

Supporting the housing market – urgent action needed now

We know what the problem is...

- Aspiring homeowners' **hopes** of getting onto the property ladder are being **hit hard** by the current conditions affecting the housing market.
- Recent figures show that developers are scaling back their building plans as buyers are finding it **ever harder to access mortgages** to purchase new homes.

...seeing this situation worsen is in no-one's interests...

- The Home Builders Federation is pleased that the Government has recognised the need for action, but we believe that **much more than current measures is needed**.
- Without urgent action, homeownership for first-time buyers will become **even more difficult**.
- And the Government's housing targets will **not be achievable**

...so what's the solution?

- HBF believes that **more can be done**. Here's how...

Short-term

- **A reduction in interest rates by 0.5%**
 - A further rate cut will help ensure that mortgages remain within reach of first-time buyers.
- **Take action to ensure the £50bn liquidity package takes quick effect & increase the funds available to banks**
 - The package needs to be used to help restore a more normal availability of mortgage finance.
- **A limited-length stamp duty holiday on all purchases up to £1m**
 - Buyers at all levels of the market are struggling to buy. A stamp duty holiday would help considerably. It would also support confidence more generally.
- **Allocation of funds to allow Registered Social Landlords to purchase new homes**
 - Unsold new homes offer a way for RSLs to provide much-needed affordable homes.
- **Suspension of Home Information Packs**
 - The cost and bureaucracy of HIPs have already had a significantly adverse effect on the housing market.

Medium-term

- **A first-time buyer deposit loan scheme**
 - This would help first-time buyers to bridge the gap between prices and the amounts lenders are now willing to lend.
- **Mortgage interest relief for first-time buyers and parents helping children onto the housing ladder**
 - Parents are increasingly playing a large role in helping their children own their own homes. Giving them mortgage interest relief would help ensure that this group is not disadvantaged.
- **A permanent rise in the threshold of the 1% stamp duty band to £250,000**
 - Removing stamp-duty from most properties bought by first-time buyers would be a welcome boost to those struggling to access the housing ladder.
- **A reduction in the burden of regulatory costs on the housebuilding industry**
 - The cumulative effect of Government regulation is leading to a hugely detrimental effect on the viability of land for development, and therefore housing supply.
- **A widening of the definition of affordable housing**
 - Including low-cost market housing in the official definition of affordable housing is an easy and practical measure to increase the supply of affordable, private housing without the need for any government subsidy.

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