

Jenrick unveils huge £12 billion boost for affordable homes

- Housing Secretary launches billions of pounds of new investment in housing to help the country build back better, including homes for social rent to help the most vulnerable
- Half of the new homes being made available for ownership and revamped Shared Ownership scheme to help the next generation onto the property ladder
- Consultation launched to make all new homes more accessible for older and disabled people

Housing Secretary Robert Jenrick has today (8 September 2020) announced that the prospectus inviting bids for the government's massive investment in affordable housing and new measures to make it easier to get a foot on the property ladder are being launched this week.

In total, the new programme represents the highest single funding commitment to affordable housing in a decade.

The £12.2 billion overall investment in affordable housing was confirmed at Budget, which also includes £700 million on new homes through the 2016 to 2022 programme.

A new £11.5 billion Affordable Homes Programme will be delivered over 5 years from 2021 to 2026, providing up to 180,000 new homes across the country, should economic conditions allow.

The programme will unlock a further £38 billion in public and private investment in affordable housing. New homes will be made available from next year.

Today, the government is announcing that around half of the new homes will be available for affordable home ownership, helping even more people to get a foot on the housing ladder.

In order to support people from all backgrounds, the rest will be made available for discounted rent, including 10% for supported housing – to support those with physical or mental health challenges.

Nearly £7.5 billion will be delivered outside London by Homes England, the government's housing accelerator. This is over £2 billion more than the amount given under the previous Affordable Homes Programme, underlining the government's commitment to levelling up the whole country.

The Greater London Authority has been offered £4 billion and negotiations about what they will deliver with this funding are in progress.

Homes England will publish their Affordable Homes Programme prospectus this

week, inviting councils, housing associations and private providers to start preparing their bids. New homes will be delivered from next year.

Housing Secretary Rt Hon Robert Jenrick MP said:

Today's announcement represents the highest single funding commitment to affordable housing in a decade and is part of our comprehensive plans to build back better.

This government is helping hard-working families and prospective first-time buyers get their feet on the housing ladder in an affordable way.

Thanks to the range of flexible ownership options being made available, more families across the country will be able to realise their dreams of owning their own home, with half of these homes being made available for ownership.

As well as delivering homes for affordable ownership, the new programme will deliver homes for Affordable and Social Rent. Funding for Social Rent, which is typically 50 to 60% of market prices, will be available to housing providers across the country, providing secure, affordable housing to families who need it most.

Today the Housing Secretary is also announcing a new model for Shared Ownership to help more people onto the property ladder by vastly reducing the minimum initial share, and launching a consultation to ensure new homes deliver the accessibility that families need.

The new Shared Ownership model announced today will:

- reduce the minimum initial share you can buy in a property from 25% to 10%
- allow people to buy additional shares in their home in 1% instalments, with heavily reduced fees
- introduce a 10-year period for new shared owners where the landlord will cover the cost of any repairs and maintenance

A Right to Shared Ownership will be available on the vast majority of rented homes delivered through the new programme, providing tenants with a pathway into ownership by giving them the right to purchase a stake in their home.

Additionally, the Housing Secretary has today launched a consultation to consider how best to raise accessibility standards for all new homes in recognition of the importance of suitable homes for older and disabled people.

Nick Walkley, Chief Executive of Homes England, said:

We welcome the launch of the new Affordable Homes fund, which gives

Homes England a unique opportunity to work on behalf of the government to accelerate the delivery of high-quality, affordable homes.

The fund will support improved productivity in construction and unlock new economic opportunities across the country. Despite the challenges of COVID-19, this long-term funding settlement gives our partners the confidence they need to invest in new homes and the communities they work for.

Today's announcements follow proposals unveiled last month to overhaul the country's outdated planning system, including a new and simpler system of developer contributions to ensure firms play their part in funding affordable homes.

A new Infrastructure Levy has been proposed that would deliver more funding for affordable housing, including at least as many affordable homes as the current system.

More than 1.5 million new homes have been delivered since 2010, including more than 460,000 affordable homes. More than 644,000 households have been helped to purchase a home since spring 2010 through government schemes including Shared Ownership, Help to Buy Equity Loans, Help to Buy ISAs and Right to Buy.

Building the homes the country needs is a priority for the government to ensure everyone can live in a decent, accessible and secure home, and to support our recovery from the impact of coronavirus.

That's why recent government support for the sector includes supporting smaller developers with an extra £450 million through the Home Building Fund, providing £400 million to build new homes on brownfield land and proposing an overhaul of the planning system to streamline the process cut red tape and harness technology to deliver homes faster.

The new announcements today include:

- The amount of funding allocated to Homes England and the amount offered to the Greater London Authority for delivery of the new Affordable Homes Programme
- The publication by Homes England of their Affordable Homes Programme prospectus this week
- The new model of Shared Ownership, including a 10% initial stake, 1% staircasing and the 10 year repair and maintenance period. This is the government's response to a consultation on Shared Ownership launched last year
- The new consultation on making homes more accessible

These changes apply to England only.

The new measures will make it easier for a new generation to realise their dream of home ownership. 87% of people would choose to own given free choice,

however the proportion of people under the age of 35 owning a home has declined from 65% to 27% since the 1990s.

The new model of Shared Ownership will be implemented on all new build Shared Ownership homes delivered through the new Affordable Homes Programme, which will begin in 2021.

We will be publishing a further technical consultation on the implementation of the new model of Shared Ownership in due course.

The majority of rented homes built using the AHP will have the Right to Shared Ownership attached. The Right to Shared Ownership will give many social housing tenants the opportunity to purchase a stake in their home and take their first step into home ownership. The following categories of property will be exempted:

- council homes
- homes in designated protected areas and rural exemption sites
- supported housing
- alms houses
- homes where the landlord is a co-operative housing association
- homes where the landlord or freeholder is a Community Land Trust

Eligibility criteria for the Right to Shared Ownership include:

- being a social tenant for at least 3 years and having lived in the current property for at least 12 months
- not being subject to bankruptcy proceedings
- demonstrating that you can afford and sustain homeownership. All prospective purchaser will need to undertake an affordability assessment having an annual household income of £80,000 or less (£90,000 in London)

The existing minimum standard for accessible housing in England requires 4 main criteria that make it accessible for most people, including wheelchair users: level access to the main entrance, a flush threshold, sufficiently wide doorways and circulation space, and a toilet at entrance level.

This applies as the minimum for all new build homes. Additionally, where there is a material alteration to a building's access, the building cannot be made less compliant than it was.

We are consulting on views on how to raise accessible housing standards further, including the option to raise this minimum standard for all new homes. A higher minimum standard would require additional features including having a living area at entrance level and step-free access to all entrance level rooms and facilities, wider doorways and corridors as well as clear access routes to reach windows.

It would also include further features to make homes more easily adaptable over time to a wide range of occupants, including older people, those with reduced mobility and some wheelchair users, for example sanitary provisions that can be adapted easily for installation of grab rails and stairs designed to allow easy fit of a stair lift.