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Speech

Sajid Javid's speech on the housing market

From: Department for Communities and Local Government
(<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>)
and The Rt Hon Sajid Javid MP (<https://www.gov.uk/government/people/sajid-javid>)

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Secretary of State's speech on the housing market.



Thank you, and good morning everyone.

Half an hour ago, the official figures were published (<https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2016-to-2017>) showing that the number of new homes in England increased by more than 217,000 last year.

That represents the highest level of net additions since the depths of the recession, and it's the first time in almost a decade that the 200,000 milestone has been reached.

Yesterday, the Housing Minister Alok Sharma, he signed the papers that will allow housing associations to be reclassified as private sector organisations.

Freed from the shackles of public sector bureaucracy, associations will be able to concentrate on their core, crucial mission – building homes.

Later this morning, the Prime Minister will be in north London meeting with families living in new, high-quality social housing.

They're just some of the families to benefit from last year's 27% rise in the number of new affordable homes.

And they'll soon be joined by many more thanks to the £9 billion that we're investing in affordable housing.

Now, all that is just the tip of the iceberg.

Because this is a government that is getting things done.

A government of deeds, not words.

We've doubled the housing budget to deliver a million more homes, including hundreds of thousands of affordable ones.

We have reformed planning rules, leading to record levels of planning permissions being granted.

We have fought bureaucratic inertia and vested interests and we have freed up unprecedented levels of public sector land.

We're providing hundreds of millions of pounds of finance for small and innovative builders to accelerate construction speeds.

And tens of thousands of derelict homes are being brought back into use...

The list goes on and on.

So yes, we've done a lot.

Yet it is painfully obvious that there remains much, much more to be done.

217,000 net additions means 217,000 more people or families with a roof over their heads.

217,000 places where people can put down roots and build their life.

But fixing the broken housing market will require a much larger effort.

The figures that have been released today show that we have started turning things around.

But they are only a small step in the right direction.

What we need now is a giant leap.

You wouldn't know it if you listened to some people.

Even today, I still hear from those who say that there isn't a problem with housing in this country.

That we don't need to build more.

That affordability is only a problem for Millennials that spend too much on nights out and smashed avocados.

It's nonsense.

The people who tell me this – usually baby boomers who have long-since paid off their own mortgage – they are living in a different world.

They're not facing up to the reality of modern daily life and have no understanding of the modern market.

The statistics are well-worn but they do bear repeating.

Nationwide, the average house price is now 8 times the average income.

The average age of a first-time buyer is now 32.

People in their early 30s are half as likely as their parents were to own their home.

A third of all men in their 30s are still living with their parents – a stat that will send a shiver down the spine of all mums and dads everywhere!

Where once it would have taken an average couple 3 years to save for a deposit – 3 years – it will now take a quarter of a century. Assuming, of course, they can afford to save at all.

And last year, the average first-time buyer in London needed a deposit – a deposit – of more than £90,000.
£90,000!

That's a lot of avocados.

Now, like some kind of noxious oil slick, the effects of our broken housing market are spreading slowly but steadily through all our communities and all demographics.

And if we fail to take decisive action, the impact will be not just be felt by those who are directly touched by it.

And that's because your home is so much more than just the roof over your head.

It's not the backdrop to your life, it's a fundamental part of it – and of society too.

Our home is supposed to be our anchor, our little patch of certainty in an uncertain world.

And once you have that certainty, that stability, then you can start to put down roots.

Start making friends.

Become part of your community.

You can begin to play your role in those Burkean "little platoons" that have long been at the heart of much political thinking, for 2 centuries or more.

So our homes are engines of society, and they're also engines of social progress.

In purely fiscal terms, yes, but in so many other ways.

A safe place where children can do their homework, spend time with their parents.

It's much, much harder to get on life if you're constantly forced to move from school to school, from place to place because your parents can not afford the rent.

And homes are the rocks on which families and communities are built.

If, like me, you believe in the importance of a strong, stable family unit, if you got into politics to help protect it, then you must also accept that homes should be made available.

You simply must.

[Political content removed] At the heart of British life – is the idea that if you work hard you are free to enjoy the rewards.

It's an idea that has been articulated by countless politicians over many generations.

But it's an idea that is fundamentally undermined by our broken housing market.

Because working hard no longer guarantees rewards.

There is no guarantee that you will be able to afford a place of your own, to buy your own home, build your own life, pass something on to your children.

With wages swallowed up by spiralling rents, there's not even a guarantee that you'll be free to spend your money on what you choose.

Opportunity is increasingly limited not by your own talents but by your ability to make a withdrawal from the Bank of Mum and Dad.

The generation crying out for help with housing is not over-entitled.

They don't want the world handed to them on a plate.

They want simple fairness, moral justice, the opportunity to play by the same rules enjoyed by those who came before them.

Without affordable, secure, safe housing we risk creating a rootless generation, drifting from one short-term tenancy to the next, never staying long enough to play a real role in their community.

We risk creating a generation who, in maybe 40 or 50 years, reaches retirement with no property to call their own, and pension pots that have not been filled because so much of their income has gone on rent.

A generation that, without any capital of its own, becomes resentful of capitalism and capitalists.

And we risk creating a generation that turns its back on the politicians who failed them.

A generation that believes we don't care.

[Political content removed]

We must fix the broken housing market, and we must fix it now.

Tomorrow will be too late.

February's white paper (<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>), that set out our broad vision for doing so.

It described the scale of the challenge and the need for action on many fronts.

Since then we've been putting it into action, laying the foundations for hundreds of thousands of new homes.

But I'm about as far from complacent as it's possible to get.

So I'm not about to let myself – or anyone – think that the battle is already won.

I'm going to keep on pushing for much more change, keep on seeking answers to the questions that need to be asked.

Can and should central government take a bigger, more active role in building homes?

Our vision for Garden Villages and Garden Towns have been well received by planners and residents alike.

But should we now be more bold, taking the concept to the next level and creating larger Garden Cities?

How can we get more land into the system, freeing up more sites on which to build?

Despite what some claim, our green and pleasant land not about to turn concrete grey.

Twice a day, more of Britain gets covered by the incoming tide than is currently covered by buildings.

England is the most developed part of the UK, yet less than 10% of its land is urban.

Building the homes that we need does not mean ruining vast tracts of beautiful countryside. It doesn't mean that at all.

It just means working with local communities to make sensible, informed decisions about what needs to be built and where – and finding the right sites on which to do so.

Many of those sites are already part of the urban landscape.

Bristol was quick to sign up to the pilot scheme that we set up for a Brownfield Register.

As a result, another 248 sites have been identified right across this city.

And none of them require the loss of a single piece of greenfield land.

But whether in cities or the countryside, the key to unlocking new sites is infrastructure.

The right infrastructure can make private development viable.

It can make new communities places where people actually want to live.

And it can make development acceptable and attractive to existing communities.

Tomorrow, the National Infrastructure Commission will publish its report on the opportunities on offer if we open up the Cambridge-Milton Keynes-Oxford corridor.

I'm very much looking forward to what Lord Adonis has to say.

That's because infrastructure has to be at the heart of any major development. And as Secretary of State I will make sure make sure that it is.

Too many commentators seem to think we have to choose one solution and stick with it, whether that's planning reform, it's infrastructure, it's training or it's investment.

That couldn't be further from the truth.

There are many, many faults in our housing market, dating back many, many years.

If you only fix one, yes you'll make some progress, sure enough.

But this is a big problem and we have to think big.

We can't allow ourselves to be pulled into one silo or another, and I don't intend to let that happen.

So there is much that central government can do.

But, acting alone, we won't be able to do anything.

Fixing the broken market requires action on many fronts, and from many actors.

That's why we're here today.

I never need an excuse to come back to Bristol, the city where I grew up, my home town.

Being here this morning means I can visit my mum's in time for lunch!

She makes the best lamb samosas this side of Lahore!

But this city – and the site we're on today, Temple Meads Quarter – is also a great example of how different agencies and different groups of people can work together to deliver the homes we need.

When I was a kid, the Temple Meads area was a picture of decline – neglected, run-down, under-used.

The sorting office building had stood empty and increasingly derelict since 1997.

Today, the whole area is being reborn as a new urban hub, a modern and sustainable place to work, to learn, to play and to live.

Appropriately enough, the list of business tenants includes HAB, the innovative housing start-up co-founded by Kevin McCloud.

They're just down the road at Temple Studios.

We're building homes for businesses, so that businesses can build homes for us!

The transformation of Temple Meads has many parents, but at its core is a local authority that's pro-development and a government agency – the Homes and Communities Agency – that's willing to use all of the powers at its disposal.

Now you couple that with a Local Enterprise Partnership that's serious about building, a combined authority that's committed to delivering the right infrastructure, can-do attitude from the superb West of England Mayor Tim Bowles, and a private sector that's ready to meet the challenge... The results, they speak for themselves.

This kind of collaboration brings results, and I want to see these kind of results replicated right across the country.

And that means a huge range of different groups working together to tackle the many faces of the housing challenge.

For starters, I want the Homes and Communities Agency to be less cautious, to be more aggressive, and to be more muscular.

To take its foot off the brake and use all the tools we've created for it.

The agency is taking that approach here at Temple Meads, and the results are clear for us to see.

Now it's time to repeat that success right across the country.

The private sector developers must also play their part, building more homes more quickly.

They're great at securing planning permissions – but people can't live in planning permissions.

The government is actively removing barriers to build-out.

As the white paper said, we're tackling unnecessary delays caused by planning conditions.

We're making the process of dealing with protected species less painful.

And we're committed to tackling the skills shortage and boosting the construction workforce.

We're giving the industry the support that it needs, and I expect the industry to respond by getting shovels in the ground.

That's why the white paper also set out plans to increase transparency and accountability, so everyone can see if a developer is dragging its feet.

Now, I've been very clear about the need for an end to unjustifiable land banking.

But the sector should remember that it's not just government that wants to see this happen.

It's a time of national shortage, and in this kind of time British people will not look kindly on anyone who hoards land and speculates on its value, rather than freeing it up for the homes our children and grandchildren need.

Then there are the housing associations.

I've talked before about my admiration for the work they do.

They kept on building throughout the recession.

They're on course to deliver 65,000 new homes a year by next year.

And many of those homes will go to be people who would otherwise be simply unable to afford them.

Housing associations are run like big businesses – after all, they have assets worth about £140 billion.

But they deliver an incredible social good, providing good quality homes for millions of people right across the country.

They have such an important role to play in getting homes built, which is why this government has not hesitated to give them the resources they need to succeed.

Just in the past month or so we've given them certainty over rental income and increased by £2 billion the fund from which they can bid for cash to build homes for social rent.

And today, as I said at the start of this speech, we're reclassifying housing associations, taking them out of the public sector and off the government's balance sheet.

I know it sounds like a piece of bureaucratic box-ticking.

But the results will be far-reaching.

Freed from the distractions of the public sector, housing associations will be able to concentrate on developing innovative ways of doing their business, which is what matters most: building more homes.

Finally there is the most important cog in the housing and planning machine, local government.

Some councils – most in fact – are doing very well.

Where that's the case, where councils are showing real drive and ambition, the government will back them every step of the way, including with the kind of housing deal we're negotiating here in the West of England.

And in the areas where supply and demand are most badly mismatched, where most homes are unaffordable to most people, I want to give local authorities the tools they need to build more – and that includes financial help.

I want to help local authorities because most of them deserve that help.

They're recognising their responsibilities and they're stepping up to meet them.

But too many still leave much to be desired.

It's more than 13 years since our existing local plan process was first introduced, letting England's 338 planning authorities set out how and where they expect to meet their residents' needs for new homes.

Yet, incredibly, more than 70 still haven't managed to get a plan adopted.

Of these, 15 are showing particular cause for concern.

Deadlines have been missed, promises have been broken, progress has been unacceptably slow.

No plan means no certainty for local people.

It means piecemeal speculative development with no strategic direction, building on sites simply because they are there rather than because homes are needed on them.

It means no coherent effort to invest in infrastructure.

It means developers building the homes they want to sell rather than the homes communities actually need.

And so on.

It's very simple: unplanned development will not fix our broken housing market.

It will most likely make things worse.

I do believe in localism above all else, which is why I've been willing to tolerate those who took their time to get the process moving.

What mattered most was that they got there in the end.

But today is the day that my patience has run out.

Those 15 authorities have left me with no choice but to start the formal process of intervention that we set out in the white paper.

By failing to plan, they have failed the people they are meant to serve.

The people of this country who are crying out for good quality, well-planned housing in the right places, supported by the right infrastructure.

They deserve better, and by stepping in now I'm doing all I can to ensure that they receive it.

To the other authorities who are lagging behind, don't think for one minute that you've got away with it.

That you can ignore agreed deadlines or refuse to co-operate with your neighbours.

Get your plan written.

Get your plan adopted.

I've shown today that I will take action if this doesn't happen.

I will not hesitate to do so again.

I've talked a lot today about housing supply.

After all, building more is the single biggest challenge that we face.

But this government's housing policy goes way beyond that.

Our homes and our lives are completely intertwined, which is why we're determined to make the housing market work better at every stage of your life.

We're building more houses so that you don't have to spend your childhood crammed into the kind of overcrowded accommodation I grew up in.

We're making the rental market fairer, more transparent and more affordable, so that when the time is right and you can leave home you can get a place of your own without being ripped off.

We're introducing longer tenancies, so you can plan ahead, put down roots, and you can start saving for that deposit.

We're creating a supply of affordable, appropriate homes for first-time buyers so that, when you're ready, you can get a foot on the housing ladder in the same way your parents did.

And we're helping you take the step up to buy your own home by putting billions of pounds into schemes like Help to Buy.

We're tackling rogue managing agents who hit leaseholders and tenants with unfair charges.

And we've launched a crackdown on abuse of leasehold so that desperate young buyers don't get stuck with a costly, unsellable asset.

We're reforming the whole process of buying and selling homes, so that as your family grows and your needs change you can move up the property ladder with the minimum of stress and expense.

We're making sure that developers offer a proper supply of suitable smaller homes so that you downsize once you get older.

And we're encouraging the construction of more sheltered and supported housing, so that the right kind of homes are there for you in your old age.

Faced with the crisis of the Second World War, Churchill demanded "action this day" so the country could rise to the challenge.

And, faced with an unprecedented housing crisis, that's what you're going to get from this government.

Real action, day after day, week after week, to give this country a housing market that works for everyone.

In next week's Budget you'll see just how seriously we take this challenge, just how hard we're willing to fight to get Britain building.

But, as I've said, central government can only do so much.

If we're going to fix our broken housing market, if we're going to repair the damage that's being done to our society and communities, if we're going to make good on our promise to the next generation then, just like in Churchill's day, we all have a role to play.

We all have to roll up our sleeves and get to work.

Most important of all, we all have to ask ourselves what kind of country we want this to be.

Do we want this to be a nation where people who work hard can afford a place of their own?

Where strong families are raised in stable, close-knit communities?

Where ordinary working people can save for retirement and pass something on to their children?

I know I do.

That's why I'm totally committed to building more of the right homes in the right places at the right prices.

So is the Prime Minister.

So is the Chancellor.

So is this government.

It's a national crisis and it's one we're ready to meet.

The question is, are you ready to join us?

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