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## “THE BIGGEST HOUSE BUILDING PROGRAMME BY ANY GOVERNMENT SINCE THE 1970s?”

George Osbornes Autumn budget statement has this week pledged £2billion to the Housing Budget, more than twice the amount currently earmarked, as part of a drive to create a more sustainable housing market by building 400,000 more affordable homes by 2020.

A pilot scheme allowing housing association tenants the ‘right to buy’ has gone live, and many of the restrictions on shared ownership are now also due to be lifted. An increase in the availability of loans for small building firms has also been promised.

With house building currently at a six year low, Osborne’s approach also incorporates significant planning reforms, intended to release enough public land to build 160,000 homes and allow vacant plots of commercial land to be used for the building of starter homes, to be offered to first time buyers aged under 40 for 20% less than their market price.

The statement has provoked a reaction in the stock market, with shares in housebuilders such as Persimmon and Taylor Wimpey significantly rising upon news of the announcement. The former saw a rise of 6pc on the morning of 25<sup>th</sup> November, although this rise has since eased to 2.1pc more than its pre announcement level.

Despite their apparent proactivity, the government clearly has a long way to go before it can properly convince the British public of its ability to cure the current shortage of housing land supply. House prices have already risen 15% since 2010 and critics of this statement have questioned the likelihood of Osborne’s vision for affordable housing ever coming true, with some also pointing to the apparent failures of the ‘help to buy’ scheme, which has come into criticism for extending to less than 4% of the 2.4 million property transactions in the past 2 years.

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