EXPERT SOLUTIONS TO UK’S HOUSING SHORTAGE

BNP Paribas Real Estate’s national head of residential, Adrian Owen, discusses the possible solutions for the UK’s housing shortage:

“Last week, I had the pleasure of chairing a panel debate alongside Stephen Stringer, deputy director of DCLG, Phillip Lyons, divisional director at Taylor Wimpey, Harry Downes, managing director, of FizzyLiving and Tom Copley, a Labour member of the London Assembly - some of the country’s leading residential experts.

We were there to discuss seven recommendations for improving housing delivery, which form part of our fourth annual Housing the Nation report. The report itself revealed that the Government could miss its housing delivery targets by 51,000 homes, as completions continue to fall since the abolition of the Regional Spatial Strategies (RSS).

The seven possible solutions in our report included the Government not taking a one size fits all approach in terms of resolutions and to instead look at the local demographics of each region first. The report also highlighted the potential importance of the private rented sector (PRS).

During the discussion, it was clear to see that the panel also felt that, overall, PRS will play an invaluable role in helping to solve the country’s housing shortage.

Harry Downes, who is an obvious supporter as his company is a PRS provider, explained how there are four main issues currently deterring institutions from investing in PRS – these are scale, reputational risk, management issues and yield. He feels that if we were able to overcome these factors, the sector could really take off and help to change the market for the better. The panel also agreed that there is definitely scope for developing a large scale professional landlord market in this country.

We also discussed how the introduction of a new a new planning user class specifically for PRS could help to encourage institutional investment. Tom Copley was really keen on this idea, as he believes that if the sector was more established, people may be less concerned about home ownership, especially in the short-term.

The debate ended with a discussion about the report’s recommendation which focused on the government continuing to put pressure on local authorities to implement the pro-development principles of the NPPF. The panel was in agreement that the NPPF has had a positive impact but
local authorities need to ensure that current frameworks are efficiently implemented within their regions, rather than adding any further legalisation.

Interestingly, it was also suggested that the Government could perhaps introduce a simplified residential planning regime in certain areas, similar to the benefits enterprise zones receive.

Overall, it was clear from the discussion that action needs to be taken now, in order to increase housebuilding outputs. Whether through the release of public sector land, the relaxation of planning regulations on Greenfield sites, or taking away planning powers from locally elected members - otherwise the UK’s ongoing housing shortage will only continue to worsen.”

To access the full Housing the Nation research report, please visit our website: www.realestate.bnpparibas.co.uk.”

**About the report**
The fourth annual Housing the Nation report was put together by a group of property experts led by BNP Paribas Real Estate, the leading property adviser, and Local Dialogue, a leading stakeholder engagement consultancy. The report looks at the challenge of delivering housing and puts forward recommendations to the Government on how to improve delivery. Other experts who gave input to the report included: Andrew Cunningham, Chief Executive at Grainger Plc, Harry Downes, Managing Director of FizzyLiving, John Howell MP for Henley and Lucy Thornycroft, Head of Construction at the Confederation of British Industry (CBI).

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**About BNP Paribas Real Estate**
BNP Paribas Real Estate, leading international real estate provider, offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.
BNP Paribas Real Estate has local expertise on a global scale through its presence in 34 countries with more than 180 offices and 3,300 employees (17 wholly owned subsidiaries and 17 by its Alliance network, that represents today more than 3,000 people).
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