



# Welsh Elections 2011 Manifesto for growth



**WELSH ELECTIONS 2011 – MANIFESTO FOR GROWTH**

MAY 2011

The Home Builders Federation represents the £20billion house-building industry in England and Wales. Our members deliver 80% of the new homes built each year.

## **WELSH NATIONAL GUIDANCE NEEDS TO RECOGNISE THE ACUTE NEED FOR NEW HOMES**

There is a clear and specific challenge to solve the housing problems we face in Wales - problems that have been exacerbated as a result of the recent recession.

At our last estimation, there was a shortfall of over 60,000 homes in Wales and with the latest Assembly Government research stating that we need to double our house building rates over the next 20 years, we believe it is now time for a new policy direction on the delivery of new homes in Wales.

(WAG Research - Housing Need and Demand in Wales 2006 to 2026 - An estimated 284,000 additional homes are required in Wales between 2006 and 2026, which on average equates to 14,200 dwellings per year.)

Increasing the delivery of new homes needs to be a priority for National Government. National policy should provide a whole market solution, that extends beyond the delivery of subsidised housing and places the delivery of all types and tenures of homes on an equal footing. This policy approach should be enshrined within national guidance. We believe the WAG should provide a clear mandate for local authorities that increasing the supply of new homes should be a paramount objective of their LDP strategies.

## **HELP FOR FIRST TIME BUYERS**

Latest research shows that in Wales, first time buyers are struggling to save for a deposit on their first home, with the average amount required for a deposit now reaching in excess of £30,000.

In recognition of this widespread problem, the Chancellor of the Exchequer announced the introduction of the FirstBuy shared equity scheme, which is designed specifically to help first time buyers bridge the deposit gap and take their first steps onto the property ladder.

In terms of delivery, the scheme has been backed by a substantial amount of funding from the UK Government – a total of £250 million, of which £12 million has been earmarked for Wales. House builders will also support the scheme. With this level of funding, the Assembly Government has the opportunity to help approximately 1000 first time buyers. We believe it is essential the Assembly now seizes the opportunity the funding provides to introduce the FirstBuy scheme in Wales.

## **A REDUCTION IN REGULATION WITH AN EMPHASIS ON DELIVERABILITY**

The Welsh Assembly Government recognises that the cuts proposed by the UK Government will be felt more acutely in Wales and we believe the Assembly's approach to new housing development therefore needs to be forward-thinking and proactive to ensure housing delivery is maximised. In particular, the Assembly Government needs to step in and take decisive action to reduce the level of regulation and bureaucracy within the Welsh Planning System.

National Government and Local Authorities need to take a pragmatic view on the delivery of public policy objectives. It is clear that the cumulative cost of current and future public policy objectives has the potential to seriously threaten the viability of housing development in Wales, and the previous reliance on land values to support the delivery of such objectives cannot continue.

A different approach is now required, where the cumulative impact of current and future policies and regulations on the viability of housing development is given full consideration in policy setting. Not only to ensure house builders can meet Wales' housing requirements, but also that Wales remains an attractive prospect for new investment and a valid alternative to other areas of the UK.

## A COMPETITIVE WALES

It is clear the Assembly Government now faces a particular challenge to encourage and foster growth in the economy, whilst also being able to deliver on the ambitious policy objectives it has announced. In order for Wales to remain competitive and attractive to business and investment, we believe the Assembly Government must ensure its policy goals and aspirations are suitably balanced with the requirement to facilitate economic development. Wales can only make a full and sustained recovery from the recession if it gets this balance right.

The Economic Renewal Programme states that the planning system must balance economic, social and environmental objectives and set the right conditions to facilitate investment and development and make Wales an attractive place for people to do business. We agree with this and believe a strong and competitive housing sector will play an essential role in attracting business and investment to Wales.

Increasing house building to the required levels, as stated by the Assembly Government, would also create 10,000 extra jobs in Wales, with a possible 20,000 extra jobs created in the supply chain. This would make a significant contribution to the Welsh economy and create a stronger private sector to help balance job losses that may result from future public spending cuts.

It is also imperative the housing market in Wales remains competitive with its closest neighbour in England, to ensure Wales provides a sound prospect for investment.

National Government should ensure that any attempts to move more quickly towards policy goals and aspirations than those currently being proposed in England, fully take into account the effects on the competitiveness and success of Wales as a whole.

*Please do not hesitate to contact us for any information on house-building, the housing market and housing need in your area.*

*We are very happy to facilitate meetings with our members or provide briefings on what national policy may mean to you.*

***Together, we have the responsibility for housing a nation.***

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