Home ownership in the UK is declining but help for first-time buyers might incur a political price too high to pay

Posted on Friday 26th April 2013

Home ownership in the UK is falling. Speculation about the demise of widespread home ownership, the vision for which **has long been the dream of Conservative politicians (http://tcbh.oxfordjournals.org/content/23/2/275.abstract)** , has finally been confirmed.

New figures released by the Office for National Statistics (ONS) (http://ons.gov.uk/ons/rel/census/2011-census-analysis/a-century-of-home-ownership-and-renting-in-england-and-wales/video-summary.html) , show that from a high point of nearly 71% of homes being owner-occupied in 2005, just 64% were owner-occupied in 2011.

It is the first time in a century that the figure has fallen back, and 2005 may yet come to represent the high watermark of owner-occupation in Britain.

But what the ONS figures remind us is that mass home ownership is a relatively recent phenomenon. In 1918 only 23% of homes were owner-occupied, and it was not until the mid-1970s that the number of people who owned their own home surpassed the number who rented. Far from having a long history of popular home ownership, for most of its recent history Britain has been a rental society, and it is far from clear that the levels of home ownership we are familiar with today are sustainable.

Moreover, this expansion in the number of owner-occupiers has been as much the product of government policy as of rising affluence. From the 1930s onwards governments of all political hues – but especially those led by Conservatives – have introduced measures designed to encourage and to support home ownership. Often this has meant little more than attempting to keep interest rates low, and ensuring a ready supply of private credit for those who wished to take out mortgages. But occasionally governments have intervened more deliberately in the housing market.

During the 1950s and 1960s both the Labour and Conservative parties pledged support for mortgages (of up to 95 or 100%) through local authorities, and also engaged in an on-going political contest over who could build the most houses.

There is also a long history of governments selling council houses to their tenants, from a few isolated sales in the 1930s – in places like Wolverhampton and Southport, Cambridge and Bristol – through to the large-scale sell-off that took place under Mrs Thatcher's governments in the 1980s. Indeed, it was the introduction of the 'Right-to-Buy' in 1981 that was responsible for the most dramatic increase in home ownership of recent times.

Though it is probably too early to say whether **the policies recently outlined by the coalition (http://www.guardian.co.uk/money/2013/mar/20/budget-2013-osborne-offers-homebuyers-help-to-buy)** will have any real impact on the housing market, the Treasury select committee has raised **a number of important concerns (http://www.bbc.co.uk/news/uk-politics-22214546)** about how they will work. In particular, the committee has pointed out that the 'Help-to-Buy' scheme is unlikely to offer much assistance to first-time buyers, largely because it will mean keeping house prices relatively high. Helping people onto the housing ladder, the committee argues, is likely to require house prices to fall.

This raises a difficult issue for the coalition – and, indeed, for the Labour Party as well. All three parties are in theory committed to maintaining and expanding home ownership, but to do so will probably mean that house prices need to fall. Given that the majority of voters are (for the moment) owner-occupiers, is any political party willing to run the risk of pledging to devalue their voters' most important assets? And, if they're not, what hope is there for those who aspire to home ownership?

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