

What will 2020 and beyond bring for the affordable housing sector?

Is 2020 the year we will finally see some new housing legislation? The Government put forward a number of housing proposals in the December 2019 Queen's Speech:

- **Build a million more homes over this Parliament.** There are clear opportunities and challenges for HAs in helping to deliver on the Government's ambitious target. Will we see an increase HAs working in partnership with Homes England, other HAs, private developers and local authorities to bring forward larger schemes?
- **Introduce a new, reformed shared ownership model.** The detail is still sketchy, but Robert Jenrick has spoken of people buying their homes in 1% chunks. There will be obvious costs challenges with low value staircasing and HAs may need to look to efficiencies in their internal policies to deal with an increased administration burden.
- **Launch a consultation on First Homes.** After the failure of the Starter Homes scheme, it is hard not to be cynical about this latest idea for a 30% discount for local people and key workers secured in perpetuity. There is little detail available, and it is not clear whether there will be any role for HAs in the new scheme.
- **Abolish unnecessary ground rents on new leases and give new rights to homeowners to challenge unfair charges.** The change to ground rents has been expected for some time and should have minimal impact on most HAs. Some HAs – as well as private developers - have faced criticism over unfair property charges (such as permission fees) and HAs will need to be prepared to review their policies.
- **Renters' Reform Bill.** This act will abolish no fault evictions and introduce a lifetime deposit. HAs with a PRS portfolio will need to be aware of the changes and also be alert to any impact on social tenancies.
- **No mention of Help to Buy.** The current scheme ends in April 2021 with a more restricted scheme running to March 2023 and as yet there is no mention of a further extension. There has been speculation that the end of HtB will lead to an increase in demand for shared ownership, which could provide greater opportunities for HAs. But with more institutional investors coming into the market, will the competition push HAs out of shared ownership?

The Government has also spoken about a ban on new leasehold homes, changes to legislation around lease extensions and reinvigoration of commonhold. It remains to be seen how many of these policies will become law.

With a comfortable Conservative majority settling in for a five year term, it is however fairly certain that there will be a continued focus on home ownership over social rent and it is possible that we could see a very different housing sector by the end of the decade.

Spire Solicitors LLP is a leading provider of legal advice to the affordable housing sector. To find out how Spire can help your organisation, contact us on 01603 677077 and ask to speak to a member of the Social Housing Team.

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