OUR MANIFESTO FOR 2015 & BEYOND
ABOUT ONE HOUSING

One Housing helps people to ‘live better’ by providing high quality homes and care. We manage over 15,000 homes across 27 London boroughs and surrounding counties and care for over 11,500 people to help them live independently.

We’re a ‘not-for-profit’ that loves to make a profit. We build and sell new homes on the open market or rent them out commercially to raise money for more affordable homes and for services for our customers. In the last three years we have delivered more than 1,500 new affordable homes and we plan to build a further 3,600 by 2019 to help meet the housing shortage. We offer a wide range of housing options including homes for affordable rent, shared ownership, private rent and private sale.

We work hard to make a positive difference to our residents’ lives by promoting aspiration, independence and well-being through range of training and support services.
AN AFFORDABLE HOME FOR ALL: HOW WE CAN HELP

For a generation and more, housing, either to buy or to rent, has become ever more unaffordable. Home ownership is declining, rents are increasing and, in a private rented sector which now houses more people than social housing, insecure, short term tenancies predominate. Social housing is in such short supply that only those in extreme need qualify.

Over the last 30 years there has been no political consensus about the solution to our housing crisis. But now there is cross-party agreement on one key issue; we have not been building enough and we need to be building at least 250,000 new homes a year if only to prevent the crisis deepening. Yet the last time over 250,000 new homes were built was in the 1970’s, in an era of mass council house building. Even in the boom years as house prices rose strongly, supply remained static. More recently, as house builders’ profits have soared, we have seen little increase in production. Why? House builders concentrate on their margin, not volume.

This is where housing associations can help. Across the country, we own and manage 2.5m homes, everything from specialist accommodation for the elderly to large scale regeneration projects. We range from a few hundred homes, to over 70,000; from locally-based to national. We are social enterprises; we don’t distribute profits, we re-invest in local communities to build more homes or fund employment and training initiatives.

Before 2010 we used government grants, matched with corporate debt, to build affordable homes. Those grants have been radically reduced. But rather than do nothing, many housing associations have continued to build; replacing government grant by raising funds from market sale or market rent housing. Building new homes is what we are all about, not chasing margin. Building homes is in our DNA, and doing it for the long term, supporting vibrant sustainable local communities.

So if there is a consensus that as a country we need 250,000 new homes a year, how can housing associations help?

Here are five ideas;

1. Cut red tape

Give housing associations the freedom to use their balance sheets to build new homes for sale and use the profits to build more affordable homes. At the moment we can’t. The regulator, the Homes and Communities Agency, forbids it. Housing associations have the capacity and the skills to build more homes for sale. We will build for local need, not investor need, and the profits will be used to build more affordable homes, for part ownership or affordable rent. The regulator also controls the rents we charge, and who we house. Give us the freedom to decide locally who we house and at what rents, and we will build sustainable new communities.
2. Retirement housing

Incentivise the building of more retirement housing and downsizing. Downsizers own £750bn of equity; the over 65’s own 40% of all UK housing equity, the under 35’s 5%. There are 8m under-occupied homes in the UK. The building of good quality retirement housing, offering a range of domiciliary and care options, would provide an option for the under-occupiers to downsize, releasing much needed family size homes onto the market. Housing associations could be encouraged to build more retirement housing by designating them as C2 use class (residential institutions), thereby removing the requirement to comply with Section 106 of the Town and Country Planning Act 1990 ($106) by providing an affordable housing component. This will level-up the playing field between more costly retirement housing and other land uses. Retirement housing could also be exempted from the Community Infrastructure Levy (CIL) – an extra cost facing developers to support local and strategic infrastructure. For downsizers themselves, buying a retirement home could be exempted from stamp duty.

3. Smarter use of public land

There have been many calls, over past decades, to release public land for housing. Yet for the public sector, in an age of austerity, selling land at best value is seen as a cash generator to fund their core activities. So the release of, for example, NHS land, needs to be at market value to help NHS budgets. One Housing has devised a way for the NHS to get a market price and save about £6bn. NHS land would be released to housing associations at market value. It would be developed for retirement and/or extra care housing, or supported accommodation for the severely mentally ill, and financed by the profits from developing housing for sale on part of the released land. This is where the NHS saves £6bn; reducing bed blocking and being able to close acute mental health wards. There are proven examples built already. They are set out in the Smith Institute’s report at http://bit.ly/1Arweso

4. Free-up land for housing

Currently 90% of us live in just 9% of England’s land area. Inner city densities go ever higher; we are building the smallest homes in Europe, and the shortage of land for housing drives up the cost of homes. London needs 40,000 homes a year for the next 20 years, a total of 800,000 homes. London has 4,000 hectares of brownfield land, enough for only 120,000 homes. The 33 London boroughs cover 158,000 hectares, yet the surrounding greenbelt covers 479,500 hectares. So a planning policy, unchanged since the 1940’s, is choking London’s growth. We need a modern approach to land use which addresses the needs of today. This is not about concreting over ancient forests and Constable countryside. Within the M25 there are 110,000 hectares of greenbelt land, some of which is wasteland, scrap yards and golf courses. Developing just one fifth of these 110,000 hectares would be enough for one million new homes. We could make a start by building around the 11 London Underground stations which are within the greenbelt. This would provide 8,000 new homes well connected to London’s transport network.
5. DevoMax for London

London’s prosperity depends on economic growth. Employers now say the greatest risk to growth is the cost of housing. A Londoner’s median gross weekly earnings in 2013 were £34,216. Many who work in London’s hospitality and tourism industries earn much less, but are vital to London’s prosperity. The spiralling cost of housing has resulted in a 110% rise in housing benefit claims by working people since 2009. So more affordable housing, for rent and shared ownership, is needed for those at and below the median wage who are vital to London’s continuing prosperity, and who do not aspire to be housing benefit dependent. While housing associations can build more affordable homes cross-subsidised by building for sale, more needs to be done if we are to achieve a step change in housing supply. Let’s use Stamp Duty, the tax paid by everyone who buys a property, to invest in boosting housing supply. In London, Stamp Duty raises £1.3bn a year in taxation. This is three times more than the Mayor’s affordable homes programme. London’s property tax should be devolved to the Mayor of London to invest in boosting housing supply. It could be used to decontaminate brownfield sites, provide equity or development finance so housing associations could increase their output, or for land assembly, buying up greenbelt land at existing values for onward sale to housing associations to build new sustainable communities. Five million Scots are being offered DevoMax; let’s get Stamp Duty devolved so that eight million Londoners can benefit, and make the step change in housing supply a reality.

Every year the housing crisis has got worse. At its root is affordability, lack of new supply, and limited land availability. Recent governments have launched many initiatives to address the crisis, but with little impact. The housing crisis needs a long term strategy but this can only work if there is some cross party consensus. We hope these five ideas can be part of that consensus and that we can begin to see the housing crisis diminish not grow.

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