

# New funding for 1000 affordable homes

✘ Social Justice Secretary Alex Neil MSP was in Musselburgh this morning to promote a new investment vehicle that is expected to provide up to 1,000 affordable homes for rent across Scotland.

The Local Affordable Rented Housing Trust (LAR) is a Scottish charity set up to provide long term mid-market rented housing across Scotland.

It is funded by a £55 million loan from the Scottish Government, with matching private investment expected to lift the overall funding package to more than £100 million.

House builders and developers, in partnership with LAR and local authorities, are being invited to get involved in delivering a pipeline of affordable housing.

Eligible tenants are allocated homes based on affordability and income criteria, ensuring tenancies are provided to those in most need.

LAR builds on the Scottish Government's successful National Housing Trust initiative and means, since 2012, approaching 4,000 new affordable homes have been approved through a range of innovative financing mechanisms, unlocking up to half a billion pounds of housing investment.

There is potential for the LAR model to be extended and replicated widely in the future to provide more affordable homes to meet the significant demand for mid-rent housing.

In Musselburgh, where East Lothian Council and Taylor Wimpey are set to deliver the first LAR housing development, Social Justice Secretary Alex Neil said: "We continue to lead the way

in the UK in developing innovative financial models, such as guarantees, loans, grant recycling and new sources of private funding to accelerate the supply of affordable homes. These pioneering approaches help us to make taxpayers' money stretch further.


“LAR will deliver up to 1,000 homes for mid-market rent offering tenants high quality, affordable mid-rent homes across Scotland, supporting local communities to thrive, tackling inequality and addressing housing need.

“These homes will be in addition to the 30,000 affordable homes, of which at least two thirds will be for social rent, that will be delivered by the end of this Parliament. And there is potential for this model to be extended more widely to meet the significant demand for mid-rent housing.”

Raymond Williamson, Chairman of LAR, said: “We are extremely grateful to the Scottish Government for providing initial funding to LAR.

“The LAR team is looking at a number of development sites across Scotland where we can buy homes, which have been or are in the process of being constructed and we would be pleased to hear from builders and developers across Scotland who believe they have something to offer. This is an important step forward in providing homes at reasonable rents.”

East Lothian Council Housing spokesperson Councillor Norman Hampshire: “East Lothian is committed to exploring innovative ways of providing affordable housing. We have brought around 100 new council homes on stream recently and are working with the Scottish Government and our partners in the private and social-rented sectors to assure a good supply of affordable housing across all tenures in East Lothian”.

 Peter Matthews, Managing Director for Taylor Wimpey East Scotland adds: “As one of the largest residential developers

in the UK, developing new homes and communities across the country, we're thrilled to be playing a key role in the delivery of the first LAR housing project in Scotland.

"Today's event marks a real milestone in the progress that's been made on-site, and is a great demonstration of the Scottish Government and local authority working hand-in-hand with private residential developers to provide much needed housing of all tenures across the country."

Christa Reekie, Commercial Director of the Scottish Futures Trust, said: "SFT is delighted to have assisted LAR Housing Trust in becoming established. LAR will help to transform the lives of many hundreds of people in Scotland by offering high quality homes at affordable rent levels."

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