

Press release: £2 billion boost for affordable housing and long term deal for social rent

Government has confirmed plans for a new generation of council and housing association homes. Funding for affordable homes will be increased by a further £2 billion to more than £9 billion.

The numbers of homes will be determined on type and location of housing, and bids received for funding. With a typical £80,000 subsidy, this £2 billion investment can supply around 25,000 more homes at rents affordable for local people.

Ministers also confirmed plans to create a stable financial environment by setting a long term rent deal for councils and housing associations in England from 2020.

The funding will further support councils and housing associations in areas of acute affordability pressure, and where working families are struggling with the costs of rent and some are at risk of homelessness.

This complements recent announcements on supporting tenants in the private rented sector and on extending [Help to Buy](#).

The government's Affordable Homes Programme will increase from £7.1 billion of public funding to £9.1 billion, and the £2 billion additional funding for affordable housing could lever in total investment by housing associations and councils of up to £5 billion.

Since April 2010, around 333,000 affordable homes have been delivered, including 240,000 for rent. More than twice as much council housing has been built since 2010 than in the previous 13 years.

As set out in the [Housing White Paper](#), to help encourage more investment in social housing, government will create a stable financial environment by setting a long term rent deal for councils and housing associations in England.

Under the proposal set out today, increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. This will give social tenants, councils and housing associations the security and certainty they need.

Previously, the government's affordable housing policy primarily supported 'affordable rent' – rents of up to 80% of local market level – and low-cost home ownership. This announcement now extends support for 'social rent' – which are lower rents, set according to national guidelines.

These latest measures reinforce this government's approach to back housing of

all tenures – with more social housing; extra security for those in the private rented sector; and helping people get onto the housing ladder.

With a typical £80,000 subsidy, this £2 billion investment can supply around 25,000 more homes for social rent over the course of Parliament.

The announcement on rent policy beyond 2020 will be reflected in a direction to the Social Housing Regulator, which the government will consult on next year.

Latest council housing build figures can be found within the [Live Tables on house building – table 244](#).