

Priority 1

Affordable Housing Growth

1.5 Affordable home ownership, self build and custom build

Affordability across all tenures remains an important issue in Leeds, current average property prices in Leeds constitute 7.0 times the average income and 12.9 times the bottom quartile income in Leeds (January 2014). Should prices continue to increase at their current rate (3%) then by 2020 these will have risen to 8.6 and 15.8 respectively.

Access to owner occupation remains difficult particularly for younger households and this is having the effect of increasing demand for market rent housing in the city. In terms of support to access owner occupation, the government has introduced the "Help to Buy" scheme which provides support to purchasers to buy new build housing with the benefit of a government loan. Help to Buy has had a significant effect on the market in Leeds assisting in property purchases.

The Council itself has established schemes to support affordable home ownership. Most recently it has set up the Leeds Local Authority Mortgage Scheme which provides a mortgage indemnity (i.e. it underwrites a proportion of mortgage costs for a fixed period) and which is supporting buyers. As the scheme can be applied to second hand houses it can also help to unlock the market in their neighbourhood.

Supporting people to buy their own home has the advantage of helping to deliver housing growth more generally and the council has worked proactively with developers and housing associations to identify ways to help support demand for homes, particularly from first time buyers unable to gain access to the housing ladder.

Affordable home ownership is also key to enabling older owner occupiers to "downsize" and release family homes onto the market increasing the supply of larger units to the overall stock of housing in the city. The Council works with providers to encourage the development of new homes specifically for older people.

There is a growing interest in self-build and custom build not only as a way of meeting the housing requirements of individuals or groups of individuals, but also as a way of contributing to housing growth. Custom build and self build schemes offer the construction of homes which can be innovative in design, energy efficiency and low carbon construction, in addition to often offering training and skills opportunities to participants.

The Council is looking at ways to support custom and self build projects through work with the [Homes and Communities Agency](#) to help identify sites. The Council can make sites available to the market for this purpose and look at how custom build can be incorporated into larger mixed tenure schemes.



Case Study

Leeds Local Authority Mortgage Scheme

The Council joined forces with the Leeds Building Society to launch the 'Helping Hand' mortgage scheme which is designed to help first time buyers get on the property ladder. Often, the reason why first time buyers struggle to get on the property ladder is because they cannot raise a large enough deposit to satisfy the lender's borrowing criteria. Under the scheme, the Council placed a £1m deposit with Leeds Building Society which provides mortgage guarantees for up to 40 first time buyers. Where second hand houses are purchased this can support around 5 additional house moves in the chain – that is up to 200 house buyers who are buying their next homes and will be able to do so because the first time buyer can get a mortgage to start the upward chain.