



CRC 5/08

29 January 2008

Rural watchdog welcomes change in law to help secure affordable rural housing

The Commission for Rural Communities (CRC) has helped secure a new government amendment to the Housing and Regeneration Bill – that will help ensure affordable housing for rural communities.

In discussion with the CRC, the government tabled a new amendment to limit the ability for residents of new shared ownership rural properties to sell on to the open market through 'leasehold enfranchisement'. The government described this amendment as a 'powerful tool to make sure that affordable housing remains affordable in perpetuity'.

CRC had expressed concerns that the ability to sell shared ownership homes in rural areas risked making it even harder for people on low incomes to find a place to live in their communities.

Speaking to the parliamentary committee debating the bill the government minister Iain Wright said: "The amendments have been tabled in response to concerns expressed to the government by rural stakeholders, including the Commission for Rural Communities.

"The amendments will help to ensure that shared ownership properties are retained for future purchases, where replacement would be difficult. It will give first-time buyers a chance to get on the housing ladder in these areas, while, at the same time, keeping properties as affordable housing for future purchasers.

"In some areas – for example small rural settlements – affordable housing is difficult to replace after a purchaser has bought it outright. In some circumstances, particularly in rural areas, land may not come forward for development if its owner cannot be assured that the housing built on it will remain affordable for future purchasers."

Jo Lavis from the Commission for Rural Communities welcomed the move saying: "This is great news for rural communities. The government's new approach will help ensure a long-term supply of housing that gives lower income households a step on the ladder and the chance to live and work in their communities. It is an important step to ensure that people from all walks of life, not just the wealthy, can live in rural areas. Hopefully it will also encourage landowners to offer more sites for affordable housing, whereas in the past they may have been reluctant because of a fear that the new homes may be sold off at a profit at a later date."

The government will be consulting over which areas and settlements will be eligible for this measure in the coming months. The CRC will respond to this consultation.

ENDS

For further information contact Chris Wynne-Davies on 07900 608030

Notes for editors:

1. Information about the Housing and Regeneration Bill can be found at:
www.communities.gov.uk/housing/strategiesandreviews/housingandregenerationbill/
2. Information about the Commission for Rural Communities and our work can be found on our website: www.ruralcommunities.gov.uk

Our Annual Review provides an overview of our activities during the last year
www.ruralcommunities.gov.uk/publications/annualreview20062007