

6 | BUILDING A NEW HOUSING MODEL

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There is a positive opportunity to create fantastic new and refurbished homes which meet people's needs, irrespective of their earnings, and create a safe environment that helps promote people's long-term health and happiness. However, in order to achieve this we urgently need a radically different house building model which creates diverse housing tenure options, delivered by a range of providers. Alongside the private sector this would involve a much stronger role for the public sector and greater emphasis on smaller, citizen-led models.

The facts of the housing crisis are as stark as the human misery it engenders; the number of young couples, families and individuals unable to get a home, let alone take a first step on the housing ladder, tells its own story of shattered dreams and broken relationships.

For those on low pay, where either affordable or social housing is a tenure of necessity, the choice is often non-existent. As a nation, we are simply not providing for essential low-paid workers – whose employment underpins an economy on which we all depend – or for people on average incomes trying to get onto the housing ladder.

The latest household projections for England, published in November 2015, suggest that we need over 220,000 additional homes each year until 2031 if the projected growth in households is to be accommodated. Only 54 per cent of

the homes required have been built since 2011. To catch up by 2020 with the number of homes suggested by the projections, we need to build over 310,000 homes a year over the next five years.

While the housing crisis touches every part of Britain and is a pressing issue for every community, the greatest need for housing is in London and the wider south-east where 55 per cent of the homes required in England need to be located. In other parts of the country, including some of our former industrial towns and cities in the north and midlands, the challenge is the quality and refurbishment needs of the existing social housing stock.

The figures also reveal that young people across the country are struggling more than ever to live independently. Housing shortages and the resultant high prices and rents mean that young people are living with parents or in house shares for longer, rather than forming a household of their own. Rising student debt levels and potential future welfare reform are likely to make their position even more difficult. Even if the homes required are actually built, the latest household projections suggest that couples aged between 25 and 34 will be less able to live in their own home in 2031 than their counterparts in 2011.

These figures are not politically derived or made up by house builders. And all forecast figures are just that – forecasts – and do not give a perfect view of the future. However, in Britain today there is no credible argument that we should not be building more homes, not just to meet new household formation, but also to provide decent homes for people currently living in overcrowded and poor conditions.

Improved planning and better housing have long been identified as essential for improving the health of communities, reducing health inequalities and cutting costs for the taxpayer. Conversely, poor quality housing and an inadequate supply of new homes impacts on the social wellbeing

of communities. The Building Research Establishment has calculated that the annual cost of poor housing to the NHS is at least £1.4bn. A lack of decent affordable housing also reduces labour mobility and undermines the ability of our towns and cities to attract new business.

The quality of our homes matters as much as the quantity. It cannot be right that new homes being built in England today are the smallest in western Europe and many are unsuitable and inaccessible for a significant proportion of the population who are elderly or disabled. We need decent minimum space and accessibility standards applicable across all tenures. Space standards exist in London and they should be mandatory everywhere.

There is a positive opportunity to create fantastic new and refurbished homes which meet people's needs, irrespective of their earnings, and create a safe environment that helps promote people's long-term health and happiness. However, in order to achieve this we urgently need a new debate and a radically different house building model.

We need to start by changing the terms of what has become a negative debate about housing, full of contradictions. Development is so often seen as a threat. Headlines in some newspapers, driven more by emotion than by hard evidence, scream of both green belts and countryside at risk. But emphatically they need not be – provided we have a planning system that is fit for purpose.

We also need to be upfront about the dilemma we now face. New homes and communities must be accessible and inclusive and founded on the highest sustainability standards, and we know these standards are deliverable as demonstrated by communities across Europe in places like Freiburg in Germany and Malmo in Sweden. However, national planning policy and guidance in England on a range of place-making issues has been greatly reduced, and with our current developer-led model of delivery, financial viability often trumps quality and sustainability.

We can, and should do much better than this. There are alternative and proven development models that will help us achieve a much more inclusive and vibrant housing offer in England.

A new house building model

While the private sector plays an important role in building homes in England, they are incapable of delivering the number of homes we need on their own. That is why we urgently need to create a new house building model. The new model would focus on creating diverse housing tenure options, delivered by a range of providers, from new innovative and publicly accountable development corporations and local authority companies, working in partnership with housing associations; private-sector house-builders and small and medium size builders; through to smaller, citizen-led models such as co-operatives, community land trusts, self-build and custom-build.

A key foundation for a new house building model would be a much stronger role for the public sector. It seems all too easy to forget the significant contribution planning has made to improving people's quality of life since the end of the 19th century. We built extraordinary quality social housing which was an unparalleled improvement on what had come before. In the post war years, the public and private sector achieved the delivery of over 300,000 new homes per year, with around 90,000 of those homes being built by local councils. From the late 1940s to the late 1960s we built 32 new towns which still house over 2.7 million people today.

Yet since the late 1970s, figures have dramatically declined and we have seen an increasingly larger bill for housing benefit payments, whilst neglecting to address the root cause of rent increases, which is the lack of supply of social housing.

As recommended by the 2014 Lyons Housing Review, councils can and should return to a significant role in building and commissioning social housing. There are already examples of this in England, such as the Birmingham Municipal Housing Trust, but we need to go much further.

As part of a new house building model there should be a positive long-term role for new communities, combining the quality and beauty of garden cities, as found at Letchworth and Welwyn, with the practical success of the delivery of the post war new towns. We now need to be brave and match the scale of the post-war ambition by building a new generation of garden cities fit for the 21st century. This is an obvious part of the new housing model for England because garden cities represent the very best of British place-making, framed by a financial model which can pay for itself. The model is based upon the capture of the uplift in land values which the granting of planning permission and the development creates; this can be used to fund infrastructure provision, debt repayments and long-term reinvestment in the new community. This is both morally defensible – much of the value is created by public sector policy decisions – and commercially sensible – development can proceed more rapidly and successfully if it is backed up by adequate and timely infrastructure.

The development of new communities must, of course, go hand in hand with the regeneration and renewal of our existing towns and cities. London and many of our regional cities have seen a great renaissance over the last 20 years. Economic change has underpinned it, but the job is far from complete and we now need to refocus on reaching the most excluded and vulnerable in our cities. This requires a strong vision for our urban areas; we need to provide real opportunities for meaningful partnerships at the city-regional level and we need a new focus on area-based approaches to regeneration at the local level.

A new house building model should be at the heart of this new urban policy, drawing together community governance and planning with the wider integration of related health, education, policing and local authority powers and institutions. This would essentially result in a new form of area-based planning which seeks to combine planning powers and in particular place-based delivery vehicles, with a much greater sense of social outcomes and community governance. Like the garden city model this is not a new concept, but the emphasis and outcomes would be tailored to tackle specifically those areas facing complex social challenges.

Citizen-led models of housing, including co-housing and community land trusts, should be another important element of a new house building model. Citizen-led models of housing development offer both opportunities for community-based governance and stewardship arrangements and the possibility of providing a variety of tenures within a development. Self-build and custom-build homes should also be an important part of the new housing model in England, and land should be designated for this purpose, potentially as serviced plots. This isn't all about Grand Designs, opportunities offered by self-build and custom-build must be made realistic for those on moderate and low incomes.

Citizen-led housing models are not new ideas, but the scale and pace of community-led developments in England is currently relatively small and lags behind the rest of Europe. In order to accelerate the delivery of citizen-led models of development, alongside building decent social and affordable housing, suitable public sector land should be released at less than market value where this is demonstrably in the public interest. It is still possible to achieve good value for the taxpayer using this mechanism; it is simply that some of the returns to the public purse are generated through the wider economic benefits of housing delivery for the nation.

Building homes requires consensus building

To build the homes the nation needs and deserves, and to lay the foundations of a new house building model, there needs to be three fundamental changes.

Firstly, we must build consensus that housing – including housing that is available for social rent, either from a council or housing association – is good for the nation. Advocates for new, high-quality housing need to seize the economic, social and environmental high ground to explain why new housing is both necessary and desirable. Ultimately, we must act on a crucial guiding principle: good-quality housing, for people of all incomes and circumstances, is a pillar of a civilised society.

Secondly, we need consensus on a coherent housing supply model for the future, which should encompass issues of social justice, investment patterns, housing quality, tenure and planning policy. This will require significant changes to the policy and legislative framework, for example to enable councils to build outstanding, inclusive and genuinely affordable homes.

Thirdly, we need consensus about the purpose of planning and this will require reforming the planning system. The current planning system does not command consensus between the public, private and voluntary sectors, and some of its outcomes are plainly against the long-term public interest. We urgently need to restore a comprehensive framework of place-making standards, and planning policy should be rebalanced to ensure social justice and outcomes for people are just as important as the needs of land-owners and developers.

There is no doubt that we will build new homes in Britain, but the challenge for all of us is whether we have the determination to leave future generations with a legacy of beauty and durability which truly meets the challenges of the 21st century. This means ensuring the homes we

build meet the needs of everyone in society – and it will need us to create a shared sense of purpose and partnership across politics and across sectors if we are to realise this ambition.

EUROPEAN PERSPECTIVE: HOMES

Europe's housing problems vary from country to country.

In Germany, housing prices in many large cities have skyrocketed, while the number of social housing apartments has diminished considerably. Spain, with its high proportion of owner-occupied dwellings, is confronted with more than three million empty homes. Although prices have decreased by up to 40 per cent since 2008, many flats and houses remain unaffordable for a large number of Spaniards.

In large parts of central and eastern Europe, housing prices have stagnated or even fallen over the last few years. But many people, particularly in Hungary, have accumulated considerable debts in order to finance their new homes and are now unable to repay their loans.

Each national and even regional housing market, then, faces its own problems. Nevertheless, we generally see a lack of affordable homes, particularly in many of the larger cities across Europe. The consequences are twofold: first, too many people have to spend an enormous part of their income on housing; and second, it leads to the segregation of rich and poor, with considerable social and economic consequences.

The main task for social democracy in Europe therefore is to refocus on the importance of social housing to provide affordable homes. Vienna provides a good example, it has a long tradition of investing in high-quality social housing, and has recently restarted its social housing scheme to meet increasing demand.

Social democrats must also ensure that private rents remain reasonable. In addition, it is crucial to prevent further segregation in our cities. This can be achieved by building social homes not only in poorer parts of the city, but also in wealthy neighbourhoods, and by accepting a certain number of higher income households in social homes.

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