



P R E S S R E L E A S E

Low cost housing for the community, by the community

Wessex Community Assets (WCA) has launched an appeal for investment to enable it to support the development of affordable housing in the South West through Community Property Trustsⁱ (CPTs). In particular, WCA is supporting a pioneering project in Holsworthy, Devon to help the local community meet the need for affordable homes. Holsworthy has seen one of the first CPT developments nationally that will give people within the community a route on to the initial rung of the housing ladder.

Holsworthy Community Property Trust (HCPT) is a newly created charitable Company, run by local people, who act as a board of Trustees. HCPT's purpose is to develop affordable homes for local people who are able to support a mortgage, but are unable to buy near to where they live and work because of high prices. Holsworthy lies in an area where agriculture is still strong but local wages are some of the lowest in the UK. House prices are inflated by demand for housing from people who retire in Holsworthy and by second home owners.

WCA is creating a fund, which will be made available so that many more rural communities like Holsworthy can form CPTs. The CPTs will be able to borrow money to acquire land and develop affordable homes from WCA, alongside banks and building societies, which generally provide 70% of the cost. To help form this fund, WCA is seeking investors who are interested in ethical investment, and gaining a financial return as well as a significant social return for their money.

Steve Bendle, a Director of WCA, explains: "Many people are aware of the housing crisis in the South West but not everyone understands the severity of it. Average house prices in parts of the rural South West are eight to 10 times average local wages and second homes may easily be 15% of all the homes in a village; in the most extreme cases they have reached 50%. By creating a CPT local people are empowered to solve the problem of affordable housing in their own communities."

HCPT aims to make 20 affordable homes available in and around Holsworthy and its first five properties are currently being sold at 75% of the open market value. No Government grants have been provided. From April 2008, the Housing Green Paper, just published, will enable CPTs to seek gap finance from the Housing Corporation via a housing association, but development finance will still be needed.

22 year old Kate Williams from Holsworthy explains: "I was born in Devon and have been brought up in Holsworthy. I have worked as a Trainee Legal Executive at a Solicitors in Holsworthy for four years and still live with my parents because house prices are completely beyond my means.

"Many of my friends have the same problem, and some of them rent, but because I want to stay here in Devon, I don't see the point in renting when I could be getting on with buying. I am in the middle of applying for one of the

HCPT flats now and really hope it works out. It will give me independence, avoid pouring a good part of my income into rent for no long term return and allow me to settle where my roots and career are. I just wish there were more opportunities like this for local people.”

A local developer has regenerated the former Somerfield Supermarket site in the centre of Holsworthy to provide two one-bed flats and three two-bed flats.

Steve Bendle concludes: “CPTs offer several advantages over other means of providing affordable homes. As well as keeping land and assets in the hands of local people, homes are built on local understanding, to meet needs identified by local people. The homes will remain available for the benefit of the same community far into the future.

“Unless rural communities can retain their young people and enable people to live there who have opportunities for local work, they will not be able to survive. We are hoping that people living all across the South West who are only too aware of the affordable housing shortage will come forward to make an investment.”

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Background information:

CPTs are legal bodies, controlled by the community. They work by purchasing land at a little above agricultural value or, receiving land free from a local authority, or purchasing through an agreement with a developer who has been required by the planning authority to provide affordable homes as part of a larger development. WCA helps ensure that costs are minimised when developing the homes, using innovative and sustainable building methods, and sourcing materials locally wherever possible.

The Government published a Green Paper on 23rd July (“Housing for the future: more affordable, more sustainable”) which targets more affordable homes in rural areas and includes provision by CLTs. HCPT is specifically mentioned on page 29. If the policy is implemented, the Housing Corporation will be accepting bids for financial support from CLTs from 1 April 2008. WCA’s aim is to ensure there are loan funds available to complement any grant support, to enable CLTs to secure the funds to undertake the affordable housing developments. Without development funds they could not access these grants.

WCA is a new part of the not-for-profit Wessex Reinvestment Trust Group of Companies (WRT), which empowers communities in the South West to create a better future for all who live and work there.

ⁱ Community Property Trusts (CPTs) are also referred to as Community Land Trusts (CLTs)