

Affordable homes for rent and purchase

I attended the debate on a Ten Minute Rule Bill led by Christopher Chope MP to promote more affordable homes for rent and purchase.

The idea behind this bill is a good one. Private capital will be raised to pay for a substantial number of new homes where planning permission allows development. These homes will be rented out at 80% of market rents, enabling people to save for a deposit. They then have the option to buy the property, taking out a mortgage to do so. They will be entitled to a 10% discount on the purchase to cut the size of deposit they need to save.

Mr Chope estimates that the private sector can raise £40bn to put up 200,000 homes at £200,000 average price.

I would be interested to hear thoughts on this proposal. 10 Minute Rule Bills do not usually become law, but this is an idea which the government could adopt and implement if it has good support and if the detail works.