

Housing market is “broken” Government finally admits - but will its “feeble” plan to fix it make it any better at all



The Government has announced plans to fix Britain's “broken” housing market, including building more affordable homes and pushing developers to build more quickly on the land they own.

Sajid Javid, the communities secretary, said that the housing market today is “broken”, adding: “The only way to halt the decline in affordability and help more people onto the housing ladder is to build more homes.”

However, the long-awaited housing white paper has received a lukewarm response, with critics pointing out a lack of ambition and suggesting the Government is simply “retreading old ground”.

The white paper sets out a host of measures which the Government believes will tackle the large undersupply of property in the UK, which include:

- Pushing local authorities to produce up-to-date plans for how they will meet housing demand

- Encouraging councils and developers to build homes at higher density where there is a shortage of land - in other words, more high rise developments.
- Pushing developers to build on land they own more quickly
- Providing more support for small and medium-sized builders - currently 60% of homes are built by just 10 large house-builders
- Starter homes, which will be available to households with an income of less than £80,000 (rising to £90,000 in London)
- Building more affordable homes - encompassing Rent to Buy and shared ownership properties - while also making better use of the 200,000 empty homes in the UK.

Shadow housing minister John Healey said that the white paper was “feeble beyond belief”, adding: “Ministers should be setting out clear plans to deal with these problems, but all Theresa May’s ministers have delivered so far is hot air.”

The lack of detail in the delayed white paper - which was initially expected last year, then pushed back until January, before finally arriving today - and repetition of previously announced initiatives was also flagged by industry experts.

Russell Quirk, chief executive of online estate agent eMoov , said there was a “real lack of ambition”, and continued: “Rather than make any real steps towards a solution, today’s changes seem to only trim the fat from a system that is fundamentally broken.”

Dean O’Neill, co-founder of investment agency Hunter Jones, added: “This was a golden opportunity for the Government to help regenerate towns and cities all across the country. Instead the focus appears to be on pre-fab homes and more housing estates.”

The last Government talked about building 200,000 homes a year in order to meet demand, but the reality is that even that isn’t enough.

A report from the House of Lords economic affairs select committee last year found that in order to have a “moderating” effect on house prices, we need to actually build 330,000 homes a year.

We aren’t coming close to that. Last year around 170,000 homes were built, and that represented a good year compared to much of this century.

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