



South Hams
District Council

Press Release

Increase in Grant to help Devon's Housing Crisis

The successful partnership between Devon's Local Authorities, Housing Associations and the Housing Corporation has resulted in an increase of nearly 65% in grant for new affordable housing for rent and sale in Devon. This compares with an average increase in funding across the South West of just 48%.

Devon Strategic Housing Group has confirmed that just under 2000 new properties for Rent and for Sale (through New Build Home Buy) are planned across Devon between now and 2008. Devon will receive £70 million in social housing grant from the Housing Corporation between 2006 and 2008. In addition to the properties funded by the Housing Corporation Local Authorities hope to deliver more than 500 additional homes across Devon through the planning system.

Most of the new housing will be built in the main urban centres of Plymouth, Torbay and Exeter. However, many of the rural Districts such as East Devon, Mid Devon, South Hams, Teignbridge, Torridge and West Devon will also receive a significant increase in funding.

Simon Sherbersky, Chair of Devon Strategic Housing Group said: "This is fantastic news for Devon. We are pleased that the problems of affordability in Devon are being recognised. However, there is still a lot to do and it is vital that this level of investment is sustained if we are to make real progress in meeting the increasing need for affordable housing in Devon."

In spite of the increase in funding Devon's Local Authorities are struggling to keep pace with the demand for affordable housing as properties are increasingly unaffordable.

In 2004 the some of the cheapest properties in Devon were 8.6 times the incomes of those in the lowest quartile earnings. In areas such as South Hams this ratio increases to 12 times the incomes of the lowest earners putting the opportunity to own their own home out of reach for many of Devon's households.

The average salary needed for an average house in Devon was £55,610.

The rise in demand is reflected in the increase in the numbers of people turning to their Local Authority for help. Devon's Local Authority housing waiting lists have almost doubled since 1999.

On top of this Devon is experiencing high levels of in-migration with an estimated net average growth in population of 4,400 each year. Devon also has approximately 11,000 dwellings which are second homes or holiday homes.

As part of the awareness raising campaigns across Devon and the South West, Devon Strategic Housing Group has recently launched the first edition of 'Devon's Housing Evidence' a leaflet setting out some of the key statistics about Devon's Housing Crisis.

-Ends 023-06-

Notes to editor

1. Mary Ridgway, Coordinator for Devon Strategic Housing Group can be contacted on (01803) 861180.
2. Devon Strategic Housing Group is a strategic partnership of all the Devon Housing Authorities working to improve the delivery of housing in Devon.
3. The average salary needed for an average house in Devon was £55,610. This assumes a 95% mortgage and borrowing at 3.5 times salary in 2004.
4. A summary of Devon's Housing Evidence and sources is available from mary.ridgway@southhams.gov.uk.
5. Government funding for the Housing Corporation's 2004-06 round in Devon totalled nearly £70 million, to deliver 1939 homes. This compares with funding for the whole of the South West of around £281 million, delivering 7,600 homes.
6. Nationally Government funding for the Housing Corporation's 2004-06 round totalled £3.3 billion, to deliver 63,000 homes. Funding for 2006-08 has risen by 15% to total £3.9 billion, which is set to deliver 84,000 homes – a rise of 33%.
7. The funding process under the Corporation's National Affordable Housing Programme (NAHP) begins when Regional Housing Boards prepare regional housing strategies to identify the priorities for housing in their region. Central Government approves the recommendations and allocates the funds to the Housing Corporation for allocation to its developing 'Partners'. Potential 'Partner' organisations are then invited to bid for a share of the funding, via a two-stage bid process. As part of this process the Housing Corporation submits its final allocation decision which meets the priorities identified by the RHB, to the Housing Minister to approve.