



DEPARTMENT OF THE ENVIRONMENT

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MINISTER FOR HOUSING AND CONSTRUCTION

Harvey

22 June 1981

Mike Pattison Esq
Prime Minister's Office
10 Downing Street
London
SW1

Prime Minister

for information

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24/6*

Dear Mike

/ The Minister thought that the Prime Minister might like to see the attached press notice on progress with expanding home-ownership during the Government's first two years.

*Yours sincerely
Alan Ridwell*

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ALAN RIDDELL
Private Secretary

Press Notice 234

NOT FOR USE BEFORE 14.30 hrs

19 June 1981

OVER A QUARTER OF A MILLION RIGHT TO BUY APPLICATIONS

Opening the London Borough of Bexley's first shared-ownership housing scheme today, John Stanley, Minister for Housing and Construction, said:-

"One of the present Government's central commitments was to bring home-ownership within the reach of many for whom it has been an impossibility up to now.

"That commitment is being fulfilled. There are approximately 450,000 more home-owners in Britain today than there were two years ago. Last year the number of council tenants who bought their own homes was an all-time record. Altogether, in the Government's first two years, the number of council and new town dwellings in Britain where the sale had been successfully completed by 1 April this year was some 140,000.

"In addition, there has already been a very substantial response to the right to buy. At 1 April, the number of right to buy applications in Britain stood at over a quarter of a million.

"Shared ownership (part-owning and part-renting) is another means whereby the Government is bringing home-ownership within the reach of still more families. Local authorities, new towns and housing associations can now offer shared ownership to those unable to afford to buy outright immediately on all occasions when they have a house or flat available for sale.

"We have now solved the technical problems involved in enabling Building Societies to provide mortgages for those buying on a shared ownership basis. Shared ownership, along with the other

elements of our low cost home ownership programme - the right to buy; building starter homes for sale; improvement for sale; and homesteading - has already given thousands of families the satisfaction of owning their own homes for the first time. Many more will reach that goal during the next two or three years.

"Last year the proportion of dwellings in Britain that were owner-occupied passed the 55 per cent mark for the first time. In England, as opposed to Great Britain, the proportion is now 57 per cent and it will, I am sure, be materially higher by the end of this Parliament".

NOTE TO EDITORS

37 local authorities in England have so far operated shared ownership schemes, and have disposed of an estimated 2,900 dwellings in this way.

Bexley's Osborne Road development consists of 56 three-bedroomed houses. The Council's scheme allows purchasers to buy an initial equity share between 30 per cent and 70 per cent. Rent is payable on the share not purchased. Shared owners can increase their share in stages up to full 100 per cent ownership by purchasing further equity shares.

Shared owners have normally had to buy further equity shares at the market value then prevailing, less any discount. Bexley, however, are allowing shared owners who buy a further share within two years of the initial purchase to do so on the basis of the original valuation. This has been made possible by a provision in the new general consent for council house sales issued to local authorities on 2 June 1981 (see DOE press notice 212/81).

PRESS INQUIRIES: 01-212 4680/4681/7132/7114/5113
Night calls (6.30 pm - 8.00 am)
Weekends and holidays: 01-212 7071

PUBLIC INQUIRIES: 01-212 3434 and ask for the
Public Inquiry Unit