



Position Statement    October 2008

# Beckett announces money to purchase developer's properties for social rent

On the 20<sup>th</sup> October 2008 the Housing Minister, Margaret Beckett announced a £13million deal that will allow social landlords the opportunity to purchase unsold new build private properties to use as affordable housing.

This deal forms part of the Government's programme of action to tackle current difficulties in the housing market. This deal is the first to go through the Government's new National Clearing House, (the National Clearing House process was launched by the Housing Corporation in the summer as part of a set of initiatives to respond to the current market and to bring homes into the affordable housing sector). The deal enables house builders to put forward offers to sell their unsold stock for use as affordable housing, and receive early feedback on whether their properties are suitable for purchase.

The Housing Corporation working in agreement with Bloor Homes and the housing provider Sanctuary Group will be able to purchase 335 affordable homes across England which will mainly be used to rent to tenants from the social housing waiting lists.

The funding to purchase the homes comes from the Government's initial £200 million tranche to buy unsold stock off the open market. To date more than 2,000 unsold homes have now been bought by the Government for use as affordable housing.

## **ARCH's View**

ARCH welcomes the announcement by the Minister as an additional mechanism for providing affordable housing and dealing with the problems that empty private properties can create for local authorities and their partners.

However, the Government and the Housing Corporation need to ensure that the properties that are purchased are both suitable and in the right location for social renting, contribute to councils' strategic objectives and their duty to promote the well-being of the community.

Private developers should not be 'bailed out' from poor business decisions and the properties rented should form part of a mixed tenure and sustainable community.

ARCH is further concerned that the Government funding does not apply to local authorities. We believe that it should apply to them. Local authorities have a statutory duty to ensure that people in housing need have access to suitable accommodation. By extending this funding to local authorities with detailed knowledge of the local housing market we could ensure housing for people from our waiting lists and help to alleviate housing pressures in our area.

We believe that retained councils can help to deliver the Government's agenda and deliver good quality affordable housing. We can work constructively with developers and as the strategic authority for the local area, councils are better placed than other organisations to deliver a co-ordinated and integrated approach between developers, housing services and other agencies that will deliver better outcomes for all. Councils have a central role in delivering services in their local area and ARCH believes that by excluding them from the option of direct access to this funding stream the Government has missed the opportunity to deliver truly integrated, holistic and sustainable solutions to housing pressures in local areas.