



SHAPPS: HOUSING TAKES CENTRE STAGE IN ECONOMIC RECOVERY PLANS

Housing Minister Grant Shapps today highlighted how the Government's action to get Britain building again will play a vital and central role in getting the country's economy on the road to recovery.

Six weeks before the budget – and less than three months since the Prime Minister and Deputy Prime Minister launched the Government's flagship Housing Strategy – Mr Shapps unveiled a range of measures to help first time buyers onto the housing ladder, provide support for millions who have been left languishing on social housing waiting lists and get construction on the move.

In a speech to councils and the housing sector, the Minister argued that in contrast to the experiences of the past, where a plethora of housing policies, papers and initiatives "gathered dust on Whitehall shelves", the determination of the Prime Minister and the Government to put housing centre stage has meant that tangible progress is already being made – with plenty more moves on the way.

Among the range of measures to get the homes the country needs built, the Minister today announced:

That he has already identified enough Government land to build 80,000 homes, and is now working with organisations including the BBC and Royal Mail to find even more unused sites for housebuilding – meaning Ministers are on course to release enough land for 100,000 homes by 2015;

Details of the NewBuy Guarantee scheme to help those aspiring to buy newly-built properties to do so with just a fraction of the deposit that's normally required; and

That he is devolving power from Whitehall to Town Halls, ending a long-standing "tax on tenants" in a £19billion deal enabling councils to keep the rents they collect and invest the money in their homes.

Housing Minister Grant Shapps said:

"The pattern of the past has been to produce endless policies and initiatives that simply gather dust on Whitehall shelves and lead to inaction and inertia. But with the Prime Minister putting housing centre stage on the road to economic recovery, I am determined that we shall not repeat these mistakes of the past.

“That’s why I’m pulling out all the stops for those who want to get on the property ladder, so from March the NewBuy Guarantee scheme will be on hand to help people buying newly built properties with just a fraction of the deposit they would normally need.

“It’s also why I am working across Whitehall to ensure we release enough public land to for 100,000 new homes by 2015. But I’m looking beyond Westminster and want to see organisations like the BBC, Royal Mail and Network Rail also follow our lead.

“And for those languishing on council waiting lists, my message is clear: we are doing all we can to bring your wait to an end. That’s why today I’m laying the final foundations for a £19billion deal that will end the ‘tenants tax’ and give councils the freedom they need to build more homes in their area.”

Help onto the Housing Ladder

The Minister made clear his commitment to “go the extra mile” for those aspiring to get on the housing ladder. In March, he plans to launch the NewBuy Guarantee scheme, which brings lenders, builders and Government together to offer mortgages on new-build properties with a fraction of the deposit currently required – so while buyers may typically require £40,000 towards a new home, under this new scheme a £10,000 deposit will get them into a new-build property of their own.

And today, Grant Shapps confirmed that the scheme would be open to UK citizens buying on new build houses and flats up to £500,000 as their main home – whether they are first time buyers or moving up the ladder.

Getting Britain Building

Mr Shapps also confirmed that he is working with nine Government departments and organisations including the BBC, Network Rail and the Royal Mail to identify unused land and buildings that could be released for house-building - supporting his key priority to build the homes this country needs.

He hailed the rapid progress that has already been made, with enough Government land already identified to release for over 80,000 new homes – putting plans easily on course to release enough land for 100,000 homes by 2015.

To help with this, the Ministry of Justice, HM Treasury, the Home Office, the Department for Energy and Climate Change, the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport will also look at their land holdings.

To unlock sites for housebuilding blighted by poor infrastructure, Mr Shapps announced the allocation of the £500million Growing Places Fund – launched just three months ago – to 39 Local Enterprise Partnerships across the country, helping to create thousands of jobs in construction and related industries.

This is on top of the £432million in cash bonuses that the Minister today confirmed for 353 councils that have built new homes or have brought back into use empty properties – including a £21million premium for new affordable homes.

Today's cash boost is the second instalment of the New Homes Bonus, in recognition of communities delivering 159,000 much-needed homes in their local area.

The Minister also confirmed that he will allocate £45 million funding to help unlock 18 of the most difficult stalled sites in the country to get workers back on site and 1,301 homes built whilst delivering positive regeneration benefits to those locations.

The funding forms part of the £420million Get Britain Building fund. Launched less than two months ago, this multi-million pound cash injection is expected to unlock up to 16,000 homes on site that are currently stalled, and help create up to 30,000 jobs in construction and related industries.

Ending the tax on tenants

Mr Shapps also announced details for "ending the tax on tenants", finalising a groundbreaking £19 billion deal that will release councils from a centralised social rent system.

The Minister said that for years, councils have been captives of a centralised system, surrendering their social rents to the Government to decide how best to redistribute it. This meant that the majority of councils lost millions in social rent – in some cases over half of what they collected.

Mr Shapps today confirmed that councils will finally be allowed to keep the rents they collect, giving them an average 15 per cent more to spend on managing and maintaining their homes.

Strengthening protection for leaseholders

The Minister also confirmed proposals to bring "outdated" protections for leaseholders back in line with changing property prices.

Mr Shapps proposes to raise the £25,000 "value limit" - or notional annual rental value - outpaced by house price inflation since it was set in 1990 - to £100,000, enabling many leaseholders to stay in their home when their lease comes to an end.

Notes to Editors:

1. Details of the allocation of the Growing Places Fund to the 38 Local Enterprise Partnerships can be found at: XXX
2. Details of the allocation of the £432million second year payments of the New Homes Bonus can be found at: XXXX
3. The Department for Communities and Local Government conducted a consultation exercise between June and September 2011 to seek views on proposals for increasing the upper value limits that determine the eligibility of residential long leaseholders (those with a lease of more than 21 years) to rights in two specific areas. These are rights to remain in their properties at the end of their lease terms as an “assured tenant” (in Schedule 10 to the Local Government and Housing Act 1989) and to extend the lease or purchase the freehold of their leasehold house on particular terms (in the Leasehold Reform Act 1967). Legislative change would be subject to Parliamentary approval.

The Summary of Responses, including proposed next steps, is now available on the DCLG website at: <http://www.communities.gov.uk/housing/homeownership/leasehold/>