






Rodney Dykes

Uncle Sam is finally offering the US housing sector a helping hand

Letter from America

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They sneeze - we catch the cold; two great nations separated by a common language; we have a special relationship - it's all been said before.

It was while speaking at a conference in Ocean City, Maryland, in the spring of 2007 that I first heard the phrase 'mortgage delinquency'.

The National Association of Housing and Redevelopment Officials, the US equivalent of our Chartered Institute of Housing, started to highlight the effects of lending in the sub-prime markets - some of which came from UK banks.

Two years on at NAHRO's national conference in Washington DC earlier this month, my audience was still expressing astonishment at this and the failure of our regulatory system. Not that their record is any better with their principal lenders, Fannie Mae and Freddie Mac themselves having to be bailed out back in 2008.

Despite the obvious obsession with the internal US scene, those working in the not-for-profit housing sector are generally interested in a compare and contrast exercise with Europe and the world at large.

My hosts, just back from a study tour of China, were planning their next visits to Israel and South America, eager to bring home new ideas and to share experiences. But there is still a real appetite to know what is happening the UK.

And there are similarities: 20 per cent of US providers own 80 per cent of the stock. There is a greater emphasis on governance and resident participation. Some providers, like the City of San Diego, are working with the private sector - especially private sources of finance to provide new rental homes - sometimes to the annoyance of the US Department of Housing and Development, which sees this as a challenge to their control.

At last there is an awakening to energy conservation with extensive capital grants for retrofitting, a phenomenal emphasis on grey water usage and lower water consumption. New programmes introduced to stimulate their economy mirror ours - or vice versa.

Primary legislation in the form of the American Recovery and Reinvestment Act includes 44 areas of spending, 12 deemed critical - one of which is related to housing and regeneration.

The conference was told that president Obama understands urban issues, poverty and public housing, and sees opportunities in those areas to stimulate the economy. So too did the audience. There is an appetite for action and, might I suggest, a patriotic fervour not seen on this side of the pond. Some of it is soundbite stuff, but overall there is a 'can do, will do' attitude.

So from tax deductions in green expenditure, mortgage delinquency support programmes, creative financial modelling, right through to a 'cash for clunkers' programme (the scrappage scheme to us), there is movement but, above all, there is enthusiasm.

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