

# Persimmon

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## Housebuilders shaken as Parliament criticises Help to Buy scheme

Shares in housebuilders such as Persimmon PLC (LON:PSN) and Taylor Wimpey PLC (LON:TW.) suffered subsidence on Tuesday after influential MPs criticised the government's Help to Buy scheme.

In a report, the Public Accounts Committee (PAC), which scrutinises government spending, said the value achieved by the scheme since it was first unveiled in 2013 was "uncertain" as around three-fifths of buyers that took part did not need financial support to purchase a home.

As a result, the scheme was tying up funds that the PAC said could be used to "address a wider set of housing priorities" such as affordability and rising rents.

The committee added that with the "inherent uncertainty" in the housing market, there was a risk that the government would not be able to achieve a positive return on its investment in the scheme, which has already consumed over eight times its initial budget.

"The Help to Buy scheme is not making homes more affordable for society in general or helping address other pressing problems in the housing sector", the PAC said.

The committee also highlighted that when the scheme ends in 2023 it could result in a fall in housing supply and further imperil its goal of building 300,000 homes a year until the mid-2020s.

### Housebuilders cash in

Originally set up by David Cameron's government, Help to Buy aims to make it easier for first-time buyers to purchase newly built homes and has boosted the share prices of Britain's housebuilders as they cashed in on the increased demand.

However, aside from issues around its usefulness and expense, the scheme has also attracted criticism for its role in artificially inflating house prices, which since the start of 2013 have risen around 37% on average to around £230,300.

Shares in FTSE 100 Persimmon were down 2.5% at 2,048p in lunchtime trading, while fellow blue-chip Taylor Wimpey was 2.4% lower at 159.1p and Barratt Developments PLC (LON:BDEV) down almost 2% at 639p.

The jitters were also filtering down into the mid-caps, with Bovis Homes Group PLC (LON:BVS) down 0.8% at 1,100p and Bellway falling 0.9% to 3,225p.

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**Price:** 1622.5

**Market Cap:** £5.17 billion

### 1 Year Share Price Graph



### Share Information

**Code:** PSN

**Listing:** LSE

52 week	High	Low
	3328	1367.5

**Sector:** Real Estate

**Website:** [corporate.persimmonhomes.com](http://corporate.persimmonhomes.com)

### Company Synopsis:

*Persimmon is a house building company, which has been trading since 1972, and operates under three main brands, Persimmon Homes, Charles Church and Westbury Partnerships. &nbsp;.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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