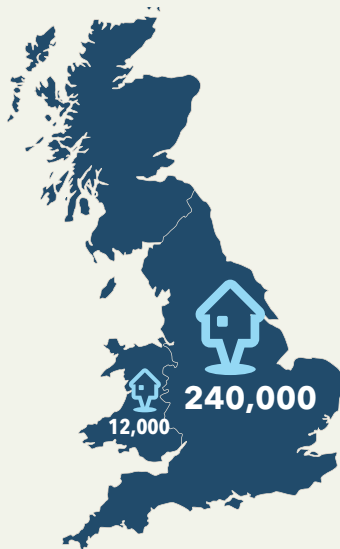


BLUEPRINT 2017:

BACKGROUND

The Home Builders Federation (HBF) is the representative body for home builders in England and Wales. HBF's membership of more than 300 companies build most of the market sale homes completed in England and Wales, and encompasses private developers and Registered Providers. Since the introduction of the National Planning Policy Framework (NPPF) in 2012, and supported by the overwhelming success of the Help to Buy Equity Loan scheme, house builders have ramped up investment in the land and workforce needed to build more new homes.



THE CURRENT PICTURE

- In the last **THREE YEARS**, housing supply has **INCREASED** by more than **50%**, taking the overall level of output above **200,000** for the first time since before the **financial crisis**.
- Allowing for demolitions, annual net supply was **189,650** homes in the year to March 2016, of which **163,940** were **NEW BUILD COMPLETIONS**.
- On course to deliver **ONE MILLION HOMES** over the 2015-2020 period.
- However, **ENGLAND** requires **240,000 NET ADDITIONAL** homes per year whilst **WALES** needs **12,000** home per year over a sustained period.
- **61%** of **NEW** addresses created in 2015/16 were on **BROWNFIELD LAND**, an increase on previous years.
- Trend towards building **MORE HOUSES** (rather than flats) over last decade with an estimated **478,000 BEDROOMS** being built in **2015/16**.

THESE RECENT HOUSE BUILDING INCREASES HAVE:

- created **200,000 NEW JOBS** with the industry now helping to sustain **705,000 JOBS**.
- **SUBSIDISED** tens of thousands of **AFFORDABLE HOMES**.
- contributed more than **£1BN IN ADDITIONAL** funding for important **SOCIAL** infrastructure such as schools, health services and community facilities.

KEY ISSUES FOR HOUSING

In the last **15 YEARS** average house prices have **INCREASED**



at more than **DOUBLE** the rate of **AVERAGE INCOMES**.

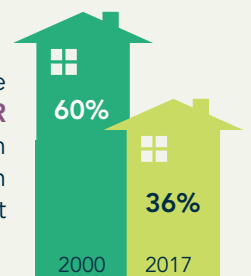


Even with an ageing population, **LESS THAN 2% OF OUR HOUSING STOCK** is specifically designed with the needs of **OLDER PEOPLE** in mind.

1 IN 4 20-34 year olds are **LIVING AT HOME** with parents.



The number of home owning **25-34 YEAR OLDS** has **FALLEN** from around **60%** at the turn of the Millennium to just **36%** today.



A PLAN TO DELIVER EVEN MORE NEW HOMES

- Over the next 20 years it is forecast that the proportion of the population aged over 60 will **INCREASE** from **23%** today to **29%**.
- By **2039**, 1 in 12 people in the UK is expected to **BE AGED OVER 80**.

KEY FOCUS AREAS FOR NEXT GOVERNMENT



01



SUPPORT THE EXPANSION IN THE NUMBER OF PROVIDERS BUILDING HOMES

By diversifying housing supply and reducing the reliance on a handful of companies, we can improve resiliency and create conditions for sustained growth in the longer-term.

- Around 20 companies were responsible for the majority of the growth in output achieved in the post-recession period to 2016.
- SMEs have been decreasing significantly since before the financial crisis.
- By 2007 there had been two decades of decline in the number of SMEs but returning to even the 2007 levels could boost housing numbers by 25,000 per year.
- An increase in the number of companies operating in the industry would also bring major benefits for the economic vitality of towns and cities around the country.

02



ENSURE THE INDUSTRY HAS ACCESS TO SKILLED LABOUR NEEDED TO SUSTAIN CONTINUED GROWTH

The unprecedented increases in housing supply since 2013 have created a challenge for the industry in building its capacity to maintain and accelerate supply.

03



PLAN FOR THE FUTURE OF THE SUCCESSFUL HELP TO BUY EQUITY LOAN SCHEME

- The scheme helped around 120,000 households to buy a new build home since April 2013.
- 8 out of 10 purchasers using Help to Buy are first-time buyers.
- Two-thirds of all households to have used the scheme had combined household incomes of under £50,000.
- The scheme is currently scheduled to end in March 2021 with no future planning or exit strategy in place.

04



TACKLE OUTSTANDING PLANNING PROBLEMS

The inflexibility of a proportion of local authorities over planning issues such as green belt has stymied housing growth in some areas.

- More than 90% of local authorities with green belt land are currently failing the Housing Delivery Test proposed in the recent Housing White Paper.
- Land designated as green belt has expanded by 0.22% since 2006.
- In total the green belt currently occupies 13% of England's land mass; an area roughly equivalent to the size of Devon. This compares with 9% of land which is developed.
- Contrary to the statements of anti-development lobby groups, the proportion of new homes built on green belt land has fallen from 1 in 33 to 1 in 50 over the last three years.

INAPPROPRIATE PLANNING CONDITIONS ARE SLOWING DOWN HOUSING GROWTH

- Use of pre-commencement conditions is unnecessarily slowing housing supply with councils imposing requirements on builders to develop artist engagement strategies and detail where picnic tables will be placed before work on site can commence

Limited resources mean that local authorities are struggling to process planning applications efficiently leading to delays and rising costs.

- Between 2009 and 2016 local authority planning departments experienced a 55% real terms reduction in funding.



INVEST IN INFRASTRUCTURE AND UTILITIES TO DELIVER GROWTH AND UNLOCK NEW HOUSING

Long-term underinvestment in infrastructure prevents new homes being built and compromises community support for housing where it is built.

- A reformed house builder contribution model could bring even greater benefits for communities and improve transparency.
- Builders have paid £2.3bn in water infrastructure payments since the early 1990s but are increasingly being forced to subsidise investment in water companies assets.



ABOUT HBF

The Home Builders Federation is the representative body for home builders in England and Wales. HBF's membership of more than 300 companies build most of the market sale homes completed in England and Wales, and encompasses private developers and Registered Providers.

The vast majority of home builder members of the HBF are small and medium-sized companies.

CONTACT

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