LEADING EXPERTS TELL GOVERNMENT TO
ENCOURAGE PRIVATE RENTED SECTOR IN LONDON & SE

- Government urged NOT to take a one size fits all approach to solving UK’s housing shortage -

A leading panel of experts has urged the Government to look at local demographics in order to solve the nation’s housing delivery crisis, rather than adopting a one size fits all approach. The Group also boldly suggested that planning powers are removed from locally elected members altogether in the wake of years of unsuccessful planning reforms.

The experts, together for the fourth annual Housing the Nation report and debate, were led by leading property adviser BNP Paribas Real Estate and stakeholder engagement consultancy Local Dialogue. 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).

The seven key recommendations the group will deliver to the Government are:

1. Don’t take a one size fits all approach - look at the local demographics and be flexible with approaches based on that.
2. The Private Rented Sector (PRS) is not the answer for all markets – the focus should be on encouraging this in our urban centres or where demand is appropriate.
3. Look at changes/relaxation to Affordable Housing/S106, CIL, SDLT and planning regulations specific to PRS to bring forward more viable schemes to provide much needed housing.
4. Relax the planning regulations on Greenfield sites, particularly those on town boundaries - we say this every year but it is yet to actually happen.
5. Release more land from the public sector and potentially look at reclaiming/CPO of land-bankers.
6. It is encouraging to see the Government putting pressure on local authorities to implement the pro-development principles of the NPPF, but it should consider taking away the planning powers from locally elected members altogether.
7. Targets are still too small in comparison to demand. The Government needs to put in place an obligation that if targets are hit ahead of time, the next phase of development and subsequent targets must be brought forwards.
BNP Paribas Real Estate’s national head of residential, Adrian Owen, commented: “Whilst we recognise that the Government’s Help to Buy scheme is a positive step in supporting growth in the regional housing market, it may not be the best solution for the market on the whole. In the medium term, we anticipate that Help to Buy will increase sales rates and delivery numbers, however in the short term, the concern is that it may only serve to increase prices.

“The demand for housing in London and the South East already exists; Government policy here should focus more on the supply side rather than demand. Solutions such as encouraging PRS may suit London and the South East while Help to Buy is working more in the regional markets.”

Also commenting on the recommendations, BNP Paribas Real Estate’s head of research, Claire Higgins, said: “For London and the South East in particular encouraging PRS is certainly a way for us to secure the delivery of more homes. The Government could investigate a number of potential solutions for this, such as the relaxation of section 106 agreements, Community Infrastructure Levy payments and Stamp Duty Land Tax for schemes specifically designed for PRS. Rental covenants could be put in place and a new planning user class specifically for PRS could be introduced.

“We also anticipate that many local authorities will hit their housing targets ahead of their five year plans and it is vital that they begin looking at resetting their targets to ensure that development and momentum within the housing market does not stall. The Government needs to implement regulation across local authorities to ensure they are revising their targets upwards when it becomes apparent the demand for sites from house builders is visible.”

Owen concludes: “Every year this report discusses planning and, while it is clear from our report that some recent reforms mean planning is moving in the right direction, this is a slow process. In addition to the recommendations on PRS and targets, if we really want an injection into housing delivery, then we must look at some bolder movements such as taking away planning powers from locally elected members and, of course, looking at Greenfield land that surrounds the borders of commuter towns.”

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