

Rentplus Housing White Paper response

Executive Summary

Rentplus is the leading provider of privately funded affordable rent to buy homes nationally. We have ambitions to deliver 5,000 affordable rent to buy homes by 2020 without any public subsidy. The Rentplus model offers aspirant home owners security of tenure with the opportunity to rent, save, and then purchase their own home.

We welcome the Government's commitment to address the serious and systemic issues facing the country in order to fix the broken housing market; the delivery of more homes of all tenures is an absolute priority if we are achieve this ambition. We share the Government's concerns about the increasing unaffordability of many housing options and particularly for those who are struggling to get by. It was for this reason that Rentplus was established, in order to provide a new and innovative affordable housing option for those who are otherwise excluded.

As a hybrid tenure which is both affordable rent (for the period that the tenant is saving to buy) and affordable home ownership, the Government's Rent to Buy programme and other privately funded affordable rent to buy models (such as the Rentplus model) do not neatly fit within any of the proposed affordable housing definitions. Indeed, providers of affordable rent to buy housing already have had experience of local authorities not accepting them as affordable housing due to this confusion of definition. Without explicit reference to rent to buy in the NPPF definitions, this situation will continue and opportunities to deliver genuinely more affordable homes will be lost.

In addition to responding to the questions posed in the Housing White Paper, we highlight a number of areas where we seek clarification of the Government's intentions behind the policy proposals.

Set out below is a summary of our main queries:

i. Does the Government wish to encourage private institutional investment into a range of affordable tenures or only in private rented housing and shared ownership (through housing associations).

ii. Will support for people to buy their own home be limited to the Help to Buy and Starter Homes programmes or will other models of affordable home ownership be included within the scope of this policy.

iii. There are several references to 'Rent to Buy' throughout the White Paper; it is unclear whether this means only the Government's Rent to Buy programme or whether this also includes privately funded models of affordable rent to buy.

iv. The clear policy expectation that housing sites deliver a minimum of 10 % affordable home ownership units is welcome; are both the Government's Rent to Buy programme and other models of affordable rent to buy considered an affordable home ownership product for these purposes.

v. Will the Starter Homes Land Fund sites requirement to include both starter homes and other types of affordable home ownership products include privately funded affordable rent to buy in addition to shared ownership and Rent to Buy (the presumption being this refers to Government's Rent to Buy programme).

Notwithstanding the points of clarification set out above, the single most important proposition that we make in our response is that the Government includes a new additional definition of 'Affordable rent to buy' within the revised NPPF affordable housing definition.

Proposed definition of Affordable rent to buy housing:

"Affordable rent to buy housing is housing that is made available at a rent level which is at least 20% below market rent (including service charges where applicable) and later made available to the tenant living at the property to buy at a cost which may be less than market value. Provision should be made for receipts or a proportion thereof to be recycled for alternative affordable housing provision if the subsidy is withdrawn. Eligibility is determined with regard to local incomes and local house prices"

