

# BUILDING COMMUNITIES, GROWING THE ECONOMY

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## A PLAN FOR BOOSTING HOUSING SUPPLY

The HBF is the principal trade association for private sector home builders in England and Wales and our members produce about 80% of the new homes built each year.



**THIRTY  
TWO  
THOUSAND**

AFFORDABLE  
HOMES PROVIDED

THE HOUSE BUILDING INDUSTRY BRINGS  
MAJOR SOCIAL & ECONOMIC BENEFITS

**6.5**  
**MILLION**

ADDITIONAL TREES &  
SHRUBS PLANTED EACH YEAR

**SIX**  
**HUNDRED**  
**THOUSAND**

JOBS DEPENDENT  
ON HOUSE BUILDING

**3.9**  
**BILLION**  
**POUNDS**

CONTRIBUTION TO  
LOCAL INFRASTRUCTURE  
& SERVICES

**19.2**  
**BILLION**  
**POUNDS**

ANNUAL CONTRIBUTION  
MADE BY HOUSE BUILDING  
TO THE UK ECONOMY

**FIVE**  
**THOUSAND**

NEW APPRENTICES,  
GRADUATES & TRAINEES EMPLOYED

# WHERE WE ARE TODAY

## THINGS ARE IMPROVING AFTER THE WORST FINANCIAL CRISIS IN LIVING MEMORY...

- The National Planning Policy Framework has significantly improved the supply of land available for new homes
- Planning permissions are back to around 200,000 new homes per year – up by 69% from 115,000 in 2012
- Help to Buy has made it possible for 88,000 households to buy a home
- House building has increased by 36% in two years as developers recover from the financial crisis
- More than 100,000 new jobs have been created through increased house building activity

## BUT MORE ACTION IS NEEDED TO TACKLE THE HOUSING CRISIS...

- The best estimate of the housing requirement for England is 240,000 homes per year
- Nationally, the average house price to income ratio has doubled over the last 15 years
- 3.3 million 20-34 year olds are now living at home with parents – an increase of 1 million since 2002
- In the last 10 years, owner occupation in the 25-34 age group has dropped from 59% to 36%
- There are almost 1.4 million households on social housing waiting lists
- By 2014, in the 10 years following publication of the Barker Review of Housing Supply, the shortfall of housing in England grew by 1 million homes – more than twice as many homes as in the city of Birmingham
- In spite of an increasing population of older people, less than 1% of housing stock is made up of specialist retirement housing to buy

## PROVIDING NEW HOMES GENERATES MAJOR BENEFITS FOR WIDER SOCIETY...

- £19.2bn – the annual contribution made by house building to the UK economy
- £3.9bn – contribution to local infrastructure and services through Section 106, CIL and affordable housing contributions
- £225m – the funding provided through Section 106 for education facilities; equivalent to 52,000 classroom places
- 600,000 – the number of jobs dependent on house building
- 32,000 – affordable homes (with a value of £2.3bn) built or financed through private house building with a further £1bn paid to local authorities in contributions to additional affordable housing
- 6.5 million – the number of trees and shrubs planted on new housing developments each year
- £355 million – stamp duty receipts to the Exchequer each year derived from the sale of new build homes
- 5,000 – the number of apprentices, graduates and trainees employed by the house building industry every year

## BUILDING ANOTHER 100,000 HOMES PER YEAR TO BETTER MEET HOUSING DEMAND WOULD GENERATE AN ESTIMATED:

- 375,000 extra jobs
- Another £11.9bn in economic output
- £2.7bn more funding for affordable housing, education and health and open spaces
- More than 20,000 new affordable homes
- £1bn more in receipts for the Exchequer
- £779m in receipts for local authorities through Council Tax and New Homes Bonus

# A PLAN TO BOOST HOUSING SUPPLY

## THINK LONG-TERM

- Housing is too important to be treated lightly: Politicians should take a long-term view of the conditions needed to see a sustained increase in house building and work towards a political consensus on the issue.
- Support the industry in our efforts to recruit the house builders of the future.
- Address the hidden crisis of the long-term lack of supply in the market for housing in later life. In an ageing society it is vital that we plan for the housing needs of the increasing population of older people. Making it more attractive to move into appropriate sized housing could help support healthier lifestyles into later life and free up family homes.

## PRESERVE HELP TO BUY EQUITY LOAN UNTIL AT LEAST 2020

- Builders can only build if buyers can buy. The experience of recent years has shown that the mortgage market is critical to the health of the housing market and the delivery of new homes. Help to Buy Equity Loan has helped 43,000 onto the housing ladder in less than two years, including 37,000 first-time buyers. Help to Buy 1 should be maintained until 2020.
- The new Government needs to work with the industry early in the next Parliament to plan for what happens when Help to Buy comes to a close.

## DELIVER A SUSTAINED INCREASE IN THE SUPPLY OF NEW LAND COMING THROUGH THE PLANNING SYSTEM

- The NPPF should be strengthened to ensure all local authorities plan for enough homes by introducing a 'buffer' allocation of land in all Local Plans to allow for delivery risks and ensure that Local Plans do not unintentionally constrain the supply of new housing.
- To accelerate delivery of new homes, we need more sites coming through the planning system of all sizes. A greater supply of smaller sites will speed up delivery by allowing developers to increase build out rates and level the playing field for smaller house builders.
- Accelerate the release of surplus public land and streamline the process of acquiring sites for development to ensure that public land remains competitive.

## CREATE A MORE BUSINESS-FRIENDLY PLANNING PROCESS

- The process of securing an implementable planning permission should be accelerated. Shortening the time taken for developers to get on site will not only help to increase overall output but also support smaller house builders.
- Central and local government should address the lack of resources dedicated to local authority planning and legal services upon which securing an implementable planning permission are absolutely critical. Higher fees are not the answer unless they truly deliver a better service for all applicants. Other options for consideration should include opportunities for outsourcing planning and legal services to introduce competition.

## A BETTER DEAL ON INFRASTRUCTURE

- Conduct a thorough review of the Community Infrastructure Levy (CIL) to ensure that it is workable, fit for purpose and that residents are better able to see the benefits that development brings to their communities.
- Better spatial planning to align major infrastructure projects with opportunities for house building.
- Very large housing sites should be planned for in accordance with their economic and social significance for the country.

Find out more about the benefits that house building brings to local communities and the national economy and see HBF's full list of almost 40 recommendations for the next Government, by visiting

[www.hbf.co.uk/election2015](http://www.hbf.co.uk/election2015)



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