

# MIPIM 2019

Thank you Liz and it's wonderful to be here today.

It's certainly an interesting time to be meeting.

While Brexit might be dominating the headlines and the political drama never seems to end, the hard work on the ground delivering the homes we need continues and it continues with you.

You are all committed, talented, professionals at the heart of delivering the homes this country needs.

And I want to say a big thank you for all your efforts and all that you are doing.

Housing supply has increased by 1.3 million since 2010.

In the last year alone it increased by over 222,000, the highest level in all but 1 of the last 31 years.

We have delivered 430,000 affordable homes, including 308,000 to rent.

And council waiting lists continue to fall. In 2017/18 they were down 4% on the previous year – and down nearly 40% since 2012.

First time buyers this year are at the highest level in 11 years, 84% higher than 2010.

The government has supported the housing industry with the introduction of the £5.5 billion Housing infrastructure fund targeted at unlocking 650,000 homes in areas where housing need is greatest.

Government has announced more than £44 billion of financial support over 5 years to 2022/2023. This will boost the delivery of housing and use funds flexibly to unblock the barriers to delivering more housebuilding.

And £9 billion is available through the Affordable Homes Programme to March 2022 to deliver 250,000 new affordable homes of a wide range of tenures, including social rent.

In September 2018 we announced an additional £2 billion of long-term funding for housing associations that will give them the certainty they need to deliver up to 2028/29.

Despite all this headway – and thank you for all the work you've done and the support that government's been giving too – more still needs to be done.

Because for too long demand has outstripped supply. So we are catching up.

Together we need to be building 300,000 homes a year each year by the mid 2020s.

And with so many homes to build – we need to be building all types of homes; Council, social, private – houses to rent and to houses buy. For all stages of every person's life.

As I travel up and down the country, I'm looking to see what has been the enabler to get those houses built. What has been the process by which something happened quicker. What has helped that process run that little bit smoother.

Certainly, Forward Funding from our Housing Infrastructure Fund is providing strategic, long-term, infrastructure projects which will deliver houses not just for now, but for generations to come.

So far we have announced 14 successful Forward Funding bids, totalling £1.9 billion of grant funding that will unlock up to 125,000 homes across the country.

Last week I visited Meridian Water in Enfield, where up to 10,000 homes have been unlocked, thanks to £156 million HIF funding. The funding is for rail works, new pedestrian ways and cycle ways, road links, sustainable transport, and vital upgrades to utilities. The first stage of this major development is well underway with the new Meridian Water railway station operating services between London and Cambridge.

In September I visited Northstowe in Cambridgeshire, the biggest completely new town to be built in 50 years. This site was a former RAF base but will now deliver over 10,000 new homes. A mix of all types of homes, and a section, along with the Homes England headquarters, made from modular build. Homes England, our strategic partner, has forwarded £55 million worth of infrastructure to ensure that this community gets what it needs, from roads to schools to bus-ways.

But it's not just Northstowe that's getting government help. We are supporting 48 locally-led garden communities across the country from Cumbria to Cambridge to Cornwall.

Together these communities have the potential to deliver up to 350,000 homes by 2050. But that doesn't come at the expense of quality – each Garden Community is unique, and the expectations on innovation and standards are high.

Each one must demonstrate the vision to create vibrant, thriving communities where people can live and work for generations to come.

To help achieve this we have provided over £38 million of capacity funding to help each place deliver their ambition.

There is no silver bullet to solving the housing crisis. It requires a multilevel coordinated approach. From land release to the planning process, from support with infrastructure to support reclaiming land to support with skills, training and apprenticeships.

Looking to the planning process, we will shortly be publishing wide ranging

proposals to accelerate the planning system.

Including the potential for more fees to be refunded if councils take too long to decide on specific applications, and a review of application fees to make sure planning departments are properly resourced.

These changes will benefit everyone, from housing developers of all sizes, to individual householders seeking to extend or modify their own home, as it ensures councils work at pace to decide proposals.

Local residents will no longer have to contend with a complicated and outdated planning system, but a more user-friendly and simplified one.

Equally I'm keen to ensure that along with quantity comes safety.

Ensuring we build homes that adhere to the highest safety standards.

It is vital that after the tragic fire at Grenfell Tower we all learn the most important lessons on safety.

This is why we will be taking forward all 53 of Dame Judith Hackitt's recommendations from her independent review, and we are bringing forward legislation at the earliest opportunity to make sure there is a new and modernised regulatory regime for building safety and construction products.

We will be making sure that homes are fit for the future too – cost efficient, eco-friendly, zero-carbon.

In Norwich I visited the Award-winning Passive Houses in Goldsmith St, where a Victorian terrace street has been reconstructed, creating a sense of place and community and where heating bills are reduced by at least 70%.

Across the country Homes England are partnering with local authorities to turbo charge the delivery of their housing schemes through the £450 million Accelerated Construction programme, which also encourages the use of innovative construction methods and a wider range of builders, particularly SMEs.

My first visit as Housing Minister was to Daedalus Village in Gosport which is one of the pilots for the Accelerated Construction model, and I saw first hand how developments could benefit from this assistance and expertise, so that homes can be built more quickly for the communities that need them.

When we came in to office in 2010 only 28% of people supported more homebuilding in their community. That figure now stands at 57%. It shows the pragmatism of our nation.

The understanding that we need to build more to house our population and to allow our children to become homeowners of the future. Latest research shows that 87% of people would rather buy than rent.

To build the homes this country needs, we need to make the most of everything on offer – investing time and energy not just into bricks and mortar, but in

modern technology and fast-paced infrastructure.

Technology is opening up opportunities to change the way we do things for the better.

That's exactly why we must look at how we can better use Modern Methods of Construction in the building industry.

Technology now enables building off-site to give you 'precision-manufactured' homes,

In 2015 industry estimated that 10% of homes were built using modern methods, equivalent to 15,000 homes. So, to reach 300,000 homes per year we need to build at least 80,000 homes a year by the mid 2020s, on top of what we are delivering today, so there is much more we can do in this space to add to the traditional housing build market.

It is for this reason I want to set this ambitious goal here today with you, that the UK becomes the world leader in Modular Buildings within the next 10 years, with safety, quality and choice and precision at its heart.

Not only that – but that we will create a Construction and Engineering Centre of Excellence in the North for modern methods of construction too, led by business, in order to train the next generation of school leavers to be a part of this fast-moving world of construction.

As Dame Judith Hackitt says in her Review: 'Over the longer term, it is expected that the changes set out in [the report] will lead to the greater use of more standard and better quality-assured systems being constructed off-site and less elemental construction on-site.

We don't need to imagine what we could achieve if we embraced these modern methods fully. In our construction sector deal we committed to focusing on:

- Deploying digital techniques at all phases of design to deliver better, more certain results during construction.
- Using off-site manufacturing technologies to help to minimise the waste, inefficiency and delays that affect onsite construction, and enable production in parallel with preparing the site.
- Shifting our focus away from the upfront costs of construction to the costs of a building across its life cycle, to consider energy costs.

That's why the government is investing up to £170 million of the Industrial Strategy Challenge Fund to the 'Transforming Construction' programme over the next 3 years.

And we have invested £1.4 million in the Building for 2050 research project, which will learn from three housing developments in Swansea, Bristol and

Manchester to reveal the barriers to developing low-cost, low-carbon housing.

This revolution in housing is happening already right now in countries like Japan, Sweden and Germany which are far ahead of us in adopting this approach.

It's a massive boost in their capacity to deliver homes for their citizens – with Japan building 942,000 in the last year alone, and Sweden building at least 45% of their new homes off-site.

The Americans are introducing standards and codes to support the development of off-site construction methods too.

While in Singapore, they actively incentivise off-site techniques with funding and training support.

And in Malaysia, they have dedicated centres to share best practice, encourage cooperation and coordinate research and training in these methods.

I want to see the UK do this and do more.

With more beautiful and environmentally-friendly homes built using timber, recycled glass and other sustainable materials.

It is possible for homes built using modern methods of construction to cost under half that of a traditional home to run.

This is what we can aspire to: faster built, greener homes with beauty and quality as standard and with cheaper household bills. One MMC development, Berkeley's Urban House in Kidbrooke, only a short drive from here has seen utility bills reduced – up to 80% for gas bills and 30% on water.

If you're a family, paying for school uniforms, fuel, childcare, the food bill, that reduction in energy bills will make a tangible difference to your life.

And if you're an investor looking to build more homes, factories using MMC can provide houses ready to be constructed in a matter of days, not months. For the tenant, that means a new home more quickly; for the investor, that means no delay in rental income and more certainty over the timescale and cost of a project.

For the community it also means less disruption to residents living nearby to that construction. This is so important to building the homes we need because it is often the noise and hassle of the lorries and diggers that puts people off having developments built close by to them.

Quality in design too. Laindon Place in Basildon will be built using modular and I am delighted to see that MIPIM have awarded their architectural plans in your Future Projects Awards. This proves that MMC should never hamper the architectural vision.

Not to mention the impact on the environment; studies show MMC produces a

significant reduction in waste generated on site, and reduced emissions of up to 20%. This is huge when you consider housing is responsible for around a fifth of our greenhouse gas emissions and two fifths of our national energy use.

And, yes, we need more choice for consumers as well as savings, as we've seen in other industries that have grasped the opportunities offered by new technology – so diversifying the market with new products.

Because if we are to solve the housing crisis, we need to not just open the door to new skills and technologies, but to literally knock it down, to make sure we are providing the homes and communities people actually want to live in and remove the obstacles that are in their way.

That means putting increased consumer satisfaction at the heart of every new build development.

It means having the right infrastructure – the schools, the transport links, the healthcare facilities and utilities on your doorstep.

It means levelling up investment across the country.

Because if we invest in infrastructure, we are also investing in housing, and new opportunities so that communities can thrive.

Let me be clear though, increasing the supply of affordable homes does not mean tearing up the country's green belt.

Instead, I'm passionate that we make the most of brownfield land. These sites alone can deliver 1 million new homes.

Only last month I visited a fantastic example of this approach when I went to Northstowe, the new regional headquarters of Homes England – this land was unused, abandoned some might say, but now after remediation it will provide 10,000 homes for the local area.

There is huge potential for regeneration on these sites, and we need to utilise this fully – with the local register of brownfield sites suggesting that across England there are over 28,000 hectares of developable land.

Imagine how many homes could be built on that land – how many apartments, or new co living communities for young professionals, houses for families and properties for those wanting to get on the property ladder?

I know some of you may be thinking 'well, my business already uses MMC' or 'my team already focuses on what the consumer wants.'

Yes they do, and thank you very much for that. But I just want to say, if we want to complete this ambition to deliver the homes our country needs, then we are going to have to build far more than we are doing today.

Let us open up to the opportunities before us, see our builders, big and small, new and entering the market playing their part.

Housing has a bright future ahead of it. A future that I know that we can all deliver together.