the medium and long term needs of the authority...not just short term expediency to deal with the credit crunch and recession;
- Need to get continuing HACA buy in to medium and long term outputs
 - Clear message about vision for housing and neighbourhoods in the next decade
 - Clear outputs/targets
 - Clear delivery mechanisms
- Fusion of employment needs, housing requirements, neighbourhood renewal, inequality/deprivation, population ageing