Let us build, say councils as figures reveal fall in number of new homes

Official figures released by the Local Government Association (LGA) reveal a 9% drop in the completion of new homes in the 12 months to June 2013, compared to last year.

The LGA said a council-backed housing programme could deliver thousands of new homes if the treasury imposed housing borrowing cap was lifted. Research conducted on behalf of the LGA has claimed that local authorities could build up to 60,000 more homes over the next five years if they were allowed to invest in housing under normal borrowing guidelines.

It is estimated this would deliver a 0.6% boost to gross domestic product (GDP), create employment and reduce the benefit bill by increasing the provision of new social housing.

Councillor Mike Jones, Chairman of the LGA’s Environment and Housing Board, said:
“Councils are still approving nine in every 10 planning applications we receive and, as we have seen this week, more first-time buyers are getting mortgages. The challenge now lies in getting more new homes built. Local authorities have excellent credit ratings and we want to use our assets to help kick-start the housing recovery, but our hands are being tied.

“The Government has an unrivalled opportunity to create jobs, provide tens of thousands of homes and help the economy without having to find a single extra penny. New homes are badly needed and councils want to get on with building them. The common sense answer is for the Treasury to remove its house building block and let us get on with it.”

WDH says: We are committed to providing high quality, affordable housing, and since 2006 we have delivered over 700 new properties across the district, with a further 310 scheduled to be delivered in the next two years.

The Homes and Communities Agency has recently confirmed our successful bid for £3m grant funding under the Affordable Homes Programme. The allocation is for 114 new build houses, which we will begin building by March 2015. The proposed new build sites include Hawthorne Court in Crofton, Ripley Court in Normanton and the site of the former Norman pub in Normanton.

Plans are also underway for a joint venture between us and the council to build more new homes in the district. The new homes will be a mixture of properties for sale and rent across the district, and any profit would be reinvested into the partnership.

Gross mortgage lending estimates highest since 2008

According to monthly mortgage figures released by the Council of Mortgage Lenders (CML), monthly mortgage lending has reached its highest level since October 2008.

The CML estimates in July gross mortgage lending reached £16.6 billion, a rise of 12% from £14.8 billion in June, and 29% higher than the total from July 2012, when lending stood at £12.9 billion.

Caroline Purdey, Market and Data Analyst at the CML, said: “An improvement in sentiment and activity continues to show in the UK housing and mortgage markets, with a more positive picture also starting to emerge in the economy. Our forward estimate of gross mortgage lending in July reinforces a growing evidence base of a strengthening in the housing and mortgage markets.”
Brian Murphy, Head of Lending at Mortgage Advice Bureau, said: “As gross mortgage lending swelled to £16.6bn in July, its highest level for five years, borrowers also benefited from a boom in product choice. With over 10,000 products on offer for the first time since the financial crash, consumers were spoilt for choice in July.

“Additional funding through Government initiatives has caused lenders to compete for business in order to catch ambitious lending targets. Since the start of the Funding for Lending Scheme began rates have fallen by one percentage point across two, three and five year fixes. The market is certainly ripe for picking, with the best choice of products and deals for years. Investing time to weigh up the options can really pay off in the long term.”

WDH says: We welcome this positive news which is particularly encouraging for first time buyers. There is high demand for housing in the district; since the start of this financial year the number of registered Homesearch members has risen by 1,224 to 20,669.

We already deliver new build properties to help ease the housing shortage across the district, and have recently acquired new sites to build more new build properties to further help meet demand. We are also developing financial packages for new emerging households and first-time buyers.

Over 50% rise in amount of homeowners seeking help with debt

Figures from the Debt Advisory Centre (DAC) show the amount of homeowners seeking help with debt problems over the last five years has increased by 52%.

According to the DAC increasing living costs are a major factor behind the sudden rise. In 2008 homeowners accounted for 25% of DAC’s clients, however today that figure has risen to 38%.

Responding to this, Melanie Taylor of the DAC said: “Debt problems are always worrying, but they can be all the more serious for homeowners who fear they may lose their home. However, there is nearly always a way to avoid things getting to that point if you act early.

We offer a wide range of debt solutions for people in all kinds of circumstances, including Debt Management Plans, Individual Voluntary Arrangements (IVAs), Debt Relief Orders and exclusive Scottish solutions such as the Debt Arrangement Scheme and Trust Deeds.

Getting help early also means interest and charges have had less time to build up, so it really is worth seeking advice as soon as you realise you have a problem.”

WDH says: We are committed to helping our tenants manage their finances; tenants who may have fallen into arrears are encouraged to contact our Debt Team who can offer help and support.

We are dedicated to helping tenants mitigate the effects of the Government’s welfare reforms. Around 5,200 of our tenants affected by the ‘Bedroom Tax’ have seen their income reduced, so saving money where possible and managing finances has become increasingly important.

To help tenants save money and make every day living costs more affordable, since June 2012 we have offered tenants the Countdown tenant discount card which entitles them to discounts at more than 200 local shops and selected national stores, with further discounts available when shopping online.

Financial inclusion work is also provided as part of our Big Lottery Funded project ‘Cashwise’. Launched this April, the project provides financial management and budget advice to first time and aspiring tenants to enable them to manage their tenancies and avoid falling into debt. The ‘Cashwise’ project was previously only open to tenants aged between 16 and 24 in the first year of their tenancy. However, recently the programme has been expanded to include young tenants under 25 with any length of tenancy, and first-time social housing tenants of any age providing they have been in their property for less than 12 months. The project will run until January 2016 and the target is to deliver the course to 750 individuals.

delivering promises, improving lives
There are also a number of schemes in place to help homeowners across the district who are struggling to afford their mortgage. Wakefield Council offers a number of schemes to homeowners who are experiencing financial difficulty. These include the Breathing Space – Mortgage Assistance Loan, the Mortgage Rescue Scheme and the Preventing Repossession Fund.