

Housing crisis needs long-term Government strategy and multi-agency action

Opening the BSA Conference in Harrogate today (20 May), Chief Executive, Robin Fieth called on the new Government to deliver a long term strategy to counter the housing crisis. He also announced two BSA housing programmes: lending on new types of construction and lending into older age.

Solving the housing crisis in the UK will require action from multiple organisations and agencies. The single most important thing that our new Government can do for housing in the early days of this Parliament is to set in motion a long-term plan based on national and regional demographics, infrastructure, employment and environmental concerns.~

Clearly we need to build houses, 200,000 a year in England alone. Last year the total built by the private sector was less than 94,000¹. The last time we built more than 200,000 new homes in a year was back in 1968. With our top five builders estimated to be able to satisfy only 30% of this demand, it is essential that multiple other builders, plus Housing Associations, Local Authorities and individuals interested in self or custom-build are also able to build.

Many building societies already have a good working relationship with local and regional builders and are the main suppliers of mortgage finance for self and custom build across the UK.

This year the BSA is going further with a programme designed to increase the availability of mortgage finance for homes built using modern construction methods and materials. This applies particularly to off-site modular construction, a method currently niche that is substantially quicker than standard brick and tile construction. It is not yet well understood by the lending community.

As a society we are getting older, a recent survey from NESTA reported that we are living five hours longer every day! Financing older age is one of the critical social issues of this century.

Part of this is reflected in the fact that people who need to borrow close to or in retirement face some real challenges. This is partly due to the bedding down of new mortgage regulation, but is no less real for that. The building society sector already tends to adopt a more flexible approach to age than other lenders, but there is more to do. Given the size of the older demographic societies serve, working to solve this challenge is natural territory for mutual

lenders. There is a way to go, but the BSA and its members are working now with Age UK and others to start to tackle this issue.

Ends

Notes to Editors:

- ¹Figures from DCLG. In 2014 93,660 homes were built by private builders; 23,920 by housing associations and 1,180 by local authorities – total 118,760 new homes built in England.
- See full speech made on 20 May 2015 (Check against delivery)
- BSA members include all 44 Building Societies and two large credit unions
- Altogether the UK's building societies serve more than 20 million consumers
- As at December 31 2014 the sector had assets of over £330 billion, employed more than 39,000 staff, and paid in excess of £300 million of tax on aggregate profits of £1.5 billion.
- In 2014 building societies lent £53 billion on 373,000 new mortgages, 79,000 for first time buyers,
- Between 2012 and 2014 building societies lent £41 billion (net) compared to £6 billion (net) from all other mortgage lenders.
- Nesta is an innovation charity with a mission to help people and organisations bring great ideas to life. A blog which at: <http://www.nesta.org.uk/blog/five-hours-day> reported the work of Professor Tom Kirkwood from Newcastle University who has calculated what current lifespan increases are equivalent to on a daily basis.