

## **PRESS RELEASE**

### **Major Report on the Affordable Housing Market – UK 2005**

The first major review of the UK Affordable Housing Market has just been published by AMA Research. The report is informed, comprehensive and up-to-date, and represents an invaluable aid to sales and marketing professionals involved in the industry.

The report analyses the market size, key trends, product mix, market shares and customers, and distribution channels.

Emphasis is given to both quantitative and qualitative assessments of market developments - with interpretation of relevant data to give support to the trends and to provide a basis for extrapolating future prospects.

This 98 page report is available now and is priced to give excellent value at £595.

#### **Editor's Note:**

Enclosed is the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you require more details please contact:-

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- It would be appreciated if a copy of the review could be forwarded to AMA.

The Social Housing Grant is the main form of investment used by the Housing Corporation to invest in affordable homes. It is a grant used mainly for funding the difference between what a Housing Association invests in affordable homes (from borrowing or from revenue on its activities) and the amount of the actual building, acquisition and property management costs. During the period 2004-06, the £3.3 billion of public subsidy administered through the Approved Development Programme (ADP) will be invested in housing schemes built or acquired by housing associations to provide affordable homes.

The ODPM defines social housing as comprising those dwellings owned by RSLs (Housing Associations) and Local Authorities. Affordable housing, however, is subsidised or "low" cost housing of any tenure. Figures for social housing (usually rented accommodation) can be derived from the ODPM tables, but this grouping should not be confused with affordable housing, which cannot be derived from the tables and is less easy to define in statistical terms, particularly as it includes a mix of new build and 'rehabilitation'.

Completions of new build homes and rehabilitation / acquisitions, excluding Homebuy, for the first year of the 2 year programme are shown in the table below.

<b><u>Completions of New Build and Rehabilitation Homes - England 2004-05</u></b>			
<b>Region</b>	<b>New Build</b>	<b>Rehab</b>	<b>Total</b>
East Midlands	1,443	212	1,655
Eastern	2,846	227	3,073
London	5,943	1,219	7,162
North East	671	52	723
North West	1,588	486	2,074
South East	5,717	1,059	6,776
South West	2,519	284	2,803
West Midlands	1,800	266	2,066
Yorks. & Humberside	871	164	1,035
<b>Total</b>	<b>23,398</b>	<b>3,969</b>	<b>27,367</b>
<i>Source: Housing Corporation</i>			

The above figures relate to **England** only which is the focal point of the Affordable Homes programme. Affordable homes are not just social houses for rent, they also include low cost ownership. Although the majority of the Housing Corporation's grant is committed to rented homes in the social sector, low cost home ownership schemes such as *Homebuy* are becoming more popular as more and more householders wish to own their homes.

In order to address further the undersupply of affordable housing, the largest ever investment programme to cover the period 2006 – 08 will be administered under the renamed National Approved Development Programme. In a move designed to give the public better value for money, this will be the first time that this programme has been opened up to unregistered bodies in addition to Housing Associations.

Although targets will continue to be set at a national level, there is a continuing trend to set strategies at a regional and local level which is now the responsibility of the Regional Housing Boards.

Supply chain efficiency will be a key requirement for timely and cost-effective delivery of affordable homes and, fundamental to this efficiency, will be the use of modern methods of construction. Of the 23,398 affordable homes completed in 2004/05, it is estimated that 56% or 13,185 units were constructed using MMC – as the table below illustrates, London and the South East regions have the dominant share totalling 7,362 units, or 56% of the national total.