

## Don't cut Kick-start budget, urges HBF

### Maintenance of cash levels tops wishlist for pre-Budget report

Jamie Obertelli

The Home Builders Federation has called on the government to maintain and if possible increase the Homes and Communities Agency's budget for the £925 million Kick-start programme, in its submission of suggestions to be included in the approaching pre-Budget report.

The HBF sent a report to the Treasury last week outlining the steps its members felt were needed to facilitate a revival in the housing market and highlighting the benefits of boosting house building.

The body stressed that the building industry needed continued government support to boost the number of housing starts, adding that current support schemes must be maintained to underpin a recovery.

The report said: 'Such funding could, by helping boost housing production, increase private and affordable housing output, increase

### HBF pre-Budget report suggestions

- Extend the existing deadline for Homebuy Direct scheme until September 2010 at least and perhaps until the end of the 2011 financial year
- For the Treasury to maintain and be prepared to increase the Home and Communities Agency's budget for the £925 million Kick-start programme
- The temporary increase in the stamp duty threshold, due to expire at the end of the year, should be extended for another year and the threshold raised to £250,000
- To introduce a dedicated government-backed national home deposit savings scheme to help first-time buyers
- The addition of a mortgage indemnity guarantee scheme for house purchases to stimulate the housing market

employment, boost supply chain activity, and help progress towards the zero-carbon homes target.'

The body also stressed the importance of extending the deadline for the Homebuy Direct scheme - which provides equity loans of up to 30 per cent of the value of a home for first-time buyers and is set to close at the end of the financial year - or risk stifling the 'steady momentum' the programme has built up.

The HBF said the scheme should be extended to the end of the 2011 financial year so the initiative could achieve its true potential. The body

warned that discussions with the HCA suggested the government was only considering a 'limited extension', restricting legal completions beyond 31 March, which the federation deems 'completely inadequate'.

The government has already pledged this year to use the pre-Budget report next Wednesday to set out its strategy to support an effective housing supply response through the recovery and to maximise delivery of high-quality, energy efficient homes.

 For more on the HBF report go to [www.insidehousing.co.uk](http://www.insidehousing.co.uk)

### Opinion

David Levenson

The banking world c  
in 2007 - and so did  
housing finance

9 August 2007 will go down that changed how the banki operates, perhaps forever.

On that day, BNP Paribas to the world that it had billic pounds of debt on its books against US sub-prime mortg couldn't be priced. BNP Par rendered unworthy to recei credit. Global panic ensued stopped lending to each oth

Little did we realise at th this would also herald a fun change to housing associati finance models. In fact, as f directors look towards next crystal ball is murkier than time during the past 20 ya

Before last September, in had actually been rising, fu escalating oil and grain pric as governments pumped bi pounds into ailing banks an ruthlessly cut interest rates plummeted and recession t

The impact of the massive dislocation in financial marl been profound for housing associations. Since 1988, wh finance came into the social world, the long-held assump been that rent and cost indic increase at broadly the same

That link has now been br Consumer Price Index is at a rate than Retail Price Index, was at -1.4 per cent in Septer CPI is a much more reliable i of costs and it is running at j per cent and has been since September last year. If you c longer rely on costs and rent the same rates you have to b more careful about your bot

Forecasters expect the ga during 2010 as quantitative ends and interest rates start But no one is prepared to be timing of this outcome. In tl meantime, the gap between and cost indices is set to gro David Levenson is director of fi resources at Network Housing

### Development of the week Meadow Gardens, Oxford



**Local authority** Oxford  
**Housing association** A2Dominion  
**Architect** MEPK Architects  
**Contractor** Bugler Developments  
**Number of homes** 30  
**Cost** £4.9 million  
**Completed** November 2009  
**Features:** Six one-bedroom flats, 21 two-bedroom flats and three three-bedroom houses. Half of these are for either affordable rent or shared ownership. There is at least one parking space per home, balconies to some of the flats and a communal garden for residents.

The homes have been built to Level 4 of the Code for Sustainable Homes. Work completed this month after getting under way in August 2008.