

Immediate Priorities for a Recovery in Home Building



HOME BUILDERS FEDERATION BRIEFING

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Home building makes a significant contribution to the UK economy. Every new home provides 1.5 jobs, plus up to four times that many in the supply chain. Private house building contributes £5 billion annually to community infrastructure and provides the majority of new Affordable Housing.

Britain suffers from a serious, long-term undersupply of housing, resulting in a multitude of adverse economic and social consequences.

Britain's world-beating zero-carbon target means that new homes will make an increasingly significant contribution to reducing Britain's carbon emissions.

The private home building industry will have to produce the vast majority of new homes over the next 5-10 years, given public spending constraints.

Therefore for economic, social and environmental reasons, Government housing policy needs to facilitate and encourage a significant and sustained increase in private home building. While many detailed policy measures will be required, the following are the industry's immediate priorities:

New Home demand

- A restoration of mortgage funding and more affordable mortgage terms; greater competition among an increased number of lenders.

New housing supply

- A Government/industry Sounding Board to monitor planning reform and housing delivery, identify obstacles and develop workable solutions;
- Robust transition and monitoring arrangements for the proposed planning reforms to avoid delay, uncertainty and a hiatus in house building;
- Measures to ensure local authorities produce timely local plans, backed by a presumption in favour of sustainable development and strong fiscal incentives for housing delivery;
- A cost-effective, economically-efficient definition of zero carbon;
- A comprehensive review of current and planned policy and regulation, and practical measures to simplify regulation and restrict its future growth;
- A commitment to public funding for Affordable Housing and support for first-time buyers (especially HomeBuy Direct);
- VAT on new homes would be very damaging to new housing delivery and would not raise any additional revenue for the public sector.