

**MORE NEW  
LOW COST  
HOMES FOR  
LONDON**

# Mayor's 50 per cent affordable housing target delivers for first time buyers

**E**VERYONE knows that buying a home in London is extremely expensive.

This is because not enough new properties have been built in London over the last 25 years.

As a result, house prices have shot up, making it more and more difficult for Londoners to find a decent home at an affordable price.

The average price of a property in London in October last year was

nearly double that of the rest of England and Wales at £351,039 compared to £184,346.

And the high cost of housing means that there are around 150,000 families living in overcrowded conditions and 60,000 families living in temporary accommodation in the capital.

To tackle these problems the Mayor's London Plan set a target for 50 per cent of all new homes in the capital to be affordable – a tar-

get that is backed by 83 per cent of Londoners. A few developers have claimed that requiring them to build more affordable homes would drive down the overall number of new builds.

But in fact more than 27,000 homes were completed in the 2006/07 financial year – a massive increase on the 17,000 new homes built in 1999, the year before the London Mayoralty was set up.

Now that the Mayor has been

given control over London's housing strategy he has announced funded plans to provide 50,000 more low-cost and affordable homes over the next three years.

And many more of these low cost homes will have three or more bedrooms.

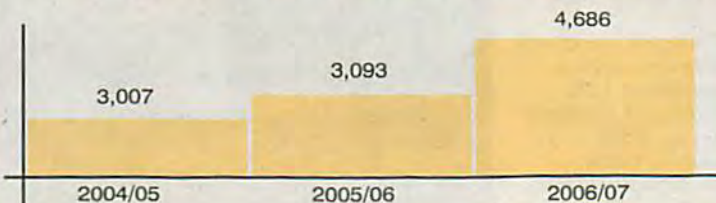
The Mayor's efforts to improve housing in London are already having an effect with a record number of new homes for low cost home ownership built in the last financial year. Between April 2006 and

## LOW COST HOMES: THE FACTS

### Number of low cost shared ownership homes built in 2006/7

Barking and Dagenham	132	Hounslow	403
Barnet	8	Islington	244
Bexley	71	Kensington and Chelsea	0
Brent	176	Kingston upon Thames	17
Bromley	48	Lambeth	74
Camden	31	Lewisham	21
City of London	0	Merton	44
Croydon	104	Newham	271
Ealing	428	Redbridge	245
Enfield	59	Richmond upon Thames	19
Greenwich	185	Southwark	359
Hackney	370	Sutton	137
H'msmith and Fulham	221	Tower Hamlets	394
Haringey	79	Waltham Forest	89
Harrow	181	Wandsworth	206
Havering	51	Westminster	16
Hillingdon	3	London total	4,686

### Shared ownership homes built in London between 2004 and 2007



HOME SWEET HOME: Low cost homes in Richmond

## Over 28,000 homes were completed last year

March 2007, 4,686 new homes of this type were built in the capital.

This is the highest annual figure ever, an increase of nearly two thirds on the previous year and three times the level achieved in 2001/2.

Of the five councils with the most new, shared ownership homes, four have adopted the Mayor's 50 per cent affordable homes target.

Mayor Ken Livingstone said: 'High London house prices mean we have to provide more affordable home ownership opportunities as well as homes to rent.'

'My tougher targets for affordable housing are helping to make many more lower income Londoners homeowners.'

Londoners will be able to give their views on the statutory housing strategy when consultation begins after the Mayoral election in May. Look out for information on how you can take part.

Case Study

MOVING ON UP:  
Yasmin McCarthy in her new home



# 'I finally have my own space and more independence'

YASMIN McCARTHY, a 33-year-old NHS pharmacy technician, had spent years living with different friends, partners and family members since leaving home at 24, and really wanted her own home.

'I wanted more stability in my life and my own place. But

being single and in full-time employment it was near impossible to get any help from the local authority,' she said. 'But I found out about the Open Market HomeBuy scheme. They had a financial adviser look into my finances before I was accepted and she

told me the price of the home I would be able to afford.'

Yasmin then found a one-bedroom flat in Enfield, north London, for £125,000 from Metropolitan Home Ownership and negotiated the price down to £122,500.

'That was the maximum I

could go up to but the offer was accepted and I moved in last April. On the scheme she got a mortgage for 75 per cent of the purchase price and a loan – interest free for five years – for the other 25 per cent.

The £5,000 she had saved as

a deposit, she said, came in handy for paying valuation, surveyors and solicitors' fees and buying new furniture.

'It's great. I finally have my own space and more independence. It's not the biggest flat in the world but it's ideal for just me.'

## 'Everything is brand new. We are really pleased with what we've got'

WHEN Jason O'Brian and Jamie O'Sullivan returned home to Dagenham after being abroad they discovered they couldn't afford to buy a home.

Rather than rent a place, warehouse manager Jason and fashion student and part-time make-up artist Jamie both moved in with their parents and saved for a deposit.

'We wanted a place of our own and we certainly didn't want to be paying off someone else's mortgage,' said Jason. 'So we thought we'd better get on the

property ladder before it gets even harder.'

Eight months later they had enough to start looking for one-bedroom properties.

A friend told them about the New Build HomeBuy scheme and the couple contacted the Metropolitan Home Ownership housing association. They fell in love with the first property they were shown – a two-bed flat in East Village in Dagenham – on a new build development of one and two-bedroom properties.

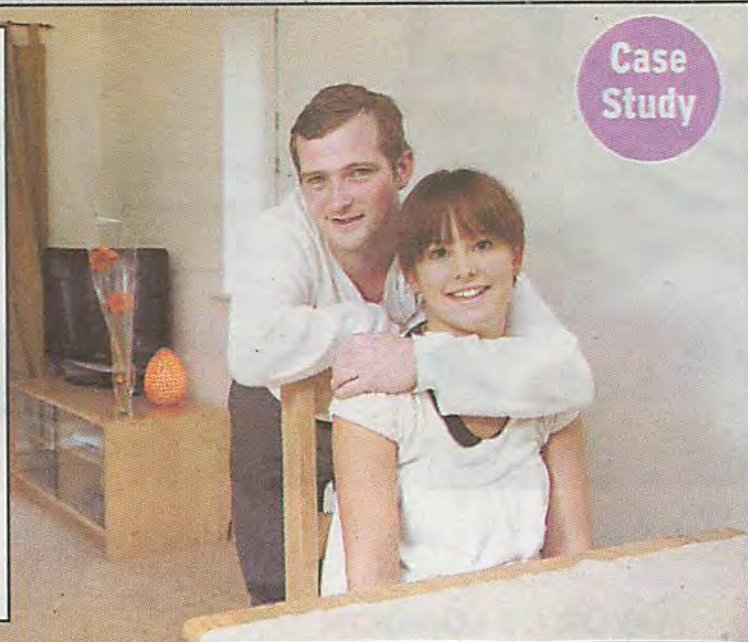
The couple bought a 50 per

cent share in the home in March last year for £75,000 and now pay a mixture of mortgage and rent. And the plan is that when Jamie starts working full-time they will be ready to buy the other 50 per cent of their home a year after they moved in.

Jason said the development is in a quiet area, but also close to a Tube station.

He added: 'We have two double bedrooms and everything is brand new.'

'We are really pleased with what we've got.'





❑ **FOUR-WALL AFFORDABILITY:** Low cost flats in East London

# Affordable housing: What's the best for me?

## ● **New Build HomeBuy**

A part-buy part-rent scheme, also known as shared ownership, aimed at helping first time buyers get on the property ladder.

People can buy more shares of the property when they can afford it.

All homes for sale on this scheme are new builds.

**Who's eligible:** Anyone unable to buy outright can apply. Priority is given to council and housing association tenants, eligible key workers and other groups such as first time buyers.

## ● **Open Market HomeBuy**

For those who want to find their own home on the open market and can raise a mortgage for 75 per cent of the purchase price.

The other 25 per cent of the property is bought using interest-free loans from the government and approved lenders. If the owner sells or stops being a key worker, the loan has to be paid back.

**Who's eligible:** Social tenants and those on housing registers, key workers and some other priority first time buyers.

## ● **First Time Buyers Initiative**

Similar to Open Market HomeBuy but for first time buyers purchasing a home that has been built as part of a FTBI development.

One or two-bed homes are bought with an affordable mortgage and government assistance. When the home is sold the government is entitled to a share of the sale proceeds.

**Who's eligible:** First time buyers who are key workers or other priority groups who cannot afford to buy.

## ● **Social HomeBuy**

This allows social housing tenants to buy their current social housing home on a shared ownership basis with the benefit of a discount. But not all social landlords

offer this option.

**Who's eligible:** Only existing secure or assured tenants of participating housing associations or councils.

## ● **Intermediate Rent**

This offers people the chance to rent a new or refurbished apartment at a subsidised rent. Rents are set at a maximum of 80 per cent of what private landlords would charge for an equivalent property.

**Who's eligible:** Mainly key workers but sometimes people who serve the local community or make a direct contribution to the local economy as decided by the regional housing boards.

**To find out if you may be eligible to get a low-cost affordable home to buy or rent contact Housing Options, the one-stop shop funded by government. Registration is free. Tel: 0845 230 8099 or go online at [www.housingoptions.co.uk](http://www.housingoptions.co.uk).**



❑ **LOW COST LIVING:** Affordable flats in Islington