THE IMPACT OF THE CREDIT CRUNCH, RECESSION AND GOVERNMENT POLICY ON THE HOUSING SECTOR IN THE EAST MIDLANDS

A Report prepared for the Chartered Institute of Housing East Midlands Regional Board by Dr Tim Brown, Neil Griffiths and Jo Lavis

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Executive Summary

The East Midlands is a diverse region. It includes large cities such as Derby, Leicester and Nottingham. But much of the area is rural including part of the Peak District National Park and coastal communities in Lincolnshire. These differences are highlighted in the eleven housing market areas in the region that range from West Northamptonshire that has the characteristics of the South East to the former coal mining areas of North Nottinghamshire and North Derbyshire. The diversity is not reflected in ‘average’ figures for the East Midlands. For example, the mean house price in 2011 was £161,000. But at a local authority level, it varied from over £250,000 in Rutland down to £108,000 in Bolsover.

Government investment decisions and policies have not taken account of this variety leading to inadequate funding and inappropriate decision making. For instance, only 5% of the national affordable rent programme run by the Homes and Communities Agency has been allocated to the East Midlands, even though it accounts for 10% of the population. At the same time, population growth in the region combined with the current inadequate supply is creating the conditions for a major housing and regeneration crisis.

This report is not making a plea for ‘special status’ for the East Midlands. Instead, it is asking for a fair allocation of national resources so that housing organisations can continue to innovative to develop appropriate solutions to local challenges and opportunities.
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1. **Introduction**

1.1 In 2012 the East Midlands Regional Board of the Chartered Institute of Housing (CIH) commissioned research to provide a greater understanding of the impacts of the credit crunch, recession and Government policy on the housing sector in the East Midlands. The overall aim was to provide an evidence base to inform the development of the CIH East Midlands’s ‘vision’ and future work.

1.2 It was primarily desk-top research, drawing on national data sets and information provided by Housing Intelligence for the East Midlands (Hi4EM). It focused primarily on housing development and investment. Wherever possible analysis was undertaken to demonstrate impacts on different housing market areas (HMAs)\(^1\) and between rural and urban districts. This was supplemented by three workshops that drew participants from the local authority, registered provider and private development sectors. In addition, a brief scan of the literature was undertaken. This covered sources such as the websites of the National Housing Federation and the Chartered Institute of Housing, reports by think tanks such as the Smith Institute and the trade press (e.g. Inside Housing).

1.3 As part of the research, examples of action being taken to address the impacts of credit crunch, recession and Government policy were collected. This included joint work with East Midlands Councils.

1.4 In addition to this report, there are two accompanying documents that are available from the CIH East Midlands Regional Board and the Centre for Comparative Housing Research at De Montfort University. These are, firstly, a detailed study on the impact of the credit crunch, recession and government policy on the region and, secondly, a technical annex. They both focus on development and investment.

1.5 Finally, the data, information and examples were primarily based on the situation as at the end of 2012. Additional material post-2012, wherever possible, has been included. However it does not include an analysis of 2013 Budget and the Spending Review led by the Treasury.

2. **Key Findings**

2.1 A core finding of this research is that the combined effects of the credit crunch, recession and Government policy have created a ‘perfect storm’ that has a significant negative impact on the economics of housing development in the region. The recession and credit crunch have made this a precarious equation, but it is the added impact of

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\(^1\) There are 11 HMAs: Central Lincolnshire, Coastal Lincolnshire, Derby, Leicestershire, North Northamptonshire. Northern, Nottinghamshire Core, Nottinghamshire Outer, Peak, Peterborough (part of this HMA includes districts in the East Midlands) and West Northamptonshire.
Government policy that increasingly tips the viability scales into the negative with a particularly acute effect on affordable housing provision. Such a position exists in other parts of the country outside London and the South East, but the situation in the East Midlands is compounded by two factors:

- Lack of consideration of market characteristics and viability of development when distributing grant for affordable housing; and
- Limited allocation of other Government programme funding that appears to ignore the needs and potential of the region.

2.2 This finding reinforces the conclusions of the Smith Institute\(^2\), which found that the East Midlands was loosing out in the allocation of central government investment on housing and regeneration compared to neighbouring areas. Inside Housing\(^3\) reported that despite the region accounting for 10% of the population, it received only 5% of the Homes & Communities Agency (HCA) affordable homes programme funding.

2.3 The National Housing Federation ‘Home Truths’ Report for 2012\(^4\) highlighted that in the previous year approximately 22,000 new households were formed in the region but only 9,930 new homes were built. It also emphasised that the average house price was over eight times the average regional income. In addition, over 115,000 households were on social housing waiting lists.

2.4 The lack of investment in new housing and in regeneration has many negative spin-off effects\(^5\). These include poor housing such as overcrowding, fuel poverty and inadequate repairs and maintenance. It also results in a lack of opportunities to transform deprived neighbourhoods. Finally, the potential of investment to create jobs and training for local people is reduced.

2.5 Nevertheless, local authorities, registered providers and other housing stakeholders have a well-established track record of good practice and innovation in attempting to address these challenging issues. In a period of financial austerity, this is even more important. Central government is unlikely to change its overall macro-economic trajectory for the rest of the decade. It is, therefore, vital that regional organisations in the East Midlands work together to make the case for the region.

\(^5\) A National Housing Federation survey in May 2013 highlighted that nearly 75% of businesses believe that the lack of affordable housing is stalling local economic growth.
3. **Emerging Development and Investment Trends**

The desk-top research identified a number of trends for the private market, affordable and private rented sectors.

### 3.1 Private market sector trends

**Falling output**

Overall completions in the private sector in 2011/12 were 53% less than those achieved at the peak in 2006/07, a fall of 7020 units. Starts in 2011/12 were 59% of those in 2006/07, a fall of 9130 units.

However, the size of the reductions varies across the HMAs. The greatest reductions in starts have been in Nottinghamshire Core, Derby and West Northants, and least in the Leicestershire HMAs. A similar pattern emerges for completions. Nottinghamshire Core, North Northants and West Northants HMAs experienced the greatest percentage falls, Leicestershire the least. Bucking the trend the Peak had an increase in completions, although the numbers are small with just 170 completions in 2011/12.

![Private sector starts and completions in the East Midlands 2004/05 to 2011/12](source:CLG Live Tables (Table 253))

**Shift of private development activity to higher value areas**

Confirming the observations of the private sector and registered provider workshops, there is evidence of a shift in starts towards higher value areas with the highest increase in activity being in the Leicestershire HMA whose share increased by 9%. In contrast Northern, North Northants and West Northants have experienced reductions in share, with the greatest of these being in Nottinghamshire.
Core and Derby HMAs. Reflecting the same trend, there is an increase in the proportion of starts in rural areas.\(^6\)

### Shift to developing smaller, less complex sites

The apparent anomaly of falls in starts in West Northants despite being in the south of the region may be a consequence of much of its planned growth being delivered through large urban extension sites.

\(^6\) There are three types of rural districts: R80 – over 80% of the population live in rural settlements; R50 – between 50-80% of the population live in rural settlements; and SR (significantly rural) – between 26- 50% of the population live in rural settlements.
This would reflect observations made during the private sector workshop that developers currently see such sites as too risky. It is also possible that sites in the more rural districts will be of a smaller scale and without major infrastructure needs.

3.2 Affordable housing trends

Falling output

| Affordable housing starts and completions in the East Midlands 2004/05 to 2011/12 |
|-----------------------------|-----------------------------|
|                             |                             |
|                             |                             |
| Number of units             |                             |
| 2004/05                     | 2005/06                     |
| 2006/07                     | 2007/08                     |
| 2008/09                     | 2009/10                     |
| 2010/11                     | 2011/12                     |
|                             |                             |
|                             |                             |
| Starts                      | Completions                 |

Source: CLG Live Tables (Table 253)

Overall, there has been a fall in affordable housing completions between 2006/07 and 2011/12 of 11%. The corresponding figure for starts is 26%. It is interesting to note the recovery in 2010/11 that corresponds with the end of the funding period. However, it may also be explained by the willingness of developers to work with registered providers because of certainty of grant. In 2009/10, when the private market was particularly fragile, affordable housing completions made up 16% of total housing completions, compared with 7.6% in 2005/06.

There are significant differences between the HMAs, with seven of the eleven HMAs experiencing a fall in starts ranging from 84% in Central Lincolnshire to 25% in the Northern HMA. All but the major urban authorities experienced a percentage fall in the number of starts in 2011/12 compared with 2008/09. For the same period, completions are equally variable - six HMAs experienced a percentage decline and three an increase in delivery in 2008/09.

Decline in affordable housing provided through Section 106

Provision of affordable housing on a nil grant basis through S106 agreements was never a major contributor to affordable housing supply in the East Midlands. It peaked in 2007/08 providing 670 homes. In
common with England, output through this route has since declined, providing 310 homes in 2009/10.

Nil grant affordable housing 2004/05 to 2009/10

Shift to high value areas
The registered provider workshop reported the shift of new affordable housing development towards higher value areas and to the south of the region and into the South East. The evidence presents a more complex picture. The most significant shift has been the increase in the share of starts into the Leicestershire HMA. An urban/rural analysis reveals a significant increase in the proportion of starts in the major urban areas, up 21% since 2008/09. The greatest decline is experienced in the outer urban authorities.

% share of HA/LA completions by HMA 2004/05 to 2011/12
Shift to smaller sites
All participants at the registered provider workshop highlighted a shift to smaller sites, presumably in part driven by the same trend in private sector development through which affordable housing is now more likely to be delivered.

Shift away from small rural schemes
The shift to smaller sites does not necessarily benefit development of affordable housing in rural communities. Many of these rural districts include larger towns, and a district wide figure, which can disguise the level of development in rural communities, particularly villages. In 2011/12 there were 90 starts in settlements of less than 3,000 population across the East Midlands, which is 16% of the total starts in the Significantly Rural, R50 and R80 districts. This confirms the view articulated in the registered provider workshop that very small rural schemes are not being taken forward because of their cost, lack of grant and limited opportunities to cross-subsidise from market development.

Shift from development to management
Registered providers reported that staff and resources are being diverted from development to supporting residents through recession and welfare changes.
4. The Impact of the Credit Crunch and Recession

4.1 Impacts on private market sector

The cost of lending has increased and the supply of loans decreased leading to a reduction in supply of market housing. There has been an overall fall in house prices, but there are significant variations in house prices and trends between the HMAs. The Peak, Peterborough and West Northants HMAs have experienced the greatest fluctuations in house prices, but have remained the highest value areas. In contrast, the Northern and Nottinghamshire Core HMAs have the lowest value and are where prices have been least volatile. Even more stark is the difference between R80 districts that are consistently the highest value areas with an upward trend in house prices. At the other end of the spectrum are the outer urban authorities.

Source: CLG Live Tables (Table 582)
Despite the overall fall in house prices there has not been a significant improvement in affordability because household incomes are depressed by:

- Lower pay rises: During 2008/09 pay rises in the East Midlands were almost equivalent of those across England, but in 2010 it moved to a position of pay cuts of 1%.

- Redundancies: The rate has remained almost constant between 2007 to 2012 at 6%, but its share of the national rate has increased; now standing at 9%.

- Unemployment – the rate of unemployment has risen from 6.4% in 2008 to 8% in March 2012. There are significant intra-regional differences. In Harborough it stands at 4.4% compared with 13.3% in Nottingham, the highest level of any of the English core cities.

- Not surprisingly, the pattern of affordability varies across the region with market housing being less affordable in the Peak, Peterborough, West Northants and Leicestershire HMAs. Interestingly, in the Peak and Leicester HMAs affordability worsened in 2011/12.
The usual self-correcting forces that bring supply and demand into balance are not operating. Instead, the lack of new supply is fed by unwillingness to build arising from high loan costs and risk averseness, which is further fuelled by falling demand as a result of the recession.

### 4.2 Impact on the affordable housing sector

The lower values of market and private rented housing affects the value of registered provider assets and their ability to raise and sustain private loans which as grant rates fall are increasing needed to fund development.

Falling house prices are leading to re-negotiations downwards of S106 affordable housing contributions, which results in a further reduction in the asset base for registered providers to fund future development. Low cost ownership is often not affordable because of tighter lending. At the same time, falling house prices and grant rates mean that it is often not viable for registered providers to deliver this form of tenure. In consequence another form of cross-subsidy for affordable housing has been reduced.

There is evidence of increasing demand for affordable rented housing, but the pattern varies across the East Midlands. But there is an increase in homelessness acceptances since 2009.
4.3 **Impact on the private rented sector**

The percentage of the housing stock in the private rented sector has increased by 17%. At the same there has been a percentage decline in owner-occupation, now standing at 67% of the total stock. Already evident from some of the region’s strategic housing market assessments was that the private rented sector exceeded affordable housing, especially in rural areas. These characteristics indicate that the private rented sector is meeting the intermediate market and in some areas affordable housing needs.

5. **The Impact of Government Policies on the Housing Sector**

5.1 The East Midlands has experienced a disproportionate cut in HCA funding, receiving 4.1% of the national AHP allocation. The grant rate
has been cut by 33% to £16,000 per unit, which is lower than the average for the rest of the Midlands and England.

Regional distribution of the Homes and Communities Agency Affordable Homes Programme 2011 to 2015

<table>
<thead>
<tr>
<th>Area</th>
<th>Rent Homes</th>
<th>%</th>
<th>LCHO Homes</th>
<th>%</th>
<th>Total Homes</th>
<th>%</th>
<th>Total £m</th>
<th>%</th>
<th>Average £ Per home</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Midlands</td>
<td>3,175</td>
<td>4.7</td>
<td>1,008</td>
<td>5.3</td>
<td>4,183</td>
<td>4.9</td>
<td>68.1</td>
<td>4.1</td>
<td>£16,281</td>
</tr>
<tr>
<td>Midlands</td>
<td>11,841</td>
<td>17.7</td>
<td>3,158</td>
<td>16.6</td>
<td>14,999</td>
<td>17.4</td>
<td>270.7</td>
<td>16.1</td>
<td>£18,046</td>
</tr>
<tr>
<td>England *</td>
<td>66,964</td>
<td>100</td>
<td>18,972</td>
<td>100</td>
<td>85,936</td>
<td>100</td>
<td>1,678.1</td>
<td>100</td>
<td>£19,527</td>
</tr>
</tbody>
</table>

Source: Homes and Communities Agency, 2012. * London figures included are recorded at a different start

5.2 Affordable Rents do not provide sufficient surplus to fill the funding gap. Across the East Midlands they are 25% higher than social rents, but only generate a surplus of £10-£20 per week. Overall, the calculation of grant levels seems to have taken little account of pressures on the viability of affordable housing development that flow from comparatively lower market prices and private rents that characterise much of the East Midlands.

5.3 The various housing stimulus initiatives have had a limited impact in the East Midlands:

- **Get Britain Building** – 7% of the shortlisted programme has been allocated to the East Midlands. This has the potential to deliver 1,509 units through 24 schemes. Nottinghamshire Core, Peak and Northern HMAs have not received any allocation.

- **New Buy** - No figures available in 2012 for the East Midlands. The registered providers workshop raised concerns at the high and increasing cost of the New Buy loans offered by these lenders.

- **New Homes Bonus** - £6.6bn has been allocated to the East Midlands. Most of this is in the southern HMAs, with an extreme peak in Leicestershire HMA. Of the counties, only Leicestershire has made funding available for affordable housing. Most of the district councils across the region have chosen not to use NHB to support new affordable housing development.

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- **Regional Growth Fund** – 5.4% of the programme has been allocated to the East Midlands. Over half of this has been to Derby City Council\(^8\).

- **Growing Places Fund** – 8% of the programme has been allocated to four of the local enterprise partnerships (LEPs) in the East Midlands, with the Derby and Derbyshire LEP receiving the highest allocation.

- **Accelerating the Supply of Public Land** – there are 403 hectares of surplus publicly owned land in the region. Over half is on two Ministry of Defence sites. Not every Local Authority has such sites within their boundaries.

5.4 A number of other national policies are impacting on housing provision in the region. Firstly, concerns were raised that the charging schedules for the community infrastructure levy (CIL) are not based on robust economic viability evidence. A potential consequence is that pressures on scheme viability will result in a reduction of affordable housing provided through S106 agreements. Secondly, as of 2012 only 9 of the 42 local authorities have an up to date local plan, raising concerns about deliverable land supply. This could result in growth, but leaves communities exposed to the wrong sort of development in the wrong place. Thirdly registered providers are voicing concern that the welfare changes will lead to an increase in arrears and therefore loss of income. In turn, this could affect their ability to raise funding for new development. The ‘bedroom tax’ will have a significant and detrimental impact in the East Midlands with few opportunities for affected households to find alternative accommodation. The National Housing Federation in 2012 estimated that 50,000 claimants in the region would be affected. The supply of alternative one-bedroom homes is very low.

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\(^8\) This does not include analysis of the December 2012 RGF funding decisions.
This will particularly affect the most rural districts where one-bedroom properties comprise only 2% of the total housing stock.

6. Challenges

6.1 It is, therefore, difficult not to agree with Ball\textsuperscript{9} who commented in 2010 that ‘housing and urban policy has managed to fall off even the backburner in the headlong rush to reform financial systems with worrying long term consequences’. Furthermore, a recent National Housing Federation study\textsuperscript{10} reinforced the message that failure to build sufficient housing now will put even more of a strain on housing markets in the next decade. In the East Midlands, there was a 23% increase in births between 2001 and 2011, so the prospects for the 2020s are dismal.

6.2 These impacts and trends give rise to a number of challenges to how and where new supply is delivered, how to maintain access to range of housing tenures and to the deployment of local authority and Registered Provider staff and resources.

**Challenges facing the housing sector in the East Midlands**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Challenges for practitioners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>• Maintain/increase delivery of all tenures across all parts of the region</td>
</tr>
<tr>
<td></td>
<td>• New ways and sources of funding for affordable housing</td>
</tr>
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<td></td>
<td>• Accepting smaller and more dispersed developments</td>
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<td></td>
<td>• Understanding and using economic viability as an integral part of planning and housing policy and delivery</td>
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<tr>
<td></td>
<td>• Maintaining/improving quality of existing stock</td>
</tr>
<tr>
<td></td>
<td>• Better understanding of the private rented sector</td>
</tr>
<tr>
<td>Demand</td>
<td>• Maximising residents access to income</td>
</tr>
<tr>
<td></td>
<td>• Facilitating mobility and flow through the housing stock</td>
</tr>
<tr>
<td></td>
<td>• Support access to affordable home ownership</td>
</tr>
<tr>
<td>Organisational</td>
<td>• Maintaining an up to date evidence base</td>
</tr>
<tr>
<td></td>
<td>• Working across organisations</td>
</tr>
<tr>
<td></td>
<td>• Resolving tension between registered provider business plan</td>
</tr>
</tbody>
</table>


\textsuperscript{10} National Housing Federation (2013) Housing Britain’s Future, London, NHF.
needs and local authority strategic housing needs
- Making most effective use of organisations skills and capacity
- Equipping officers with relevant skills, particularly assessing economic viability

6.3 From a broader organisational perspective, the housing sector in the East Midlands needs to address and engage with the new agenda of city region and sub-regional policy making. These include local enterprise partnerships (LEPs), city deals and combined authorities. Organisations must make the case for housing in terms of, for instance, contributing to stimulating local economies. In May 2013, the National Housing Federation highlighted that employers in the region considered that local investment in affordable housing ought to be part of the strategy for growth of each LEP.11

7. Initiatives by Housing Organisations

7.1 Despite the challenges, organisations in the East Midlands have developed and are developing innovative responses. Indeed, the region has previously taken the lead in new ideas such as choice-based lettings.12

7.2 From a housing development perspective, East Midlands Councils has highlighted a series of affordable housing case studies.13 They include:

- Cross Street Eco-towns Scheme, Gainsborough: West Lindsey District Council and the Longhurst Group have jointly developed an environmentally friendly scheme in a deprived neighbourhood.

- Local Lend a Hand Scheme, Blaby District Council: As a result of a housing conference in 2011, the local authority worked with Lloyds TSB and Sector Treasury Services to launch one of the first schemes in England to enable households to purchase a property with a deposit of less than 10%.

- New Homes Bonus, Leicestershire: Leicestershire County Council committed its entire new homes bonus in 2011/12 and most of it in 2012/13 to support rural affordable housing projects.

12 A number of councils and housing associations took the lead on developing CBL in the late 1990s prior to Government interest including Harborough District Council, Leicester Housing Association and Mansfield Borough Council – see Brown, T., Hunt, R. and Yates, N. (2000) Lettings – A Question of Choice, Coventry, CIH.
13 See http://www.emcouncils.gov.uk/Affordable-Housing-Case-Studies.
7.3 East Midlands Councils has also played a crucial role in supporting the energy efficient retrofitting of the existing stock through the East Midlands Green scheme\(^\text{14}\) set up in spring 2012.

7.4 From a housing, health and social care perspective, the CIH East Midlands Region awards for good practice in 2011 drew attention to the work of Amber Valley Housing (now Futures Housing Group) for its initiative on addressing the housing and support needs of an ageing population through its ‘health trainers’ programme. In addition, Nottingham City Homes and Nottingham Trent University\(^\text{15}\) carried out nationally significant research that was published in 2012 emphasising that the decent homes programme benefits extend far beyond physical improvements. Positive impacts included reduced respiratory illness for over 1,000 children.

7.5 In relation to the private rented sector, Northampton Borough Council set up a social lettings agency in 2013\(^\text{16}\). Its aims include improving the quality of private rented accommodation and helping to tackle the rising level of homelessness. In addition, the Centre for Comparative Housing Research at De Montfort University is nationally recognised for its research on institutional investment in the private rented sector. It carried out a study that was published by the Government in autumn 2010, and a member of the team was subsequently appointed to the Montague Review on this topic.

7.6 From a welfare reform perspective, Rushcliffe Borough Council, Melton Borough Council and West Lindsey District Council are local authority led pilots on universal credit\(^\text{17}\). Early learning results that will be of relevance for other organisations include:

- Providing wifi access points in rural areas with limited broadband coverage;
- Helping family members with multiple problems in returning to work through the use of an employability and skills officer; and
- Developing community contact centres that involve the council and its partners e.g. Jobcentre Plus.

7.7 Many of the examples and case studies in this section have emphasised the importance of partnership working between organisations in the region. A further illustration that links to a core theme of this report on housing development is a joint initiative by the Centre for Comparative Housing Research and Places for People on

\(^\text{14}\) See [http://www.em-green.co.uk/](http://www.em-green.co.uk/).


'boosting affordable housing supply'. This is a knowledge transfer partnership between a university and a housing organisation that is investigating the potential of policy transfer of schemes operating in France and the USA.\(^\text{18}\)

7.8 Finally, a re-occurring message throughout this publication has been that the East Midlands is marginalised in terms of national funding programmes for housing and regeneration. Redressing this issue requires a political response and there are a number of initiatives underway:

- A task force of eight councils was set up in autumn 2012 to ensure that the HCA does not ignore the challenges and opportunities faced by the region\(^\text{19}\); and

- In December 2012, a housing summit was held in Nottingham involving a range of regional organisations including the CBI East Midlands, the CIH East Midlands, East Midlands Councils and the National Housing Federation.\(^\text{20}\). As well as calling for greater investment in the region, a ‘declaration on affordable housing’ was launched.

8. Conclusion

8.1 The credit crunch and recession have had an impact on the supply and demand for market and affordable housing across the East Midlands, but the depth of these impacts varies across the housing market areas. The three key characteristics are falling output across both sectors, declining house prices up to early 2013, but only limited impact on affordability. These factors indicate a fragile market that affects economic viability and following from this the ability and appetite to build market and affordable housing. For the affordable housing sector this is compounded by reductions in HCA grant funding to levels of subsidy that do not appear to take any account of falling economic viability in many parts of the region. This coincides with a reduction in other sources of subsidy. Private loans are tighter and more costly; falling market prices reduce opportunities for cross-subsidy, and affordable rents do not generate sufficient surplus to help fill the gap. Exacerbating this further are the welfare changes that reduce registered providers’ income, which in turn will impact on their ability to borrow to fund new development. All this is happening at a time when there is an existing shortfall in supply and evidence of a growing need for affordable housing.


8.2 In response, both private developers and registered providers are reducing their exposure to risk by shifting their activities to higher value locations, smaller and less complex sites. Increasingly there is evidence of emerging ‘no go’ areas for new market and affordable housing.

8.3 The private rented sector is growing and appears to be filling gaps in the market for those seeking affordable and intermediate housing. Little is known about its function, cost and quality of this diverse sector. Given the increasing emphasis that is being placed on this tenure by the Government through its response to the Montague Review and its likely future roles, it is a sector that warrants more investigation and attention.

8.4 Addressing these challenges will require action on a number of fronts. The fundamental issues of lack of affordable development capital in the form of grant or loans and funding infrastructure to unlock sites are primarily in the hand of Government. However, there is an urgent need for collective action across the housing and regeneration sectors to both highlight the need for such action and to find ways where they can combine their resources to find more local solutions.