

National Housing Trust

Up to 600 new homes could be built in Edinburgh as part of a bid to tackle the desperate need for more affordable accommodation in the city.

The City of Edinburgh Council is taking part in the National Housing Trust (NHT) initiative set up by the Scottish Government to deliver new homes for mid market rent (usually 80% of full market rent) across the country.

Under the scheme the Council would borrow funding with the Scottish Government underwriting the loans to remove the risk to Councils in lending funds to the scheme.

With the ongoing financial pressures on Council and Scottish Government budgets NHT is seen as a way of maintaining the affordable housing market in the Capital.

Eight developers have already expressed an interest in building homes in Edinburgh through NHT which would help stimulate the housing market and the local economy.

A report is going to the City of Edinburgh Council's Policy and Strategy Committee next week (August 3) recommending the Council takes part in the first phase of national procurement for NHT.

Housing Leader Councillor Paul Edie said the initiative is a positive way of trying to tackle the shortage of affordable homes in the Capital.

He said: "Edinburgh has the most pressurised housing market in the country with around 130 households bidding for every one council home that is advertised.

"It's important the Council works with our partners in the private sector and the Scottish Government to explore all possible ways of meeting the glaring need for more affordable

homes.

“Given the current economic climate and tightening of public purse strings NHT is an innovative way of building more affordable homes.”

He added: “There are several sites in the city that have planning consent for housing but are currently mothballed as the developers can’t raise loans from banks to build homes for sale on the open market.

“This scheme is an ideal way of dealing the shortage whilst at the same time providing an economic boost for the housing industry and local businesses.”

Housing and Communities Minister Alex Neil said: “The Scottish Government is spearheading the drive in the United Kingdom to tackle the effects of massive budget cuts and unearth new sources of funding to continue to build more affordable housing.

“The NHT is a ground-breaking initiative which has the potential to kick-start activity on mothballed housing sites, build at least 1,000 new homes right across Scotland and lever in about £130m of extra housing investment.

“We are very pleased that Edinburgh Council has shown such a keen interest in the scheme and we hope other local authorities will join in due course.”