



Budget 2018

Housing

- The Budget sets out the steps being taken to keep the government on track for housing supply to reach 300,000 a year. Further steps announced at the Budget include:
 - a new Help to Buy Equity Loan scheme that will run from April 2021 for 2 years
 - extending Stamp Duty Land Tax relief for first time buyers to purchases of all qualifying shared ownership properties
 - further investment to deliver more homes, including an extra £500m for the Housing Infrastructure Fund
 - confirming that the Housing Revenue Account cap that controls local authority borrowing for house building will be abolished from 29 October. The Welsh government is taking immediate steps to lift the cap in Wales.

Help to Buy and homeownership

1. To support those who need help to get onto the housing ladder, the Budget announces over £7.2 billion of funding to support around 110,000 first time buyers into homeownership.
2. A new Help to Buy Equity Loan scheme will run from April 2021 for 2 years. It will be available for first-time buyers, and for houses with a market value up to new regional property price caps set at 1.5 times the average forecast regional first-time buyer price, with a maximum of £600,000 in London.

New Help to Buy regional property price caps

Region	Price cap for properties eligible for Help to Buy Equity Loan scheme from April 2021 to March 2023
North East	£186,100
North West	£224,400
Yorkshire and The Humber	£228,100
East Midlands	£261,900
West Midlands	£255,600
East of England	£407,400
London	£600,000
South East	£437,600
South West	£349,000

Source: HM Treasury analysis

3. To further support people into homeownership, Stamp Duty Land Tax relief for first-time buyers will be extended to purchases of all qualifying shared ownership properties whether or not the purchaser elects to pay SDLT on the market value of the property.

Investing in more homes

4. Housing supply has increased by over 1.1 million since 2010, including over 375,000 affordable homes. The Budget commits and confirms further investment to deliver more of the homes needed:
 - the Housing Infrastructure Fund will increase by £500 million, to a total £5.5 billion, unlocking up to 650,000 new homes
 - the Housing Revenue Account cap that controls local authority borrowing for house building will be abolished from 29 October in England, enabling councils to increase building to around 10,000 homes per year.
5. The Budget also announces further progress on implementing the housing investments that it has previously committed to, including:
 - a new scheme, delivered by the British Business Bank, to support up to £1 billion of lending to SME housebuilders
 - £653 million to 2021-22 for strategic partnerships with 9 housing associations to deliver over 13,000 homes
 - £291 million from the Housing Infrastructure Fund to unlock 18,000 new homes in East London through improvements to the Docklands Light Railway
 - £75 million from the Home Building Fund for St Modwen plc, to fund infrastructure to build over 13,000 new homes.

New discounted homes in more neighbourhoods

6. The government wants to support parishes and communities to provide more homes for local people to buy, at prices they can afford. £8.5 million of resource support will therefore be provided so that up to 500 parishes can allocate or permission land for homes sold at a discount.
7. The government will also update planning guidance to ensure that neighbourhood plans and orders approved by local referendums cannot be unfairly overruled by local planning authorities. The government will also explore how it can empower neighbourhood groups to offer these homes first to people with a direct connection to the local area.

Planning for more homes

8. The government has already revised the National Planning Policy Framework which implemented 85 of the proposals set out in the Housing White Paper and at Autumn Budget 2017, ensuring that more land in the right places is available for housing.
9. The Budget launches a consultation on new permitted development rights to allow upwards extensions above commercial premises and residential properties, including blocks of flats, and to allow commercial buildings to be demolished and replaced with homes.
10. Alongside the Budget, Sir Oliver Letwin has published his independent review on accelerating build out. Sir Oliver found no evidence that speculative land banking is part of the business model for major house builders, nor that this is a driver of slow build out rates. The government will respond to the review by February 2019.

Land value uplift

11. The Budget confirms that the government will introduce a simpler system of developer contributions that provides more certainty for developers and local authorities, while enabling local areas to capture a greater share of the uplift in land values for infrastructure and affordable housing.