



**LETTER:
AFFORDABLE HOUSING FAILURES**

Sir,

The Coalition Government has set a target of creating 170,000 extra affordable new homes by 2015, however recent figures show there has been a 4% fall in the overall number of homes built in the past 12 months, whilst the demand for housing is increasing.

I've just had to abandon a major scheme which would have provided over 750 new homes, 25% of which would have been affordable in an area of Rainham, Essex, which sorely needs them, as the amount of money the social landlords were initially able to pay for more than 180 homes was drastically cut. The irony is that the Communities Secretary Eric Pickles MP actually gave the scheme consent, primarily due to the severe shortage of such key housing. But by cutting funding which enables social landlords to pay for the affordable homes private developers are willing to build, which are sold to them way below market value as it is, the Government has prevented the scheme it actually approved from going ahead.

This is a scandalous missed opportunity which has prevented 750 families from finding a new home, up to 200 of whom would have been offered affordable housing. This is not an isolated case, it's the type of scenario being repeated up and down the country as the cuts kick in and developers are expected to shoulder more and more of the costs, to the point where major new community schemes like this are becoming untenable.

If the Government is serious about increasing housing provision, there are three fundamental flaws in the system which need to be tackled as a matter of urgency.

First, we need to ensure that the limited funding available to help the poorest households is targeted at those who need it most. One social landlord has recently been boasting that anyone earning up to £60,000 can qualify for its housing. That's a pay bracket which must apply to at least 95% of the population, as it certainly applies to up to 95% of my own staff. No wonder there is such demand for affordable housing.

Secondly, we need to get rid of the costly initiatives which divert funding away, such as the Discount Market Sale, which doesn't even have a salary threshold. So you can earn £100,000 a year and still qualify for up to 30% off a property, you just need to live or work in the vicinity of developments where it operates.

Last but not least, whilst I hope the Localism Bill will go some way in cutting the red tape which currently hinders developments in the face of any hint of opposition from an overly influential and vocal minority, against the wishes of the majority, the complex array of taxes and levies which stifle builders must be vastly reduced.

Only by freeing the building sector from the shackles of excessive red tape and taxation, and ending the inequity of a system which fails to address the needs solely of the poorest households, will this country ever be able to get anywhere near delivering the number of new homes, both private and affordable, that it so urgently needs. And let's not forget it's primarily developers who are needed to deliver this, as it's companies like mine which build the homes in the first place.

Yours faithfully,

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