

# Delivery Housing in a Difficult Economic Climate

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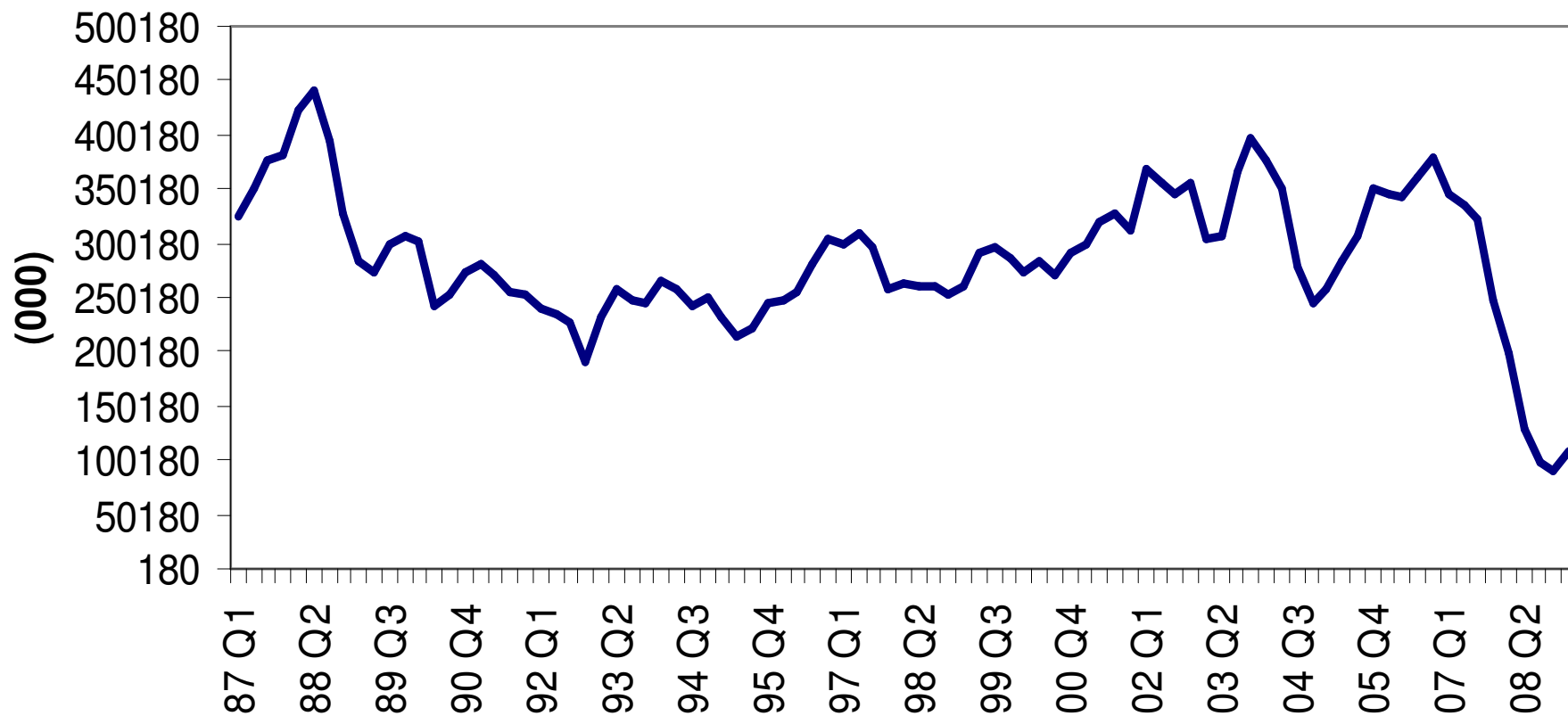
2 June 2009



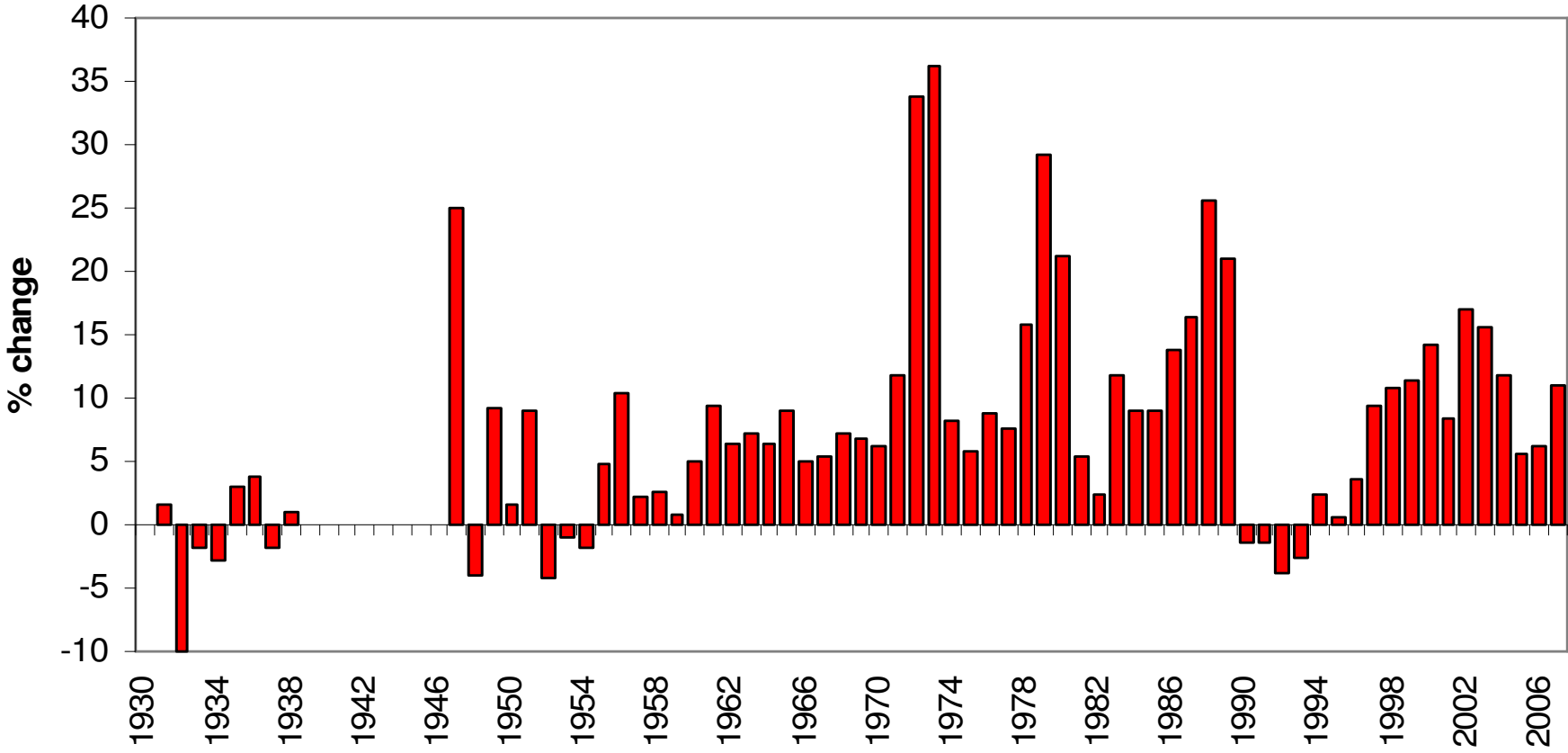
# SHORT-TERM

# THE CRISIS

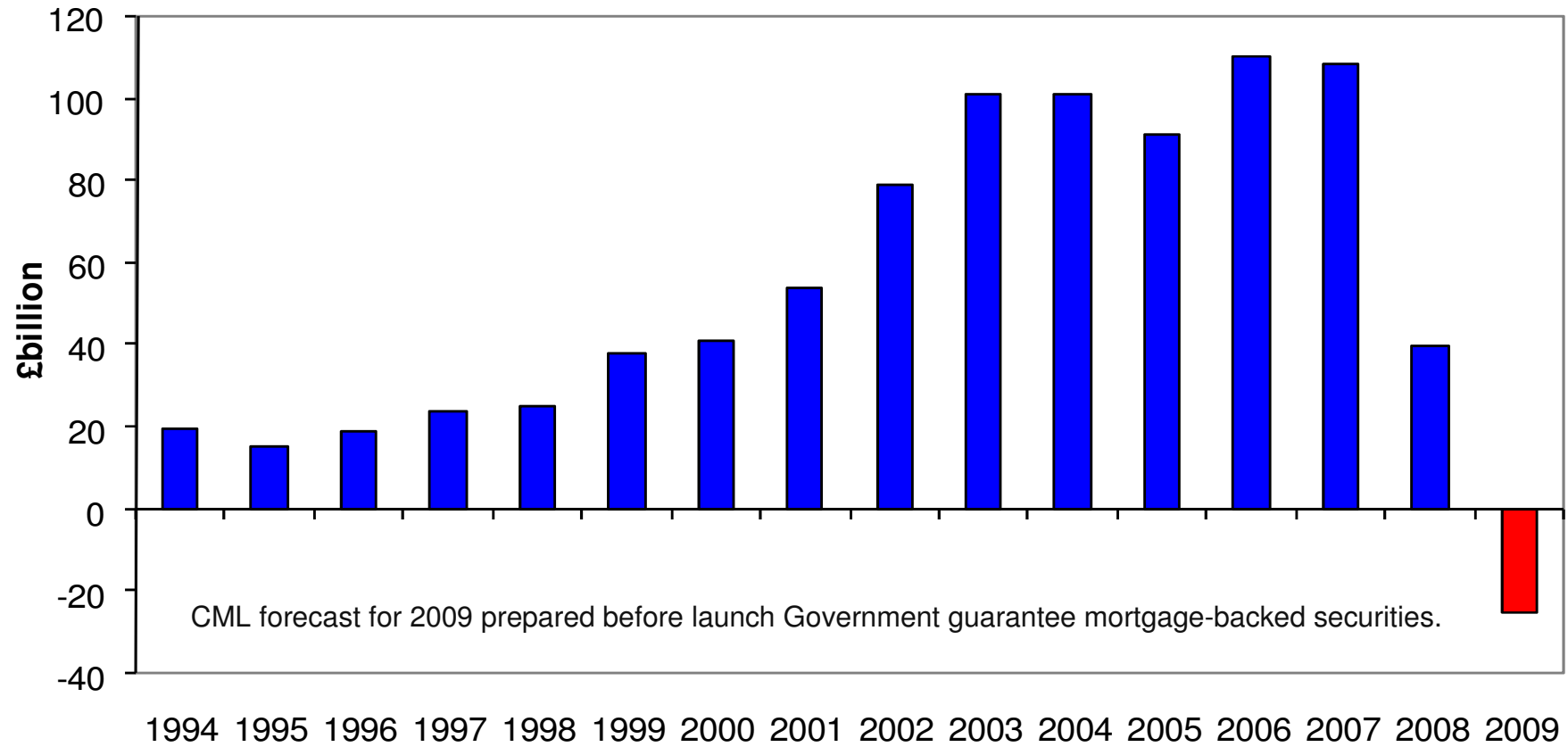
## Mortgage Approvals for House Purchase (UK) Quarterly totals



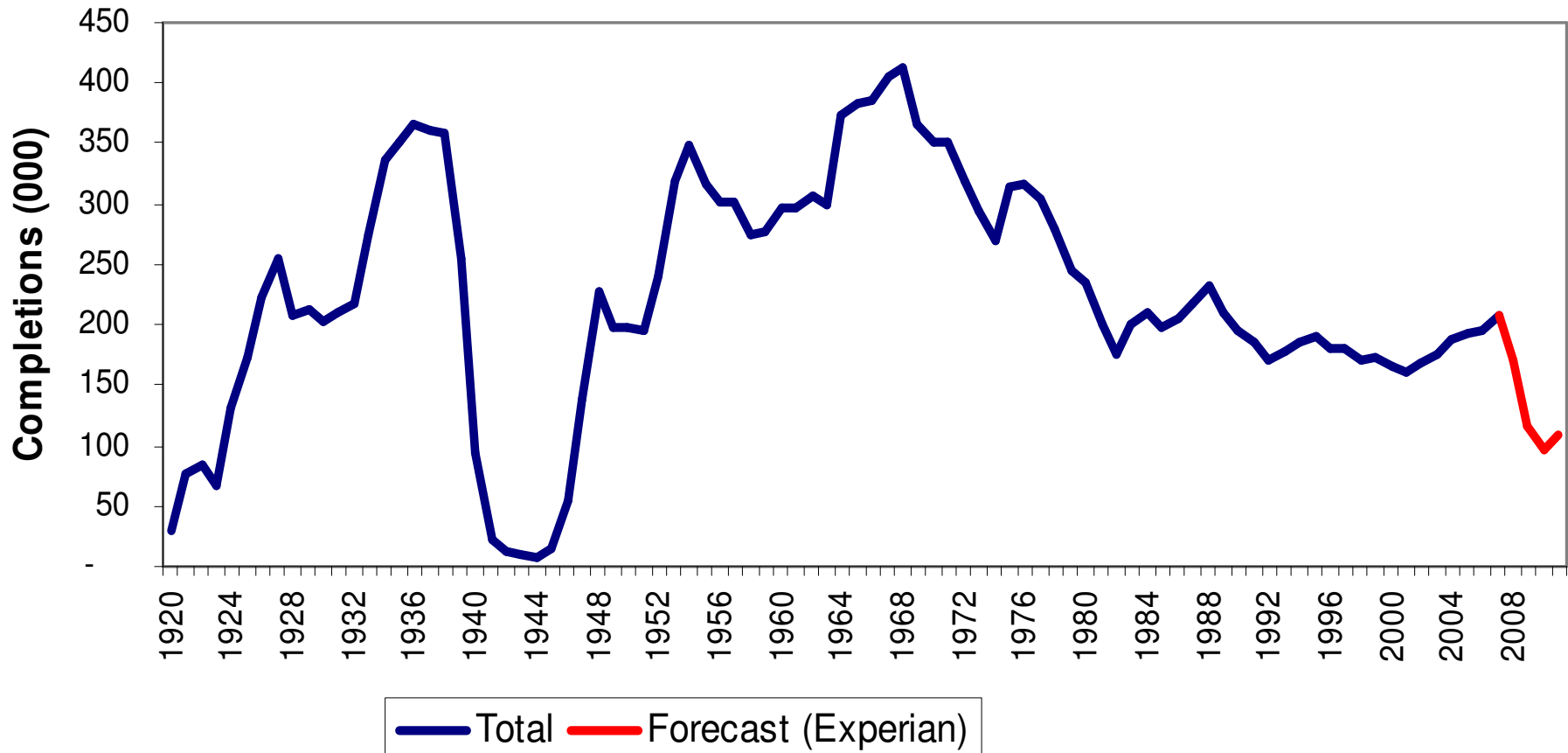
# Historic House Price Inflation Annual % change



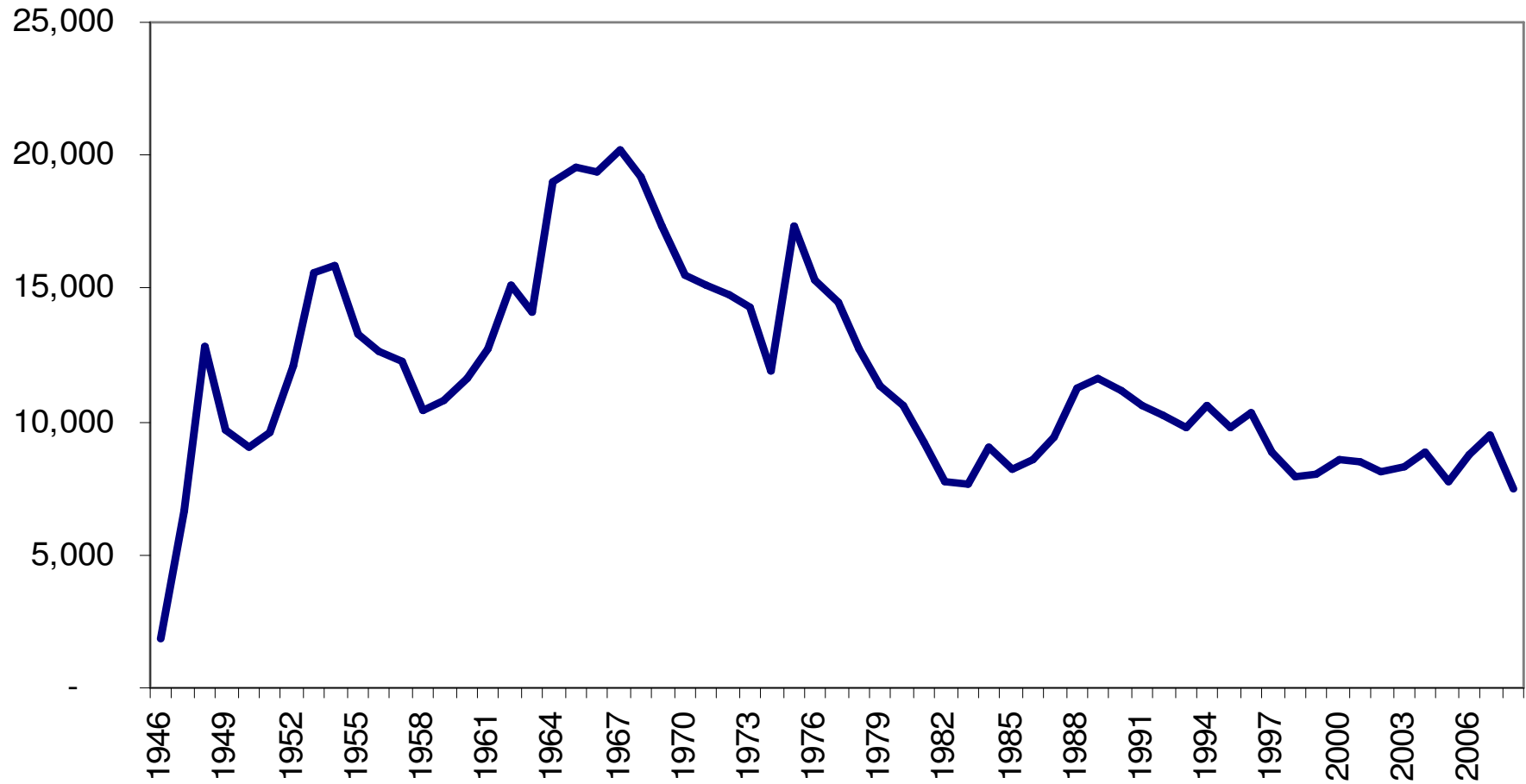
## Net mortgage lending (UK) CML forecast 2009



# Total Housing Completions (GB)



## Housing completions (Wales)



# Necessary Preconditions for Recovery

- Restoration of mortgage market
- End to recession & rising unemployment
- House prices stop falling

# Mortgage Finance Restoration

## Mortgage-backed Securities Guarantee

(from April 2009)

- Scale of guarantee
- Lenders take part
- Investor take up
- Easing of mortgage terms (e.g. LTVs, differential rates, fees, etc.)

# Government New Home Intervention

## HCA Broad 'Portfolio' Approach (England)

- RSL private **stock purchases** (£300m+)
- **HomeBuy Direct** (£300-480m, 18,000 units, ~£3bn sales)
- **Kickstart (Mothballed Sites)** (£400m, 9,000 units)
- **Affordable Housing** (grant rates, Intermediate Rent, tenure mix)
- **Private rental** initiative

# Local Authority Flexibility

To restore viability:

- Renegotiate S106 agreements including Affordable Housing
- Revised planning permissions (mix, density)
- Review other policy/regulatory demands



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