

Communities, Equality and Local Government Committee

Inquiry into the provision of affordable housing in Wales

Response from Matthew Richards

Clerk to CELG Committee,

I am a would-be first time buyer living in the Cardiff area with my fiancé. We currently live in privately rented accommodation and have been doing so for the past 2 years. We have researched the home ownership market and have found that first time buyers such as ourselves need to have a large deposit in order to purchase a house, this typically stands at 20–25% of the house value. Alternatively there have been government schemes such as Jumpstart that offer a smaller deposit upfront in a shared equity arrangement where the buyer has 10 years to pay the 15% of shared equity. However, this scheme and ones similar are only available on a selected number of houses on new developments.

I welcome government initiatives such as right to buy and right to acquire, as they encourage homeownership and consequently help families to settle in a stable environment. However, this scheme isn't open to myself and partner as we don't qualify for the essential criteria.

As demand for rental properties is increasing at present so is the market value of renting privately, this has created a perfect storm for myself and people in similar positions as it is becoming more and more difficult to raise the capital needed for a house deposit all the while housing developers and financial institutions are demanding higher deposits thus limiting affordability. The situation is exacerbated by the current economic environment of high inflation and low employment prospects decreasing household buying power.

I believe both central and local governments should be doing more to tackle the issues mentioned by working with financial institutions and housing developers whose priority at the moment is to sure up balance sheets rather than lend or invest in first time buyers. There needs to be a vision, determination and clear recommendations by the CELG committee that cater for a wide variety of needs in society.

I look forward to appropriate recommendations and policy on this matter.