

MSP welcomes new affordable housing for Edinburgh

✘ Edinburgh Central MSP Marco Biagi has today welcomed The Scottish Government's announcement of funding for 516 new affordable houses across the city. This includes social rent, mid-market rent and shared equity homes built using the Transfer of Management of Development Funding arrangements.

The new housing association homes for Edinburgh comes out of a wider scheme that sees over £200 million being invested in 2,700 affordable houses across the country by the Scottish Government.

Marco Biagi MSP said, "This new wave of funding should be a welcome announcement for many across the city who are struggling to find suitable and affordable accommodation. It is absolutely imperative that we continue to build new affordable housing to help meet the growing pressure on our existing affordable stock and help maintain jobs in the city."

The £1.5m in funding that the Council will receive will be used to build new council homes at Fort House and Greendykes.

Housing Convenor, Councillor Paul Edie, said: "We welcome this additional investment from the Scottish Government in the city. It's good news for both housing associations and Council house building and even better news for people who need a home."

The Scottish Government's £55 million Innovation and Investment Fund (IIF) is being matched by almost three times that amount from councils, housing associations and private developers across Scotland.

Savings achieved mean that nationwide, 652 housing association homes will need £13 million less in public subsidy compared to

last year's subsidy rates.

A second tranche of funding from the IIF will be announced in the near future.

The IIF will be delivered via three streams:

1. Open to Scottish local authorities to help build a new generation of council houses
2. Open to housing associations to build affordable houses, mainly for social rent
3. For innovative development schemes open to all potential builders, including the private sector

In a separate move, funding provided by Scottish Government to Glasgow and Edinburgh Councils through the Transfer of Management of Development Funding, will lead to a further 848 housing association homes being built in those cities.

Today's announcements mean over 2,700 new affordable homes will be built sustaining around 3,000 jobs in Scotland's hard-pressed house building sector.

Cabinet Secretary for Infrastructure and Capital Investment Alex Neil said:

"With the public purse under huge financial strain we need radical and innovative approaches to increase housing supply at maximum value for taxpayers' money.

"We called for fresh thinking and new ideas and in response councils, housing associations and private developers have risen to the challenge magnificently.

"Housing associations have embraced the new financial reality by proposing new housing developments delivered at subsidy levels that would have been unthinkable a few years ago.

"In fact, we are getting around 220 extra housing association

units based on the lower subsidy compared to last years grant rates.”

“Altogether this package will support 3,000 jobs in the construction sector demonstrating how targeted capital investment can give our economy a real boost – a central plank of the Scottish Government’s new Government Economic Strategy.”

Here is the government’s video of the announcement:-

Jonathan Fair, Chief Executive of home building industry body Homes for Scotland, said:

“We welcome the Innovation fund’s introduction as the economic and public spending environment means that there is a critical need for new funding models and organisational methods of delivering the many thousands of new homes that our country urgently needs.

“The new fund will therefore help ensure that the Scottish Government benefits from some of the leading edge thinking currently taking place in the housing sector.”

Bill Banks, Depute Chief Executive with Kingdom Housing Association, said:

“Whilst the provision of social rented housing remains our highest priority, the Innovation Fund has allowed us to develop different models for delivery of RSL projects and we are very pleased that our projects have been approved.

“In addition to meeting an identified housing need, the projects will also make a valuable contribution to work within the construction sector and develop our partnership working arrangements with Developers and the Local Authority.”

1,859 units in total will be delivered split across the three funds as follows:

- Council – 670 (all for social rent)
- Housing Associations – 652 (570 social rent/26 mid market rent/56 shared equity)
- Innovation – 537(115 social rent/384 mid market rent/38 shared equity)

Total estimated project costs for the 1,859 units are £206m. So £151m will be levered in from non-Governmental sources across the three funds split as:

- Council – Total estimated cost £80.m – £20m from SG fund (£60m from Councils)
- RSL – Total estimated cost £73m – £25m from SG fund (£48m from housing associations)
- Innovation – Total estimated cost £54m – £10m from SG fund (£44m from a range of developers).