



PFI (PPP)

- ◆ Used for partial housing stock
- ◆ Major regeneration
- ◆ Simple new provision
- ◆ 30 year contracts – spreads costs
- ◆ Expensive and complex to set up but effective
- ◆ Performance culture



New Homes





New Homes

- ◆ Barker report
- ◆ Government response
- ◆ Housing Associations response



Barker Report on Housing Supply, 2004

- ◆ Over the past 30 years, house price inflation in the UK has been more than double the EU average
- ◆ In 2002, net addition to housing stock was only 134,000, all sectors
- ◆ Estimate of new household formation in UK until 2011 = 179,000 per annum
- ◆ An additional 120,000 new private sector and 23,000 new social houses per annum would be needed to reduce long term trend in price inflation to the EU average and meet backlog of need for social housing



Government response to Barker report – Nov 2005

The Government's response announces:

- ◆ Its ambition over the next decade to increase new housing supply in England to 200,000 net additions per year (2002 net addition was 134,000);
- ◆ Planning reforms to make local and regional plans more responsive to markets, and increase land supply;
- ◆ Consultation on a Planning-Gain Supplement to help finance infrastructure.



Spectrum of Responses to housing shortage/aspirations

- ◆ Social rented housing – NAHP
- ◆ Key Worker Programme
 - London, South East, East – grant funded
 - Every where – employer supported
- ◆ Conventional shared ownership
 - NAHP with grant
- ◆ Homebuy – 25% equity loan
- ◆ New versions are Newbuild Homebuy and Social Homebuy
- ◆ S106 – shared ownership and rent



National Affordable Housing Programme (NAHP) 04/06 to 06/08

Region	2004/06		2006/08	
	Allocation £m	Units	Allocation £m	Approx Units
London	1,500	22,690	1,700	20,000
South East	626	15,928	744	20,000
South West	188	6,030	281	8,000
East Midlands	126	3,761	166	3,000
East of England	204	5,725	356	7,000
West Midlands	170	4,134	198	4,000
Yorkshire & Humber	129	2,665	138	2,500
North East	96	1,763	82	1,750
North West	253	4,946	224	4,000
National	3,300	67,642	3,900	70,250

- ◆ Current NAHP delivery approx. 35,000 units p.a.
- ◆ Barker report's minimum estimate of new social housing required to meet demographic change = 48,000 p.a. – i.e. 96,000 per 2 year programme



Housing Associations response

- ◆ Maximise NAHP
- ◆ Mid market rent/sale
- ◆ Affordable housing using planning system
- ◆ Key worker
- ◆ New markets – retirement villages



NAHP

- ◆ Housing Corporation selected 70 developers (and private sector)
- ◆ HC set standards
 - Cost
 - Eco
 - Modern construction
- ◆ Capital grant varies from 25% to 85%













Outlook - Mid Market Rent/sale

