

Think Money: Housing rescue package 'a good start'



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Industry: [Real Estate](#)

Press Release Summary: Think Money (www.thinkmoney.com) welcome the Government's new housing rescue package, but have commented that it is not a complete solution to the trouble the housing market faces.

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Press Release Body: Following the announcement of a new Government housing rescue package, financial solutions company **Think Money** (www.thinkmoney.com) commented that while it is a welcome help to many homeowners, it is by no means a complete solution to the trouble the housing market faces.

The new measures, according to the Government's News Distribution Service, include:

- Offering 10,000 first time buyers currently frozen out of the mortgage market the chance to get onto the property ladder through a new £300m shared equity scheme;
- Supporting up to 6,000 of the most vulnerable homeowners facing repossession to remain in their home through a £200m mortgage rescue scheme;
- A £400 million boost in spending power for social housing providers, including registered social landlords and councils, to deliver 5,500 more social houses over the next 18 months by bringing funding forward;
- Working with Regional Development Agencies to support the most critical regeneration schemes with the most potential to transform their communities.

Melanie Taylor, Head of Corporate Relations at Think Money, commented: "The housing rescue package is targeted at first-time homebuyers and those who are facing the possibility of repossession – the groups who need it most of all.

"The shared equity scheme should help to kick-start the housing market for first-time buyers, who may have been previously unable to obtain a [mortgages](#), and this may push up house prices as demand rises. However, there is still the possibility that many would-be homebuyers might still want to wait until house prices begin to recover."

"It also needs to be considered whether the scheme to help households facing repossession will truly put them back on track, or if it is just delaying the inevitable for people who are struggling with repayments."

Taylor continued that while the housing rescue package has its obvious benefits, a large part of the housing crisis remains unaddressed.

"There is still something of a middle ground, in which existing homeowners – many of whom are still greatly affected by the housing market slump – find that their situation has not changed much at all. Many will still find it hard to sell their homes, meaning prices may continue to fall, and [mortgage rates](#) could still rise.

“On the whole, the package fails to address the underlying causes of the housing slump – in particular, low supply of mortgages and tight lending criteria. While this remains the case, a large proportion of homeowners will continue to suffer. It’s also a relatively short-term measure – once the scheme finishes, we may well find many households in similarly difficult situations, unless the mortgage market itself improves.”

Think Money (www.thinkmoney.com) are a financial solutions company based in Salford Quays, Manchester. They specialise in a wide range of debt advice and solutions, including debt management plans, debt consolidation and IVAs (Individual Voluntary Arrangements).

Related Resource: <http://www.thinkmoney.com/mortgage/>

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