

Key Housing Measures

- No extension of the Stamp Duty holiday beyond 31st December 2009;
- Further support for HomeBuy Direct (an extra 3,000 new home sales);
- Measures to ensure every local authority has a robust five-year land supply – a response to HBF representations on the inadequacy of many local authority five-year supplies (through SHLAAs);
- Establishment of a “national baseline for regulatory costs across Government” – a response to HBF’s very effective representations on the cumulative impact of regulation, and a major advance in Government thinking;
- Postponement of Lifetime Homes until at least 2013 and a review of the standards.

List of Measures

Stamp Duty

The stamp duty ‘holiday’, under which the threshold for paying 1% stamp duty was raised from £125,000 to £175,000, will revert to £125,000 on 1st January 2010, as originally announced.

HomeBuy Direct (HBD)

The Government now expects 2,500 HBD sales by 31 March 2010. £100m of funding for HBD will be moved from 2009-10 to 2010-11. [HBF had already persuaded the Government and HCA to extend the previous deadline of 31st March 2010 to 30th September 2010.] This funding, plus an additional £50m funding for HBD through the Kickstart programme, is now expected to deliver around 3,000 new homes over and above the original target of 10,000 HBD new homes.

Housing Delivery

The 2009 Budget committed the Government to reporting at the PBR on a range of longer-term housing supply issues. The PBR contains a number of important commitments (PBR, Box 5.2, page 88) to achieve “an effective supply response through the recovery”.

- Measures to improve local authority five-year land supplies, with further action to secure delivery announced in Budget 2010. We understand Government accepts that many five-

year supplies are not robust, following strong representations by HBF, and that PINS will carry out a thorough review before the 2010 Budget;

- Exploring innovative mechanisms to bring forward surplus public sector land;
- By Budget 2010 CLG will undertake “an end-to-end review of the call-in process, seeking to speed up decision-making”;
- “Ensuring cumulative regulation does not unduly constrain house building”:

Establishing by Budget 2010 “a national baseline for regulatory costs across Government, to manage and mitigate the cumulative impacts of any new requirements, and explore with industry scope for reductions, whilst supporting the Government’s Zero Carbon Homes policy and exploring practical ways to reduce the costs.” The national baseline, something HBF called for back in January, represents a major advance in Government thinking. We understand it will be managed by CLG, with input from the Better Regulation Executive. We also understand it will cover all central government departments and local authorities, and will result in a coordinated approach to new regulation, and allowing examination of ways to reduce or simplify current regulation.

Any move to make Lifetime Homes mandatory has been postponed “until 2013 at the earliest”, with a review in early 2010 of “the case for and form of regulation on lifetime homes standards”;

A scale back of S106 requirements, after a transition period, as the CIL is introduced, with a consultation early in 2010 “on the appropriate usage of section 106”;

- A study into “promoting a strong and diverse house building industry” [already under way] covering “drivers of housing growth and the steps Government and industry could take to improve diversity and innovation, reporting by Budget 2010”;
- Delivering effective and coordinated infrastructure, including developing further reform proposals.

Private Rented Sector

A consultation document will be published in early 2010 “to consider the contribution the private rented sector could make to addressing demand and increasing housing supply, and any barriers to investment”.

Feed-in Tariff

The Chancellor confirmed that income from Feed-in Tariffs (FiTs) would not be taxable through income tax. The exemption appears to apply only to the (householder) recipients of FiTs where the electricity generated is primarily for their own use. The Treasury will legislate if necessary to ensure this treatment will be introduced with effect from 1st April 2010. The income tax exemption should enhance the value of FiTs for new homes with qualifying renewable electricity generation – a consideration for the zero carbon policy - but HBF will also check whether the tax benefit would also apply to FiT income that is assigned by householders to other parties.

Local Investment and Community Infrastructure Levy (CIL)

The Government will shortly announce detailed arrangements for implementation of the CIL from April 2010.

The Government will continue to examine the framework and primary legislation required to implement Tax Increment Financing; and it will examine scope for local authorities to borrow against future CIL revenues and against the revenues from new council homes to support delivery of new homes.

Planning Regime

The Government will publish shortly a revised Planning Policy Statement for economic development.

False Self Employment

“Following the consultation on false self-employment in construction, which closed on 12 October 2009, a summary of the responses received will be published in the New Year. The Government remains committed to addressing the problem of false self-employment in construction and will continue to work with stakeholders to develop a legislative solution that is well targeted, effective and that allows the industry to retain a flexible labour supply.”

Treasury on the Housing Market

“There remains considerable uncertainty on the outlook for the housing market. Lenders are still constrained by a lack of access to funding as concerns over solvency and losses have caused several lenders to strengthen their balance sheets. In these circumstances, lenders continue to be cautious about products and pricing, and have moved away from higher-risk lending. This, together with pressure on householders’ incomes may continue to limit the number of prospective buyers and so restrain further increases in house prices. As the market recovers, an increase in the supply of properties for sale may also serve to moderate prices.” (PBR, page 152)

The full PBR document is available at:

http://www.hm-treasury.gov.uk/prebud_pbr09_repindex.htm

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