

CHANCELLOR'S AUTUMN STATEMENT -HOUSING MEASURES

So this was the housing budget!

After many years of watching and waiting for a budget headlining measures to address what the even the latest Housing White paper referred to as 'a broken housing market' the general reaction must be one of disappointment.

HOME OWNERSHIP AND HOUSING SUPPLY

As usual the main thrust was on sustaining home ownership despite the purported post Grenfell turn towards social housing. Here the headline measures intended to boost housing supply to 300,000 a year remain unconvincing despite a welcome pressure on land hoarding by developers (as proposed by Ed Miliband several years ago); a £1billion land assembly fund, £5billion infrastructure fund and £8billion of guarantees for private housebuilders, SMEs and purpose built rental housing. The stamp duty holiday for first time buyers seems likely to fuel house price increases rather than easing access. Furthermore there is precious little attempt to steer supply towards the yawning gap for more affordable homes.

HOUSING ALLOWANCES AND PRIVATE TENANTS

The most positive announcement for housing tenants was the U Turn on Universal Credit implementation to abolish the 7 day period with no entitlement to benefit and to continue to pay Housing Benefit for two weeks after a Universal Credit claim is made. This will ease the misery for claimants and reduce rent arrears issues for landlords but there is much more to be done. There was also welcome recognition that local housing allowance caps are too low as our recent research on [Social Renting Agencies in Birmingham](#) documented. But it is unclear why help is restricted to specific areas when the whole system is out of step with current market rents.

We must also await the outcome of consultation on increasing the length of private tenancies.

SOCIAL AND AFFORDABLE HOUSING

While there were some positive announcements before the budget including the £2billion programme for social and affordable housing (October 2007), these figures are miniscule in relation to the £44billion overall budget announcement. The £400million for estate regeneration is negligible given the massive bills arising for basic safety works such as sprinkler systems post Grenfell which will cost millions of pounds in Birmingham alone. We are also very disappointed not to see a response to recent reports¹ showing how private developers are evading affordable

¹ Grayston (2017) *Slipping through the loophole. How viability assessments are reducing affordable housing supply in England*. Shelter

housing requirements by claiming that they threaten scheme viability (defined as a profit of under 20%!!!)

The most welcome new announcement, (apart from the relatively small sums for rough sleeping pilots, construction skills measures and to support Grenfell residents) is therefore the relaxation of borrowing restrictions for local authorities in high demand areas, by about £1billion by 2021/22, so that they can start to build council housing again. This seems a welcome move away from the previous policy forcing councils to sell council housing in high cost areas to finance the housing association 'voluntary' right to buy. But alas the Housing Association Right to Buy policy has still not gone away and there is funding for new pilots including one in the Midlands.

Finally while we welcome the possibility of 100% council tax on empty homes, we are stunned that there is still no new funding to bring empty homes into use given the emphasis on housing supply and the outstanding [success of previous empty homes funding](#) between 2012 and 2015.

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