

Statement to Parliament: Housing white paper: statement

Thank you, Mr Speaker, and with your permission I would like to make a statement on the government's [Housing white paper: Fixing our broken housing market](#), copies of which I have placed in the Libraries of both Houses.

I had hoped this white paper would dominate the headlines this morning, but it seems someone else beat me to it!

Our housing market is broken.

Since 1970, house price inflation in Britain has far outstripped the rest of the OECD.

The idea of owning or renting a safe, secure place of your own is, for many, a distant dream.

Over the past 7 years the government has done much to help.

We've taken action on both supply and demand.

And the results have been positive.

Last year saw a record number of planning permissions granted, and the highest level of housing completions since the recession.

Between 1997 and 2010 the ratio of average house price to average income more than doubled, from 3.5 to 7.

But in the 5 years to 2015 it crept up only a little, to just over 7.5.

But still, Mr Speaker, heading in the wrong direction.

And behind the statistics are millions of ordinary working people.

I'm talking about the first-time buyer who's saving hard but won't have enough for a deposit for almost a quarter of a century.

Or the couple in the private rented sector handing half their combined income straight to their landlord.

The symptoms of this broken market are being felt by real people in every community.

It's one of the biggest barriers to social progress this country faces.

But its root cause is simple.

For far too long, we have not built enough houses.

Relative to population size, Britain has had Western Europe's lowest rate of house-building for 3 decades.

The situation reached its nadir under the last Labour government, when in one year work began on only 95,000 homes – the lowest peacetime level since the 1920s.

Thanks to the concerted efforts of central and local government, last year 190,000 new homes were completed.

But that's still not enough.

To meet demand, we have to deliver between 225,000 and 275,000 homes every year.

In short, we have to build more of the right houses in the right places.

And we have to start right now.

Today's white paper sets out how we will go about doing so.

But house building doesn't just happen.

Meeting the unique needs of different people and different places requires a co-ordinated effort across the public and private sector.

This means there's no one single magic bullet that can fix the problem.

Rather, we need action on many fronts simultaneously.

First, we need to plan properly so we get the right homes built in the right places.

To make that happen, we are going to introduce a new way of assessing housing need.

Many councils work tirelessly to engage their communities on the number, design and mix of new housing in their area.

But some of them duck the difficult decisions and fail to produce plans that actually meet their housing need.

It is important that all authorities play by the same rules.

We need to have a proper conversation about housing need, and we need to ensure that every local area produces a realistic plan which they review at least every five years.

Once we know how many homes are needed where, we need sites on which to build them.

So the white paper contains measures that will help us identify appropriate sites for development.

Not simply empty spaces, but usable, practical sites where new homes are actually required.

Let me reassure the House that this will not entail recklessly ripping up our countryside.

In 2015 we promised the British people that the green belt was safe in our hands.

And that is still the case.

This white paper does not remove any of its protections.

Government shouldn't be in the business of land-banking, so we will free up more public sector land more quickly.

We will increase transparency around land ownership, so everyone knows if someone is unfairly sitting on a site that could be better used.

And people need a say in the homes that are built in their area.

So everywhere must have a plan in place and ensure communities are comfortable with the design and the appearance of new homes.

The second area of focus is all about speeding up the rate of build-out.

At the moment we're simply not building quickly enough.

Whether it's caused by unacceptable land-banking or slow construction, we will no longer tolerate such unjustified delays.

We will speed up and simplify the completion notice process.

We will make the planning system more open and accessible.

We will improve the co-ordination of public investment in infrastructure and support timely connections to utilities.

And we will tackle unnecessary delays caused by everything from planning conditions to great crested newts.

We'll be giving developers a lot of help to get building.

And we'll give local authorities the tools to hold developers to account if they fail to do so.

Local authorities also have a vital role to play in getting homes built quickly and I am therefore looking again at how they can use compulsory purchase powers.

We will also introduce a new Housing Delivery Test to hold them to account for house-building across their local area.

Finally, the white paper explains how we will diversify the housing market.

At present, around 60% of new homes are built by just 10 companies.

Small independent builders can find it almost impossible to enter the market.

This lack of competition means a lack of innovation, which in turn leads to sluggish productivity growth.

So we will make it easier for small and medium-sized builders to compete.

We will support efficient, innovative and under-used methods of construction, such as off-site factory builds.

We will also support housing associations to build more, and explore options to encourage local authorities to build again, including through accelerated construction schemes on public sector land.

We will encourage institutional investment in the private rented sector.

And we will make life easier for custom builders who want to create their own home.

Together, these measures will make a significant and lasting difference to our housing supply.

But, Mr Speaker, it will take time.

And ordinary working people need help right now.

We have already promised to ban letting agents' fees, and this white paper goes further.

We will improve safeguards in the private rented sector, do more to prevent homelessness and help households who are currently priced out of the market.

We will tackle the scourge of unfair leasehold terms, which are too often forced onto hard-pressed homebuyers.

And we will be working with the rental sector to promote 3-year tenancy agreements, giving families the security they need to put down roots in their community.

Mr Speaker, in the past few years, we have seen almost 300,000 affordable home units built in England.

We have seen housing starts increase sharply.

And we have seen more people getting on the property ladder thanks to schemes such as Help to Buy.

Now we need to go further, much further, and meet our obligation to build many more houses, of the type people want to live in, and the places they want to live.

That's what exactly what this white paper will deliver.

It will help the tenants of today, facing rising rents, unfair fees and insecure tenancies.

It will help the home owners of tomorrow, getting more of the right homes built in the right places.

And it will help our children and our children's children by halting decades of decline and fixing our broken housing market.

It's a bold, radical vision for housing in this country, and I commend it to the House.