

news release



Changes in the Construction Industry

Current media coverage is dominated by news of the 'global credit crisis'. The most prevailing being that the excessive lending at low rates for house mortgages over the past ten years has forced private house prices to a peak and a fall is, questionably, long overdue.

In today's uncertain economic environment, Registered Social Landlords (RSLs) continue to encounter a number of challenges in the sector but interestingly the future seems optimistic in comparison with that of the private sector.

Uncertainties in the housing market

Despite the recent uncertainties in the housing market, with the number of new homes being built in England dropping, the amount of homes being constructed by RSLs has dramatically rocketed, compared with the same period of 2007. With private home sales collapsing, the construction industry and the thousands employed within it, is now being propped up by the construction of "affordable" housing to accommodate the demand by RSLs.

The Department for Communities and Local Government (DCLG) has just introduced new measures aimed at boosting the housing market. The DCLG has promised to "bring forward funding for social housing from existing budgets, delivering more social homes sooner". Existing homeowners who are now unable to keep up with mortgage payments have been offered new methods of staying in their home, whereby RSLs can pay off the remaining debt and then charge the tenants affordable rent.

Easing legislation

The government has also been called upon to ease legislation on RSLs to enable them to purchase unsaleable properties at a large discount and accommodate the demand for local housing. RSLs can take advantage of this as they are still able to obtain credit at better lending rates than private home buyers.

It seems the 'global credit crunch' may in many ways be an opportunity for the social housing sector to prosper.

If you need assistance or further information about any of the issues raised above, please contact Shaun Brownsmith on 01908 662255 or [email here](#).