



Homes &  
Communities  
Agency

# SHARED OWNERSHIP AND AFFORDABLE HOMES PROGRAMME 2016 TO 2021 PROSPECTUS

13 April 2016

## **Ministerial Foreword**

This is a government that believes in home ownership. Anyone who works hard and saves responsibly should have the chance to buy a home of their own.

After decades in which this country has not built enough houses, we are determined to restore opportunity. Having inherited the lowest level of house building since the war, we have worked hard to mend the housing market, reform the planning system and regenerate our towns and cities.

But as well as pursuing long-term change, we are providing the help that aspiring home owners need right now. In particular, we have built hundreds of thousands of affordable homes. To meet different needs we have made these available in different ways – and one of the most important is Shared Ownership.

A Shared Ownership home allows the purchaser to buy a share in the equity while paying rent on the non-purchased share. For many people, this is a chance they didn't have before to get on to the housing ladder – and to go on to purchase further slices of equity.

Since 2011, nearly 41,000 affordable homes have been made available through Shared Ownership. Recognising the level of public demand, we want to greatly expand supply. Last year, the government announced £4.1 billion of funding to help build a further 135,000 Shared Ownership homes over the next five years.

I'm therefore proud to introduce this prospectus, which opens the Shared Ownership and Affordable House Programme 2016 to 2021. A total of £4.7 billion in capital grants will be disbursed for the development of Shared Ownership and other affordable homes.

We've reformed the rules to make these homes available to the widest possible range of buyers – and to make the capital grants open to widest possible range of developers and housing providers.

In place of restrictive criteria, our aim is to remove restrictions so more people can benefit, nurture diversity and achieve value for money. We also aim to encourage innovation – both in partnerships for local housing delivery and in the use of advanced construction technologies. As with all our housing policies, our ambition is to deliver quality as well as quantity.

Shared Ownership already has a proven place in housing provision – and through this programme we will take it to the next level: a nationwide opportunity for a new generation of home owners.

**The Rt Hon Greg Clark MP**  
**Secretary of State for Communities and Local Government**

## Chapter 1: The Shared Ownership and Affordable Homes Programme 2016 to 2021

### Programme aims

1. The government is making available £4.7bn of capital grant between 2016 and 2021 to deliver starts on site for at least:
  - 135,000 homes for Help to Buy: Shared Ownership;
  - 10,000 homes for Rent to Buy; and
  - 8,000 homes for supported and older people's rental accommodation.
2. Capital funding for new affordable homes outside London will be allocated by the Homes and Communities Agency (HCA) through the Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP 2016 to 2021).
3. The SOAHP 2016 to 2021 marks a decisive shift towards support for home ownership. We are seeking bids that can form part of a Programme where 88% of homes built are for Help to Buy: Shared Ownership, 5% for homes for older, disabled and vulnerable people and 7% for Rent to Buy. The Programme complements other, related government initiatives, such as Starter Homes and the voluntary extension of the Right to Buy to housing associations.
4. The government wants to see greater involvement by the commercial housing sector in delivery, in particular of shared ownership. We have enacted a number of measures to open up the programme for new entrants. These include:
  - removing restrictions on the type of organisation which can hold an interest in shared ownership properties in the long term;
  - promoting the agreed transfer model that makes it administratively easy to bid for grant for those that do not want to hold the investment for the long-term;
  - offering extra support for those unaccustomed to bidding for grant;
  - removing restrictions on accepting indicative bids (i.e. where full scheme details have yet to be worked up by the bidder) which will make it easier for new entrants to bid and receive feedback and support.
5. Use of modern and innovative methods of construction, including offsite construction, have the potential to raise the bar for quality in house building. This can be achieved through the precision and quality control available through such approaches. Innovative methods of construction can offer additional benefits in terms of speed of delivery, cost efficiencies, and minimal disruption to communities adjacent to development sites. As such we hope to see an increasing quantity of bids using either partial or fully offsite or innovative methods of construction.
6. We intend that investment should support the strategic growth objectives of local areas and, where relevant, build on the strengthening partnership between HCA and local areas to bring forward public land for development and deliver on housing, local growth and regeneration priorities. Partnership can help ensure strong bids come forward under these programmes which help meet Local Plan objectives, are supported by wider local infrastructure investment, and which add to local growth momentum. We encourage bids for schemes which contribute to the overall regeneration of an area, or assist more rapid build out of substantial urban extensions or regeneration.

7. Government and the HCA are committed through recent devolution agreements to local dialogue around shared objectives, and we are keen to see that work help deliver the Shared Ownership and Affordable Homes Programme.
8. Through the bidding and allocation process, the Homes and Communities Agency will ensure best value is obtained for the grant available, maximising the number of new homes built within the Programme and addressing housing affordability. Bidding is competitive and we will allocate only to those bids offering a significant contribution to the government's housing policy for the amount of grant sought. Bids can be submitted by Registered Providers of social housing and by Unregistered Bodies, such as commercial developers.
9. The HCA does not expect to allocate all available funds in response to this initial invitation to bid. We will announce a timetable for further bids, through a process of Continuous Market Engagement, once the initial process is complete; all other aspects of this Prospectus will apply to future bidding, unless amended by additional guidance.

### **Programme profile**

10. The profile of capital funding available for the Programme will be uneven, with 90% spread across the last three years (i.e. 2018 to 2019, 2019 to 2020 and 2020 to 2021).

### **Invitation to bid and timetable**

11. This Prospectus invites providers to submit bids to the HCA in line with the programme and product requirements set out in the following sections. Bidding is open until noon on 02 Sept 16.

Launch of bid round	11 April 2016
Close of bid round	noon 02 September 2016
Clarification of bids	02 September 16 to 28 October 2016
Announcement of initial allocations	early/mid December 2016

### **The Capital Funding Guide**

12. References are made throughout this Prospectus, to the Capital Funding Guide (CFG). This provides additional details on requirements for the range of products described and can be viewed [here](#).