

Compulsory Purchase – compensation reforms

NHF response to the Department for Levelling Up, Housing and Communities consultation on behalf of housing associations

18 July 2022

Introduction

The National Housing Federation (NHF) is the voice of housing associations in England. We represent almost 600 housing associations that own and manage more than two and a half million homes for around six million people. Our members also provide vital care, support and community services.

Housing associations represent an incredibly diverse sector of independent, not-for-profit organisations driven by their social purpose – to ensure everyone in the country has the opportunity to live in a good quality and safe home that they can afford.

We would welcome any opportunity to work with the government to increase the supply of affordable housing. Please contact Marie Chadwick, Supply Policy Leader for more information via marie.chadwick@housing.org.uk.

Changes to compulsory purchase compensations

The NHF is supportive of the government's proposals to reform compensation levels for compulsory purchase, and believe these changes can play a crucial part in supporting and increasing the delivery of much needed affordable homes.

“Hope value” has stood in the way of unlocking land which would deliver many benefits to the public. This incentive for landowners to not bring forward certain bits of land in order to maximise the compensation they could potentially receive in the future can prevent, or lead to disjointed development.

Our members find the cost of land an increasing barrier to developing the affordable homes the country needs. This was reflected in [research](#) undertaken by Savills in 2019, which identified access to land is the main factor limiting delivery ambitions –

78% of housing associations identified it as an issue. Increases in the price of materials and labour, as well as commitments to net zero and building safety all are leading to a perfect storm for affordable housing delivery so government efforts to take some of the heat out of the land market in this way are very welcome.

However, the NHF recognises the importance of ensuring the compulsory purchase system is fair and used as a last resort, based upon the clear demonstration of public interest. The removal of “hope value” will enable local government and agencies like Homes England to deliver strategic schemes for public benefit, with our members playing a key part.

By removing “hope value” the government would also send a message to landowners about the benefits of bringing forward land in a more timely fashion so communities can better plan for development in the future.

The NHF welcomes the opportunity to respond to these proposals, and would urge the government to further explore ways that affordable housing development can be increased. We are clear though, any reforms to the system must be fair to landowners too. Compensation levels, where necessary, should be appropriate, whilst ensuring the public benefit of development is not lost in rising land values.

We would welcome any opportunity to work with the government to increase the supply of affordable housing. Please contact Marie Chadwick, Supply Policy Leader for more information via marie.chadwick@housing.org.uk.