

Government Announces Scheme To Help First Time Buyers

Housing minister Caroline Flint has unveiled a number of packages designed to assist people struggling to get onto the housing ladder.

July 18, 2008 (FPRC) -- Principal among the new proposals is the plan for a "rent now, buy later" arrangement, which will aim to provide support for low-income families who have been unable to purchase a home. Under the new arrangements, eligible households with an income of less than 60,000 pounds a year would be able to move into a property on a rental agreement with an option to buy a part share in their new home. With a monthly rent of equalling 80 per cent of the house's usual market rate, the spare cash would allow struggling families to raise the cash for a deposit on the home. The new pilot forms part of the government's larger low-cost home ownership schemes.

Consumers may also be relieved to hear that the government plans to develop new partnerships between public and private institutions in order to give councils more power in the provision of affordable housing. Furthering this, four new local housing companies will soon be announced to supply properties in Barking and Dagenham, Newcastle, Nottingham and Manchester. Under the arrangement, local authorities will designate spare land for developments to be carried out by private sector firms, which will provide investment and expertise necessary to build the new homes, 50 per cent of which must be affordable.

Ms Flint also announced new support for those struggling with mortgage repayments, with local councils and housing associations around the country encouraged to address new methods of providing a safety net for homeowners bogged down by unfavourable economic circumstances.

Although the scheme has been welcomed by some bodies, there has been criticism that the pilot does not go far enough to address the current housing crisis. Commenting on the proposals, moneysupermarket said in a statement that they would help to alleviate the problem of saving for a deposit while keeping up on the rent.

However, it noted: "There are no details of the number of properties available under this scheme. Private landlords will want recompense from the government up to their full 100 per cent and the number of housing association properties being built is small in comparison to the demand for rental properties. So where are these new homes for rent under this attractive scheme going to come from? If you are lucky enough to qualify, the sums are still quite frightening. The 20 per cent rental discount alone would only save you enough for the minimum five per cent deposit on a house after around five years."

For those who are keen to get on to the housing ladder quickly, taking out a personal loan may provide the necessary funds for a deposit quickly, leaving consumers with an affordable level of repayment. Indeed, taking out this type of loan may be of interest to a growing number of people. According to a recent study by the Building Societies Association, more than a quarter (27 per cent) of Britons would be happy to buy a property in today's financial environment.

All About Loans providing you with breaking personal loans news.

Visit their website where you can compare loans and get the best rate cheap loans in the UK.

Contact Information

For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)

Keywords

[personal loans](#)

[compare loans](#)

[cheap loans](#)

You can read this press release online [here](#)